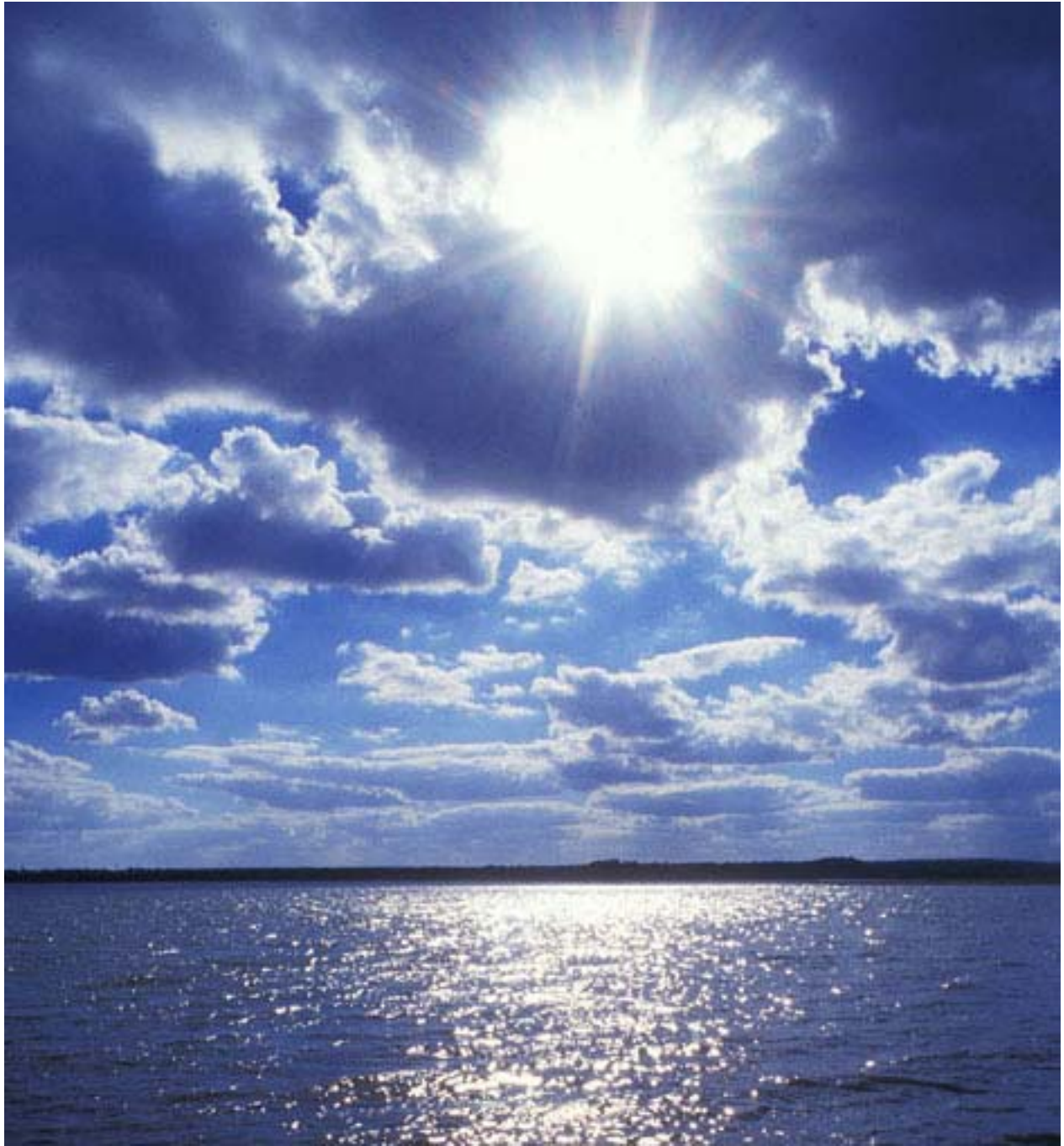


# TRAVIS COUNTY, TEXAS



*Lake Travis*

## **Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2004**

*Cover photo by Billy Moore, Lower Colorado River Authority*

**TRAVIS COUNTY,  
TEXAS**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2004**

**Prepared by the Travis County Auditor's Office**

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

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**TRAVIS COUNTY, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Fiscal Year Ended September 30, 2004**

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## Travis County, Texas Introductory Section



***Town Lake, located in the heart of Austin, is a favorite destination for kayaking and rowing.***

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TRAVIS COUNTY  
AUDITOR'S OFFICE

SUSAN A. SPATARO, CPA, CMA  
COUNTY AUDITOR



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February 4, 2005

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, 2004. This report is submitted in compliance with Texas Local Government Code §114.025.

Responsibility for Financial Statements

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

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

Accounting System and Internal Controls

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

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

### Independent Audit

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

### Reporting Standards

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

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

### Financial Statement Format

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

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

4. Statistical Information – Although this section contains substantial financial information, these tables differ from financial statements in that they present some nonaccounting data, cover more than the current fiscal year, focus more on fund financial statement data, and are designed to reflect social and economic data, financial trends and the fiscal capacity of the County.

## PROFILE OF TRAVIS COUNTY

### Geographic Information

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

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

The mild climate reflects the County's fortunate location. The mean temperature is 68.6 degrees, with the days almost evenly divided among clear, partly cloudy, and cloudy. The growing season averages 270 days long, with the last freeze of the winter coming in early March and the first of the next autumn coming normally around Thanksgiving. Average rainfall is 31.9 inches.

The 2004 population of Travis County is estimated to be 874,065, an increase of 17,138 people (2.0%) over the 2003 estimated population. The principal city in the County is Austin, the County Seat and the State Capital. The estimated 2004 population for Austin, including Full and Limited Purpose Areas, is 692,102 or 79.2% of the total for the County.

### Governmental Structure

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

*General Government* - This category includes budgets for the County Judge and County Commissioners, administrative, financial, and physical support for the County's "line" departments/offices, the Tax Office, Risk Management, the Hospital and Insurance Fund for County employees, the Agriculture Extension Service, 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, Criminal Courts, 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, and the Law Library.

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

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

*Health and Human Services* - Activities designed to provide healthcare related services to those in need and promote the conservation and improvement of public health are included in this category. The County provides public assistance (medical treatment, 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 Emergency Medical Services Department, which is comprised of StarFlight services and the Fire Marshall.

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

*Community and Economic Development* - Included in this category are activities for providing economic development in the County and cultural, recreational and educational activities for the benefit of County residents and visitors. Specifically, the County owns and operates the Travis County Exposition Center, and in conjunction with the State of Texas, operates the Travis County Historical Commission. In addition, the County operates 37 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.

#### Component Units

In accordance with GASB Statement No. 14, as amended by GASB Statement No. 39, the financial reporting entity consists of the primary government, Travis County, and those organizations, component units, for which the County is financially accountable, that hold significant resources for the direct benefit of the County, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. GASB Statement No. 14 also 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 primary government's financial statements using the blending method. Therefore, included in this report as a part of the primary government are the following blended component units: Northwest Travis County Road District No. 3, Southwest Travis County Road District No. 1, the Capital Health Facilities Development Corporation, the Travis County Housing Finance Corporation, the Travis County Health Facilities Development Corporation, the Capital Industrial Development Corporation, the Travis County Development Authority, and the Travis County Cultural Education Facilities Finance Corporation. For more information, refer to Note 1 of the basic financial statements.

*The Road Districts* - Northwest Travis County Road District No. 3 contains approximately 242 acres. The 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. The Road Districts act as an agent for property owners in collecting assessments, forwarding collections to the bondholders, and initiating foreclosure proceedings, if appropriate. The bonded debt of the 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 Districts.

*The Corporations* - Various corporations 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.

#### 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 funds, and the General Purpose Debt Service Fund are included in the appropriated budget. The budget is prepared by fund, office/department and object/sub-object. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is set by state statute and is at the office/department level. Appropriation transfers within departments may be authorized by the Planning and Budget Office and subsequently placed on the Commissioners' Court consent agenda. Transfers between departments, however, require prior approval of the Commissioners' Court.

The County maintains an encumbrance accounting system as a method to accomplish budgetary control. The County Auditor monitors expenditures of the various offices/ departments to prevent expenditures from exceeding budgeted appropriations and sends a monthly budget report to the Commissioners' Court. The County Auditor also monitors the revenues received for budget compliance. Purchase orders and contracts are not valid until the County Auditor certifies that money is available to make payment. During fiscal year 2004 there was no fund for which the expenditures exceeded budgeted appropriations.

Year-end encumbrances are rolled into the following year's adopted budget. For all budgeted funds, appropriations that are not encumbered lapse at the end of the fiscal year. Budget to actual comparison schedules are provided in this report for all governmental funds for which the appropriated annual budget has been adopted. The General Fund and Road and Bridge Fund schedules are in the Required Supplementary Information section, while all other budgetary comparison schedules are included in the Other Supplementary Information section.

## ECONOMIC CONDITION AND OUTLOOK

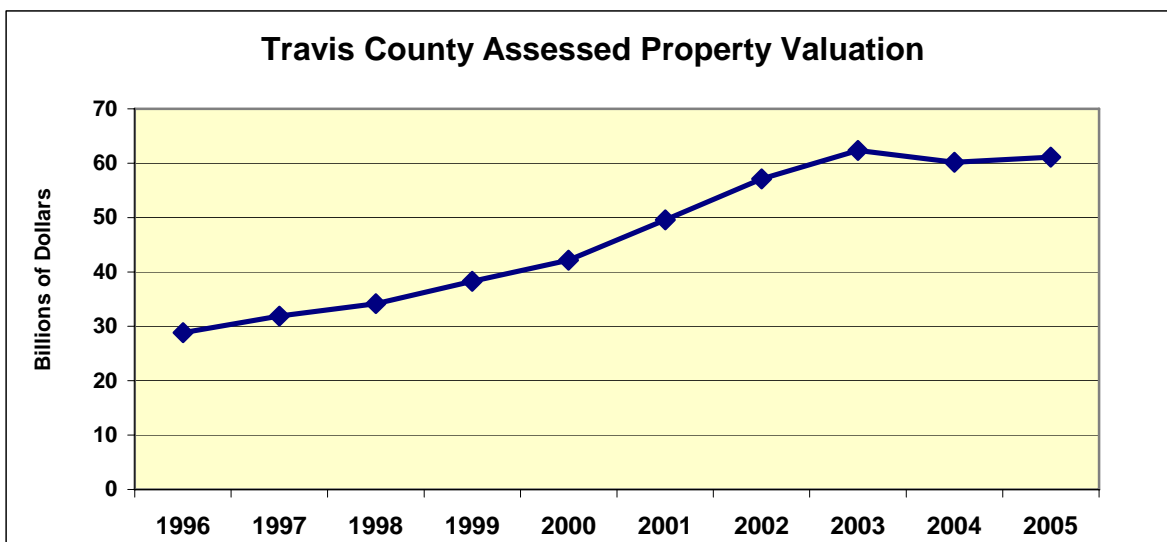
### Local Economy

Once known solely for its educational and governmental sectors, Travis County is now recognized as “Silicon Hills”, as high-tech firms have made the County home. In 2004, the *Miliken Institute* listed Austin-San Marcos as #12 on its Biotech Index, a listing of metropolitan areas that rank the highest in terms of innovation and success in bringing biotechnology to the marketplace. Also, five Austin-area companies made *Red Herring Magazine*’s list of the 100 most promising private high-tech firms.

Despite its high-tech status, Travis County still benefits from the government/education/tourism base that drives so much of the local economy. Having the nation’s second largest university campus in Austin provides stable employment for many Travis County citizens and offers a steady stream of bright, young minds for the economy: Austin ranked first in the 2004 *Visa Innovation Index* for Entrepreneurship. Austin’s famous entertainment industry remains vibrant. 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 Sixth Street. Also, Travis County is seen increasingly as an excellent place to make films. *MovieMaker Magazine* listed Austin as #1 among its top 10 “moviemaking havens” for 2004. This is not the Travis County economy of a generation ago.

Travis County is also just a nice place to reside: *Hispanic Magazine* once again listed Austin as the best city for Hispanics to live, and *Men’s Journal* ranked Austin as #5 among its 50 best places to live.

The economy continued to slowly recover in fiscal year 2004. Employment for the County rose 8,666 (1.8%) during the year, to a September total of 481,932; and the County’s unemployment rate fell from 5.9% at the end of fiscal year 2003 to 4.4% one year later. Sales tax receipts for the City of Austin for the first 11 months of calendar year 2004 totaled \$103.7 million; this figure compares to \$96.7 million for the same period in 2003. This particular revenue had decreased in 2001, 2002 and 2003 but rebounded in 2004 as the local economy improved. The upturn in the economy is reflected in the assessed property valuation (AV) used in the budget process. The AV had grown nicely for several years, but fell off for fiscal year 2004. (The 2004 budget AV reflected property on the tax rolls as of January 1, 2003.) By the time of budget preparation for fiscal year 2005, the AV had begun to rise again.



Gross retail sales have also shown a rebound. For the first two quarters of fiscal year 2004, sales reached \$6.8 billion, a 10.1% increase over the same period in 2003. This total for the first six months of the fiscal year exceeds even the \$6.5 billion for the first two quarters of 2001.



Housing sales have remained strong, with 2004 being the third consecutive calendar year in which the number of units sold will show an increase. County-issued site development permits in fiscal year 2004 for building in the rural parts of Travis County increased 22.6% over the previous year.

Even during the recent downturn, Travis County has maintained its reserve ratio. It is the practice of the 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 \$.4918, an increase of \$.0258 from fiscal year 2003, to provide funds for general operations and debt service for fiscal year 2004.

Budget initiatives included:

- New staff needed for the opening of two new parks.
- Increased appropriations to provide attorneys to represent indigent clients.
- More property tax funds for the Balcones Canyonlands Conservation Plan to buy additional habitat land.
- Increased funding for visiting Judges for the Civil and Criminal Courts.
- Full-year's funding for the new Combined Transportation, Emergency and Communications Center and the associated radio system.
- Increased funding for the Community Supervision and Corrections Department financial system and for County Clerk's Office support for the Integrated Justice System.

The Commissioners' Court authorized three issuances of new debt in FY 2004:

Bonds:

Unlimited Tax Road Bonds (for local roads, drainage, bridges and pedestrian access)	\$ 7,830,000
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Permanent Improvement Bonds (for parks projects)	\$ 4,090,000
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Certificates of Obligation (budgeted): \$ 1,800,000

West Rural Community Center equipment	115,550
Facility repairs and building projects	348,036
Emergency services subscriber equipment	1,300,000
Issuance costs	36,414

Long-Term Financial Planning

Travis County chose to allow fund balances to grow during the thriving economic times that marked the century's beginning, knowing that there were signs of a downturn on the horizon. These accumulated resources have allowed the County to avoid massive disruptions in services in the last few years. It has been the Commissioners' Court's long-standing intention to maintain a sound financial footing, preserve the 11% General/Debt Service fund reserve ratio, and maintain the County's AAA bond rating.

In order to ensure that the fiscal year 2005 budget kept these goals in focus, the Commissioners' Court established "Financial and Budgeting Guidelines" in February 2004. These Guidelines called for offices and departments to look internally for resources to fund new programs, to search for any untapped non-property tax revenue, and to refrain from relying on relief from increased property taxes. In addition, this directive stressed the County's continuing intent to use one-time revenue for one-time costs only. All this was done in a local economy in which the burden of property taxes has been shifting from commercial property to the residential sector, with all the limitation that this reality entails, and the high-tech economy has not yet rebounded.

Revenues and available balances and budgeted expenditures for fiscal year 2005 are summarized as follows:

	General Fund	Debt Service Fund	Other Funds
Revenues and available balances	\$ 336,887,005	\$ 68,730,293	\$ 99,307,149
Budgeted expenditures	297,500,359	62,475,976	79,958,738
Ending fund balance	<u>\$ 39,386,646</u>	<u>\$ 6,254,317</u>	<u>\$ 19,348,411</u>

Not included in these numbers is the beginning fund balance for capital projects funds. During the fiscal year 2005 budget process, an attempt was made to estimate and budget the ending fund balances and any new requirements for all capital projects funds. At the end of fiscal year 2004,

actual fund balances were carried over into the new year, and the Planning and Budget Office included a not-to-exceed number of \$65 million in its recapitulation of the fiscal year 2005 budget.

It should be noted that fiscal year 2005 General Fund revenues reflect a reduction in the tax rate of \$.0144 (\$8,695,117) of the Maintenance & Operations portion of the property tax rate related to indigent healthcare expenditures, which are now the responsibility of the newly created Travis County Hospital District. The District was created upon voter approval in May 2004 and became operational effective October 1, 2004. The indigent healthcare expenditures became the responsibility of the District and are not included in budgeted expenditures of the County in fiscal year 2005.

Included in these figures is \$10,543,607 in transfers among the funds, of which \$359,655 is a transfer into the General Fund from non-budgetary funds and \$1,728,231 is a transfer out of the General Fund to the Travis County Hospital District to create part of the beginning balance for the District's budget. The County has pledged a total of \$2.5 million, and will pay the remainder in fiscal year 2005 if the funding becomes available. Included in other funds' budgeted expenditures (including transfers out) are \$23,096,057 in the Road and Bridge Fund and \$56,862,681 in various other funds.

In addition, a portion of the ending fund balances is budgeted as allocated reserves, meaning that expenditure of these funds is possible: \$4,629,342 in the General Fund and \$12,639,875 in other funds.

For fiscal year 2005 the assessed property valuation figure for taxable property available at the time of budget approval was \$61,111,960,289 or 1.5% more than the value certified available for the fiscal year 2004 budget process.

## **RELEVANT FINANCIAL POLICIES**

### Long-Term Debt

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

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

### Debt Policy

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

#### *General Approach to Debt:*

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

- Travis County will ensure that necessary services are provided in this community in a timely and sufficient manner using current revenues.

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

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

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

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

*Process to Determine Needs:*

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

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

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

*Debt Policies:*

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

Those guideline ratios include:

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

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

	Debt Policy Guidelines	September 30, 2004	September 30, 2003
Debt service reserve percentage of total general purpose debt service requirements	10% or >	10.60%	17.59%
Net general purpose bonded debt to assessed valuation	1.0% - 1.5%	0.62%	0.62%
Net general purpose bonded debt per capita	\$500 or <	\$510.30	\$549.03
General purpose debt service expenditure to total general fund plus general purpose debt service expenditures (within ten years)	20% or <	19.07%	19.88%
Short-term debt service expenditures to total general purpose debt service expenditures	25% or <	19.99%	28.42%
Short-term debt service expenditures to total general fund expenditures	5% or <	4.71%	7.05%

Note: Excludes blended component units  
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 & judgements, special termination benefits, and landfill closure & postclosure care obligations. According to GASB, the intent of GASB I-6 was to develop an internally consistent interpretation of existing modified accrual standards that could be consistently and comparably applied, rather than to increase or decrease accruals, as such, in the governmental fund financial statements (GASB I-6, App B par 35). The impact, as we see it, is an overstatement of fund balance and an understatement of governmental fund liabilities. We believe this interpretation will result in the citizenry, investors, and creditors of the governmental entity not being able to ascertain from the governmental fund financial statements whether the government has been fiscally responsible in ensuring funds have been set aside for incurred liabilities that are expected to be liquidated with current expendable resources. In addition, users of the governmental fund financial statements that conduct analyses using conventional financial solvency measures such as the current ratio and acid-test ratio, which are indicators of the ability of an entity to meet current maturing obligations, could draw misleading conclusions since not all incurred expenditures that are expected to be liquidated with current expendable resources are reported as liabilities.

For the readers of Travis County's fiscal year 2004 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, 2003. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgments

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

Respectfully submitted,

Susan A. Spataro, CPA, CMA  
County Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Travis County,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2003

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.



*Nancy L. Zielle*

President

*Jeffrey R. Emer*

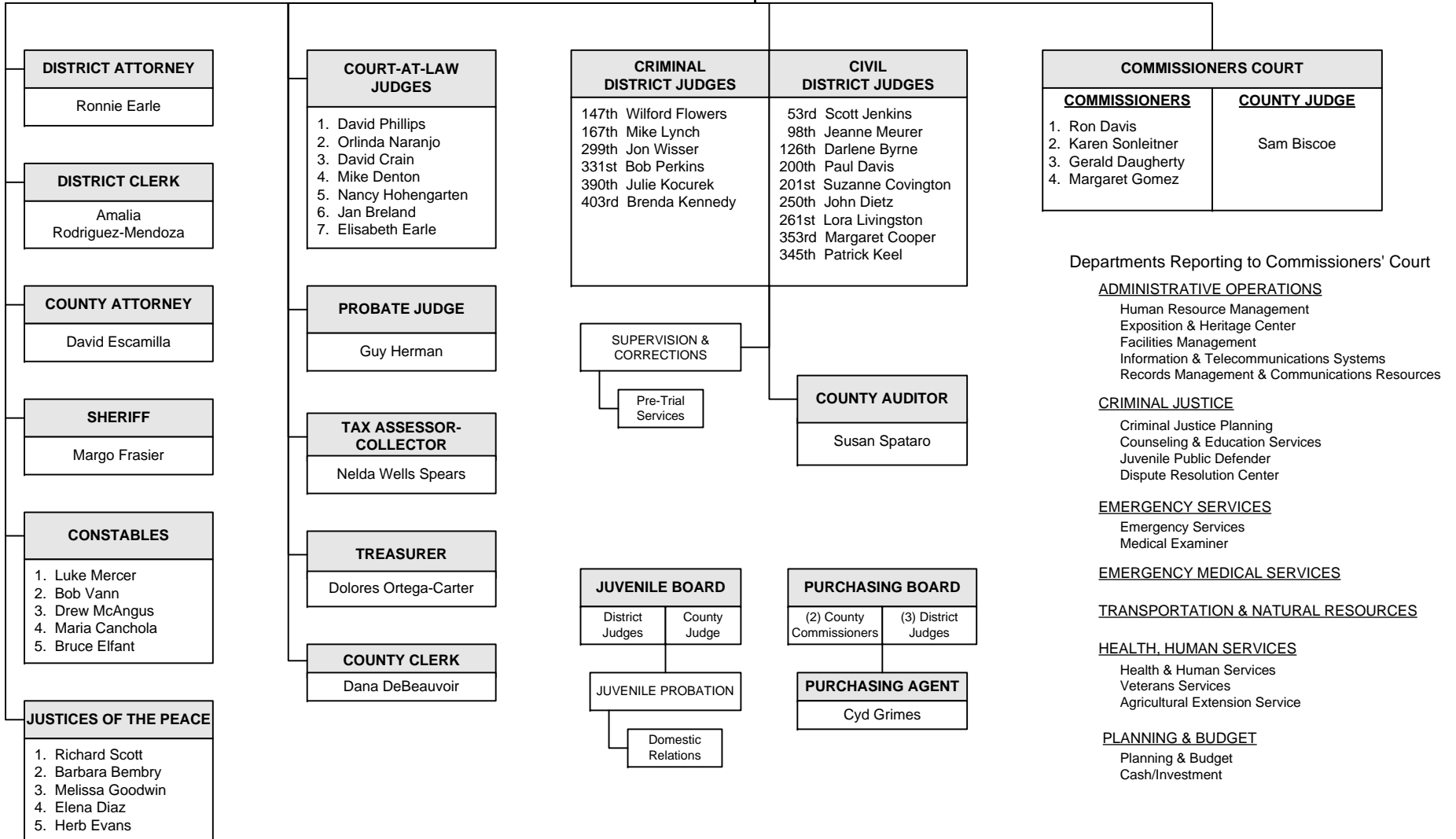
Executive Director



# TRAVIS COUNTY Organization Chart

## TRAVIS COUNTY VOTERS

Intro - 15



Departments Reporting to Commissioners' Court

ADMINISTRATIVE OPERATIONS

- Human Resource Management
- Exposition & Heritage Center
- Facilities Management
- Information & Telecommunications Systems
- Records Management & Communications Resources

CRIMINAL JUSTICE

- Criminal Justice Planning
- Counseling & Education Services
- Juvenile Public Defender
- Dispute Resolution Center

EMERGENCY SERVICES

- Emergency Services
- Medical Examiner

EMERGENCY MEDICAL SERVICES

TRANSPORTATION & NATURAL RESOURCES

HEALTH, HUMAN SERVICES

- Health & Human Services
- Veterans Services
- Agricultural Extension Service

PLANNING & BUDGET

- Planning & Budget
- Cash/Investment

Independently Elected/Appointed Officials with statutory duties

TRAVIS COUNTY, TEXAS  
PRINCIPAL OFFICIALS  
September 30, 2004

GOVERNING BODY

Samuel T. Biscoe, County Judge

Ron Davis, Commissioner, Precinct 1

Karen Sonleitner, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gomez, Commissioner, Precinct 4

OTHER PRINCIPAL OFFICIALS

Nelda Wells Spears, Collector of Taxes

Susan A. Spataro, County Auditor, CPA, CMA

David Escamilla, County Attorney

Ronald Earle, District Attorney

Margo Frasier, County Sheriff

Dolores Ortega-Carter, County Treasurer

Amalia Rodriguez-Mendoza, District Clerk

Dana DeBeauvoir, County Clerk

**Travis County, Texas  
Financial Section**



*Photo by Billy Moore, LCRA*

***Windy Point on Lake Travis is an oasis for camping,  
picnicking and beautiful sunsets.***

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## INDEPENDENT AUDITORS' REPORT

The Honorable County Judge and Commissioners' Court  
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, 2004, 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 financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and aggregate remaining fund information of the County as of September 30, 2004; the results of its operations; and cash flows of its proprietary fund for the year then ended in conformity with accounting standards generally accepted in the United States of America.

Management's Discussion and Analysis and the budgetary comparison information, as listed in the table of contents, are not required parts of the basic financial statements, but constitute supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of 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 basic financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. These financial statements and schedules are the responsibility of management of the County. Such additional information has been subjected to the auditing procedures applied in our audit of basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Deloitte + Touche LLP*

February 4, 2005

# TRAVIS COUNTY, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following is a narrative overview and analysis of the financial activities of Travis County (County) for the fiscal year ended September 30, 2004. 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 \$704.2 million (reported as net assets), an increase of \$23.0 million or 3.4 percent from the prior year. Of the total net assets amount, \$698.2 million is invested in capital assets net of related debt, a negative balance of \$22.6 million is unrestricted, and \$28.6 million is restricted for specific future uses. The deficit in unrestricted net assets is the 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.

#### Fund Financial Statements:

- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$183.3 million, a decrease of \$8.4 million from the previous year. Approximately 78.4 percent of ending fund balances is unreserved and may be used to meet ongoing obligations to citizens and creditors. This is an increase of 3.7 percent from the prior year.
- The fund balance of the General Fund, one of the components of the governmental funds, was \$67.5 million at September 30, 2004, an \$8.7 million increase over last year. The unreserved portion of fund balance was \$59.5 million or 88.2 percent of total fund balance and 21.5 percent of total General Fund expenditures and other financing uses for fiscal year 2004.
- At September 30, 2004, net assets of the County's Internal Service Fund were \$13.9 million, an increase of \$7.3 million or 110.3 percent from the prior year.

#### Long-term Debt:

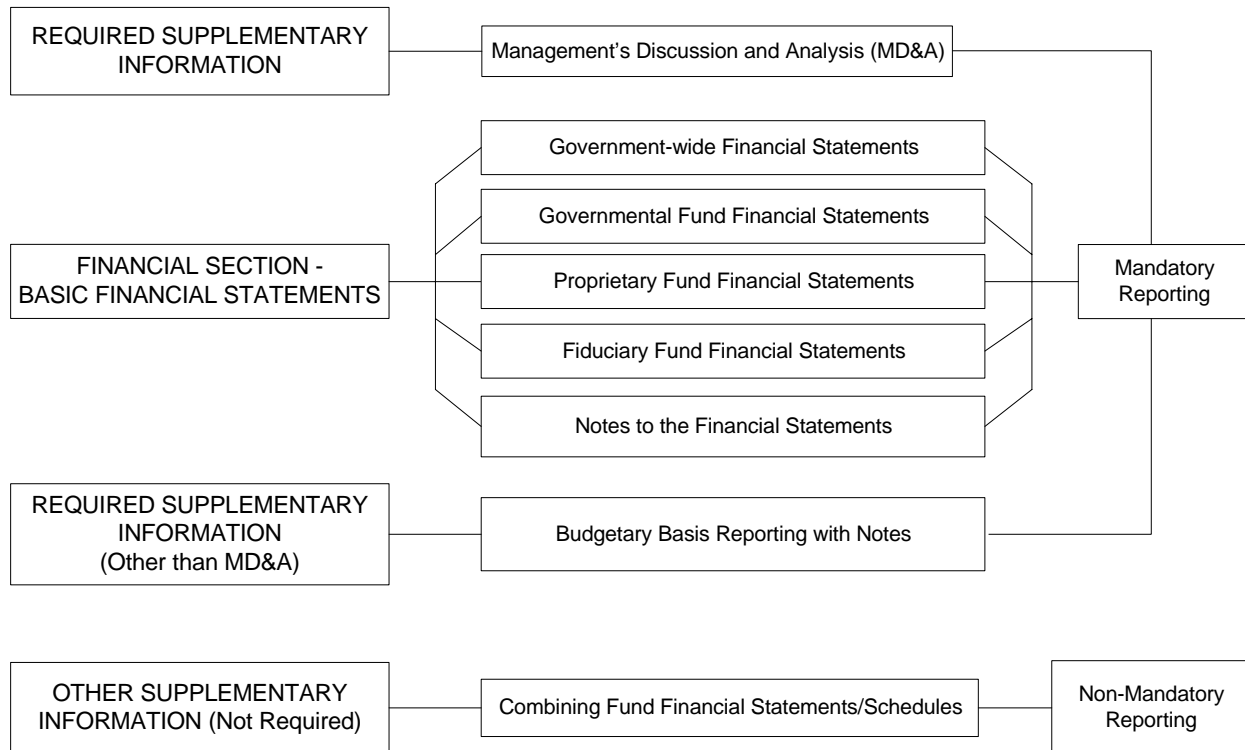
- The County's total bond and certificate debt decreased by \$27.3 million or 5.6 percent during the fiscal year reducing total debt outstanding to \$458.2 million, net of deferred amounts and premiums.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

The *Statement of Net Assets* (on page BFS-3) 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-4) 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.

### **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 48 individual governmental funds (including blended component units), of which seven are considered major funds and are discretely presented in the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances beginning on page BFS-6. The major funds are General, Road and Bridge, Grants, General Purpose Debt Service, Capital-General Obligation Bonds, Capital-Certificates of Obligation, and Capital-Road Bonds and Certificates of Obligation. The remaining less significant funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the Other Supplementary Information section of this report beginning on page OSI-6.

**Proprietary funds** – An *internal service fund*, a type of proprietary fund, reports activities that provide services to the County internally. The County is self-insured and uses an internal service fund to account for general, property and automobile liabilities, error and omissions claims and judgements, workers' compensation claims, and loss from theft and crime. The County's employee medical plan is also self-funded and accounted for in an internal service fund. Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary fund financial statements begin on page BFS-14.

**Fiduciary funds** – *Fiduciary funds* are used to account for resources held for the benefit of parties other than the County itself. Because the resources from these funds are held for the benefit of others and not available to support the County's own programs, fiduciary funds are *not* reflected in the government-wide financial statements. The County's fiduciary financial information is reported in a separate Statement of Fiduciary Assets and Liabilities on page BFS-17.

not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets in the amount of \$28.6 million represent County resources that are subject to external restrictions, constitutional provisions, or enabling legislation regarding how they may be used. The deficit in unrestricted net assets is the result of several payments made to the State of Texas for right-of-way land purchased for joint road projects for which the County reports the debt, but does not report the asset.

The individual components of net assets are analyzed below:

Travis County, Texas Components of Net Assets September 30, 2004 With Comparative Totals For September 30, 2003		
	2004	2003
<i>Net Assets Invested in Capital Assets, net of related debt</i>		
Some County-owned assets have depreciable lives for financial reporting that are different from the period over which the related debt principal is being repaid. In addition, many assets may not have been funded with debt, or may be fully paid and have a net undepreciated balance.	<u>\$ 698,238,526</u>	<u>\$ 687,132,617</u>
<i>Restricted Net Assets</i>		
Funds legally restricted in the Permanent School Fund	2,169,124	2,113,717
Fees and fines restricted by statute for roads and bridges	4,845,889	3,892,658
Funds legally restricted to finance specific activities	12,161,473	11,003,880
Funds of blended component units legally restricted for specific corporate activities	634,605	561,138
Funds legally restricted for capital projects	2,333,265	1,332,844
Funds restricted for grants	6,499,960	4,971,377
Total Restricted Net Assets	<u>28,644,316</u>	<u>23,875,614</u>
<i>Unrestricted Net Assets</i>		
The County issued debt for the purpose of purchasing right-of-way land for joint road projects with the State of Texas. The State maintains the property; therefore, the capital asset is not recorded on the County's books. This is the debt outstanding for these non-County owned assets at year end.	(110,007,156)	(103,765,000)
All other unrestricted non-capital assets exceed the total of the County's other liabilities by	87,372,289	74,029,651
Total Unrestricted Net Assets (deficit)	<u>(22,634,867)</u>	<u>(29,735,349)</u>
Total Net Assets	<u>\$ 704,247,975</u>	<u>\$ 681,272,882</u>

As shown in the schedule above, the County's total net assets increased from \$681.3 million to \$704.2 million or 3.4% over the course of this fiscal year's operations. This increase was mainly the result of revenue received from asset donations and land grants.

## 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 the non-major governmental funds, internal service funds, and fiduciary funds. Also included is a budget report for the General Fund at the legal level of budgetary control. Other supplementary information begins on page OSI-6 of this report.

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

The County is providing condensed financial information for fiscal year 2004 with comparative information for fiscal year 2003. The following schedule was derived from the Statement of Net Assets on page BFS-3 of this report and focuses on the net assets of the County.

Travis County, Texas  
Net Assets  
September 30, 2004  
With Comparative Totals For September 30, 2003

	Governmental Activities	
	2004	2003
Current and other assets	\$ 270,497,787	\$ 279,921,131
Capital assets, net of depreciation	971,345,784	978,045,597
Total assets	<u>1,241,843,571</u>	<u>1,257,966,728</u>
Current liabilities	40,197,772	49,431,531
Non-current liabilities	497,397,824	527,262,315
Total liabilities	<u>537,595,596</u>	<u>576,693,846</u>
Net Assets:		
Invested in capital assets, net of related debt	698,238,526	687,132,617
Restricted	28,644,316	23,875,614
Unrestricted (deficit)	(22,634,867)	(29,735,349)
Total net assets	<u>\$ 704,247,975</u>	<u>\$ 681,272,882</u>

Travis County's assets exceeded liabilities by \$704.2 million at September 30, 2004. The largest portion of the County's net assets in the amount of \$698.2 million reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are

The difference between the total fund balance amount in the governmental fund Balance Sheet (fund financial statements) and total net assets in the Statement of Net Assets (government-wide) is \$520.9 million. This variance exists because of several items that are presented in the government-wide financial statements that are not presented in the fund financial statements, including capital assets in the amount of \$971.3 million, certain long-term assets in the amount of \$12.3 million, net assets of \$13.9 million in the Internal Service Fund, change in current liabilities of \$0.1 million, and long-term liabilities of (\$476.7) million. A detailed reconciliation can be found in Note 3 of the Notes to the Financial Statements section of this report.

The following condensed financial information was derived from the government-wide Statement of Activities on page BFS-4 of this report and reflects how the County's net assets changed during the fiscal year. For comparative purposes, certain fiscal year 2003 expenses have been reclassified to conform to the current year's presentation.

Travis County, Texas  
Statement of Activities  
For The Year Ended September 30, 2004  
With Comparative Totals For The Year Ended September 30, 2003

	Governmental Activities	
	2004	2003
Revenues:		
Program revenues:		
Fees, fines and charges for services	\$ 72,881,066	\$ 68,990,020
Operating grants, contributions, shared revenues, and entitlements	24,161,047	25,722,118
Capital grants, contributions and donated assets	29,773,925	21,173,020
General revenues:		
Property taxes, ad valorem	296,050,880	289,545,907
Taxes, other	4,376,878	4,068,052
Grants and contributions not restricted to specific programs	2,130,837	1,778,784
Investment earnings	4,669,265	4,990,529
Insurance premiums - employee	5,547,940	4,142,736
Miscellaneous	4,161,627	4,089,495
Total revenues	<u>443,753,465</u>	<u>424,500,661</u>
Expenses:		
General government *	77,881,031	75,800,673
Justice system	78,445,879	80,832,680
Public safety	38,719,649	37,934,509
Corrections and rehabilitation	80,464,846	83,092,671
Health and human services	39,343,976	38,286,362
Infrastructure and environmental services	77,209,480	64,712,177
Community and economic development	5,992,029	5,657,458
Interest on long-term debt	22,721,482	25,358,230
Total expenses	<u>420,778,372</u>	<u>411,674,760</u>
Change in net assets	22,975,093	12,825,901
Net assets--beginning of year	<u>681,272,882</u>	<u>668,446,981</u>
Net assets--end of year	<u>\$ 704,247,975</u>	<u>\$ 681,272,882</u>

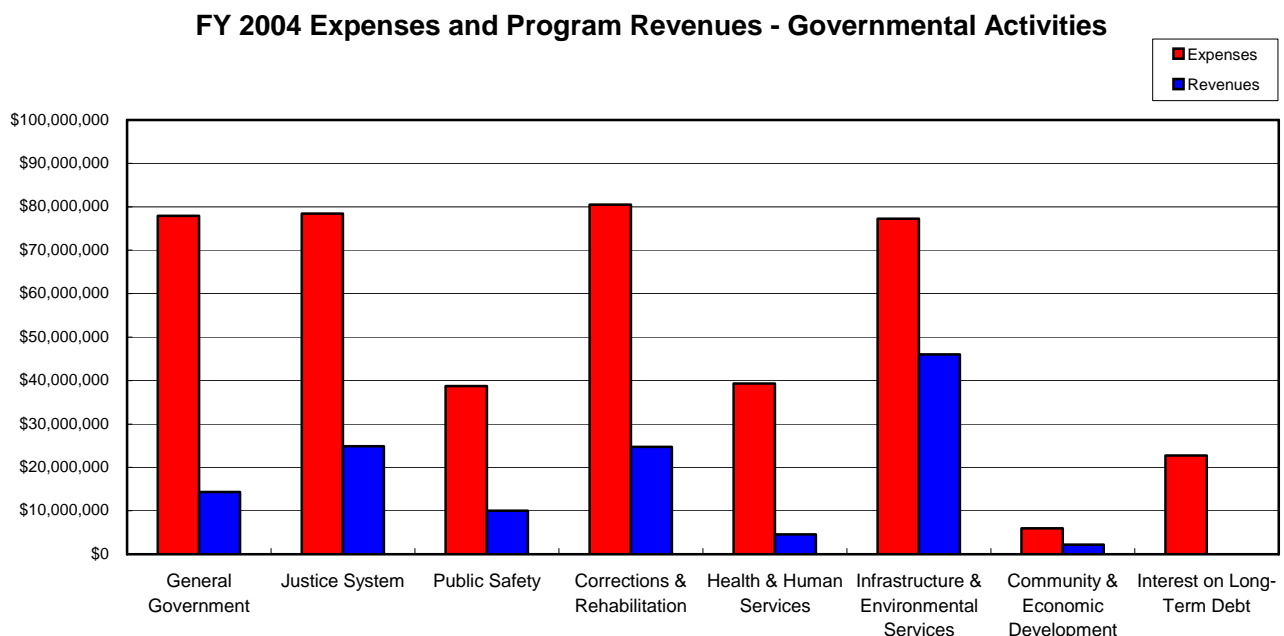
\* Includes Internal Service-Self Insurance Fund expense of \$28,007,213 and \$29,224,266 for FY04 and FY03, respectively.

As a result of this year's operations, the net assets of governmental activities increased by \$23.0 million or 3.4 percent. This net assets increase is primarily the result of the following:

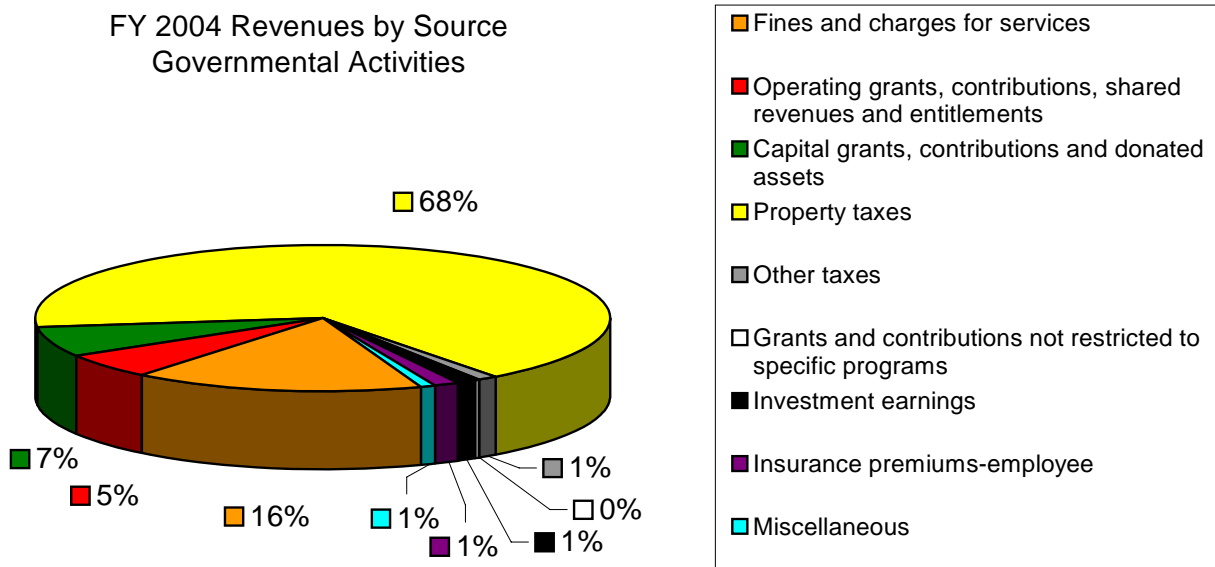
- The County received \$17.4 million of federal grant money for the County's purchase of land related to the Balcones Canyonlands Conservation Plan. The expense to purchase this land is capitalized in the government-wide financial statements.
- The County received \$10.9 million of donated assets such as roads, sidewalks, and rights-of-way from local developers for ongoing maintenance. These assets are capitalized in the government-wide financial statements and depreciated over their useful lives.
- Offsetting the above two increases is a \$10.5 million payment to the State of Texas for right-of-way land purchased for the joint State Highway 45 project. In the government-wide financial statements capital outlay is usually eliminated and capitalized. However, this expenditure is reported as an operating expense, not an asset, in the government-wide financial statements, as the State of Texas maintains the right-of-way and will record the asset in its financial statements in accordance with GASB Statement No. 34.

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 \$31.4 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 (\$17.4) million of depreciation in excess of capital outlay, revenues totaling \$12.3 million, items associated with long-term debt in the amount of \$29.7 million, various expenses in the amount of (\$0.5) million, and the change in net assets of the Internal Service Fund of \$7.3 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 2004 for governmental activities (government-wide):



The following chart depicts revenues of governmental activities (government-wide) for fiscal year 2004:



**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.

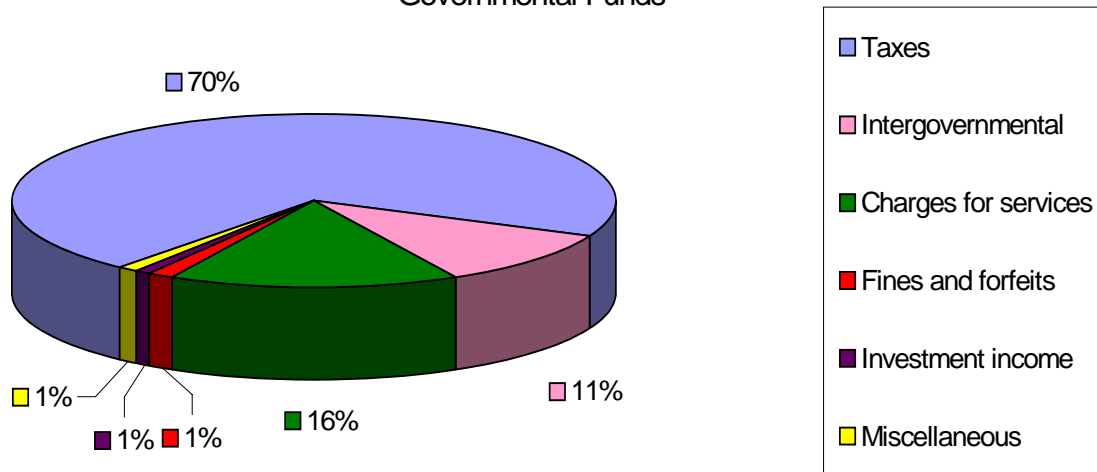
At the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$183.3 million, a decrease of \$8.4 million or 4.4 percent from the previous year. Of the total fund balance, \$143.7 million constitutes *unreserved fund balance*, which is available to meet the County’s current and future needs of its citizens and creditors. Of this unreserved fund balance, \$5.0 million is designated for compensated absences, \$7.2 million is designated for debt service, and \$50.9 million is designated for capital projects. The remainder 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, 2004 and September 30, 2003.

Travis County, Texas  
Revenues Classified by Source  
Governmental Funds

Revenues by source:	FY 2004	FY 2003
Taxes	\$ 299,227,758	\$ 292,813,959
Intergovernmental	45,194,797	30,491,351
Charges for services	66,224,790	61,320,127
Fines and forfeits	6,321,816	6,387,910
Investment income	3,663,515	3,798,997
Miscellaneous	4,171,895	4,186,505
Total revenues	<u>\$ 424,804,571</u>	<u>\$ 398,998,849</u>

FY 2004 Revenues by Source  
Governmental Funds

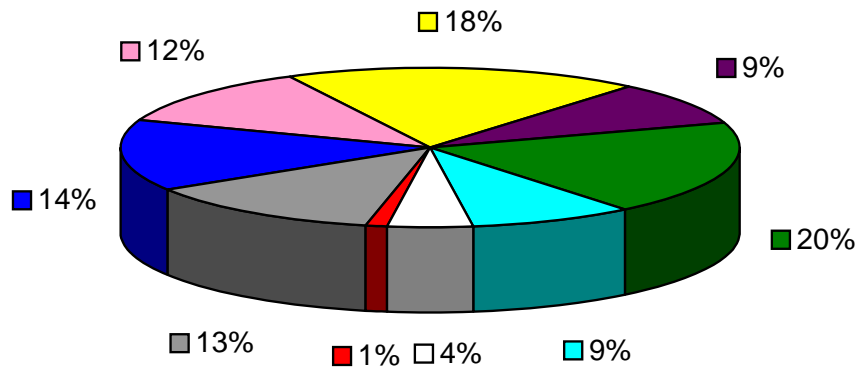


The schedule below summarizes and compares expenditures of the County's governmental funds by function for fiscal years ended September 30, 2004 and September 30, 2003. For comparative purposes, certain fiscal year 2003 expenditures have been reclassified to conform to the current year's presentation.

Travis County, Texas  
Expenditures by Function  
Governmental Funds

Current:	FY 2004	FY 2003
General government	\$ 54,077,332	\$ 49,666,600
Justice system	82,691,555	82,373,306
Public safety	40,149,412	37,310,891
Corrections and rehabilitation	85,324,250	83,621,026
Health and human services	39,380,193	37,817,648
Infrastructure and environmental services	19,731,737	17,507,044
Community and economic development	5,007,552	4,495,855
Capital outlay	57,008,391	46,908,816
Debt service	64,553,185	64,750,860
Total expenditures	\$ 447,923,607	\$ 424,452,046

FY 2004 Expenditures by Function  
Governmental Funds



<span style="color: #FF0000;">■</span> General Government	<span style="color: #008000;">■</span> Justice System
<span style="color: #0000FF;">■</span> Public Safety	<span style="color: #000000;">■</span> Corrections and Rehabilitation
<span style="color: #00FFFF;">■</span> Health and Human Services	<span style="color: #808080;">■</span> Infrastructure and Environmental Services
<span style="color: #FF0000;">■</span> Community and Economic Development	<span style="color: #808080;">■</span> Capital Outlay
<span style="color: #0000FF;">■</span> 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 \$67.5 million, of which \$59.5 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 21.5 percent and 24.4 percent, respectively, of total General Fund expenditures and other financing uses combined.

The fund balance of the County's General Fund increased by \$8.7 million or 14.8 percent during the current fiscal year. This increase is the result of temporary salary savings due mostly to unfilled employee positions and lower than expected operating costs and capital outlay.

**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, 2004, the Road and Bridge fund balance was \$12.1 million, an increase of \$1.0 million or 8.5 percent from the previous fiscal year. This increase is largely due to temporary salary savings related to unfilled employee positions.

**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 \$6.5 million, an increase of \$1.5 million from the previous year. Normally grant funds do not maintain a fund balance. However, the Basic Supervision grant in the Community Supervision and Corrections Department (CSCD) allows for a fund balance to carry over into the following year. Refunds to the grantor for unused contributions are distributed every biennium. CSCD refunded \$1.1 million to the grantor in fiscal year 2003.

**Debt Service Fund.** The *General Purpose Debt Service fund* is used to account for financial resources set aside for the payment of principal and interest on the County's long-term debt obligations. At the end of the current fiscal year, the General Purpose Debt Service fund balance was \$6.7 million, a decrease of \$4.5 million or 39.9 percent from the prior fiscal year. This decrease was planned and incorporated into the fiscal year 2004 budget by decreasing the Interest and Sinking portion of the tax rate by 4.0 percent, thereby decreasing tax revenue.

**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 \$73.9 million, a decrease of 15.2 million or 17.0 percent from the prior year. This decrease is the result of the expenditures for capital projects that have already been authorized exceeding the revenue received from this year's bond issuances.

**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 \$13.9 million, an increase of \$7.3 million or 110.3 percent from the prior year. This increase is due mainly to lower than expected litigation and medical claim losses.

## BUDGETARY HIGHLIGHTS

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

**General Fund.** Economic conditions at the beginning of fiscal year 2004 were not good but were showing signs of improvement. Nonetheless, the poor economic conditions of the past years left the Commissioners' Court in the position of developing a budget based on an assessed property valuation that was \$2.2 billion or 3.5 percent less than that of the previous year. To deal with this reality, the Court identified more than \$5.7 million in resources that could be redirected during the fiscal year 2004 budget process in order to meet the demands of a growing County but also 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 2004.

Travis County, Texas			
FY 2004 General Fund Budget vs. Actual Amounts			
(in thousands)			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues and Transfers In</u>			
Taxes	\$ 240,128	\$ 240,128	\$ 240,039
Intergovernmental	1,598	2,222	2,993
Charges for services	33,270	33,365	34,735
Other	4,536	4,546	5,849
Transfers in	485	485	1,512
Total	<u>280,017</u>	<u>280,746</u>	<u>285,128</u>
<u>Expenditures and Transfers Out</u>			
Expenditures	283,398	287,079	270,079
Transfers out	6,423	6,407	6,360
Total	<u>289,821</u>	<u>293,486</u>	<u>276,439</u>
Net change in fund balance	<u>\$ (9,804)</u>	<u>\$ (12,740)</u>	<u>\$ 8,689</u>

The General Fund revised budget as a whole did not change significantly from the original adopted budget for fiscal year 2004, with revenues and transfers in increasing only 0.3 percent and expenditures and transfers out increasing 1.3 percent.

While actual revenues and transfers in were only 1.6 percent over the revised budget, actual expenditures and transfers out were 5.8 percent or \$17.0 million under budget. Significant factors that influenced this variance consist of the following:

- Encumbered spending commitments set for disbursement in fiscal year 2005 were \$7.9 million at the end of this fiscal year. These encumbrances include commitments for several large pending equipment and software maintenance contracts, building improvement projects, the FACTS Court Management System implementation, and the Intra/Internet enhancement project.
- Salary and benefit savings were \$3.2 million under budget primarily due to vacant employee positions throughout the County.
- Capital outlay was \$2.5 million under budget. The majority of this variance is due to project delays, primarily for building improvements, and postponed purchases related to multi-year projects that have the entire cost of the project budgeted in this fiscal year.

## 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, 2004, capital assets of the County's governmental activities totaled \$971.3 million, net of depreciation. The total decrease in the County's investment in net capital assets for the current period is 0.7 percent as shown in the table below.

Travis County, Texas  
Capital Assets  
(net of accumulated depreciation)  
September 30, 2004  
With Comparative Totals For September 30, 2003

	Governmental Activities		Increase/ (Decrease) Percent of Change
	2004	2003	
Land	\$ 77,520,412	\$ 54,054,812	43.4%
Land infrastructure	53,361,048	52,376,821	1.9%
Property, Plant and Equipment:			
Buildings	208,282,786	197,945,372	5.2%
Improvements other than buildings	31,533,759	30,575,738	3.1%
Machinery and equipment	32,845,741	32,043,546	2.5%
Assets under capital lease	1,705,928	1,695,206	0.6%
Leasehold improvement	49,191	63,269	-22.3%
Infrastructure	534,968,192	567,506,582	-5.7%
Construction in progress	31,078,727	41,784,251	-25.6%
Total capital assets, net	<u>\$ 971,345,784</u>	<u>\$ 978,045,597</u>	-0.7%

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

- ❑ Land acquired for the Balcones Canyonlands Conservation Plan totaled \$23.1 million. This land is set aside by the County to facilitate compliance with the Endangered Species Act.
- ❑ Several projects were completed causing \$13.5 million to be transferred from Construction in Progress to Buildings. These projects include \$4.3 million for the new County administrative office building, \$5.2 million for the Combined Transportation, Emergency and Communications Center (CTECC), and \$4.0 million for the Precinct 4 building. In addition, \$3.9 million was added to Buildings for smaller improvement projects such as remodeling of the County Courthouse, HVAC replacement and modification of the County Jail and Criminal Justice Center, and renovations to the University Savings building.
- ❑ A total of \$10.9 million in capital assets were donated to the County. This amount consists of \$9.7 million of added Infrastructure, such as roads and sidewalks, and \$0.9 million of added Land Infrastructure for donated rights-of-way. These roads, sidewalks and rights-of-way were built by developers when constructing new subdivisions and donated to the County for ongoing maintenance. The remaining donations were various items of machinery and equipment received through grants.
- ❑ Increases in assets were offset by depreciation expense of \$64.0 million.

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

### Long-Term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding, net of premiums and discounts of \$458.2 million, a decrease of \$27.3 million or 5.6 percent from the previous year. The County's outstanding debt obligations are summarized below:

Travis County, Texas Outstanding Debt September 30, 2004 With Comparative Totals For September 30, 2003			
<u>Governmental Activities</u>	<u>2004</u>	<u>2003</u>	<u>Increase/ (Decrease)</u>
General obligation bonds (voter approved)	\$ 359,348,518	\$ 373,426,970	\$ (14,078,452)
Certificates of obligation (Commissioners' Court approved)	98,420,000	111,305,000	(12,885,000)
Premium, net of deferred amounts	414,786	742,700	(327,914)
Total	<u>\$ 458,183,304</u>	<u>\$ 485,474,670</u>	<u>\$ (27,291,366)</u>

During fiscal year 2004, the County issued general obligation bonds totaling \$11.9 million, which will largely be utilized for road construction and park improvements. Certificates of Obligation were also issued for \$1.8 million to be used mainly for the Combined Transportation, Emergency and Communications Center (CTECC). During the year, retirement of debt amounted to \$43.0 million.

During fiscal year 2004, the County maintained a triple-A bond rating from both Moody's Investors Service, Inc. and Standard & Poor's (S&P) credit rating agencies. The County received its first triple-A rating from S&P in fiscal year 2000 and from Moody's in fiscal year 2001.

State statute limits the amount of debt the County can issue to 5.0 percent of the total property value assessed within the County. Additionally, Travis County is limited on the amount that may be levied to service general law bonds and provide funds for the general operations of the County to \$0.80 annually on the \$100 assessed valuation plus a levy of \$0.15 annually for the maintenance of public roads. The County's outstanding debt is significantly below its current limit of \$3.6 billion.

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

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

## **ECONOMIC FACTORS AND OUTLOOK**

Financial indicators reveal a Travis County economy that is slowly improving. The unemployment rate has declined 1.5 percent from a year ago and continues to show a downward trend; residential home sales are 13.4 percent higher than a year ago; City of Austin total sales tax receipts are 7.2 percent higher than last year; the number of County-issued development permits has risen in each of the last two years; and passenger traffic at Austin-Bergstrom International Airport in fiscal year 2004 was the highest, both in total and per capita, since 2001. The high-tech sector has not rebounded as quickly as hoped, but job growth is expected in the service and retail industries. Barring a significant downturn at the national level, the Travis County economy can be expected to continue its slow improvement.

When preparing the fiscal year 2004 budget, the property tax base was 3.5 percent less than that of the previous year. This put a strain on the budget, since last year over 70 percent of governmental fund revenue was generated by property taxes. Over the past year, however, property values have slowly begun to rebound, and the fiscal year 2005 budget includes a 1.5 percent increase in the property tax base. The value and trend of the property tax base is important because in fiscal year 2005, budgeted current property taxes comprise 80.5 percent of new revenue for the General Fund and 98.6 percent of new revenue for the Debt Service Fund.

Other positive aspects of the fiscal year 2005 budget include a 5.75 percent compensation increase, which consists of a cost of living wage increase and a discretionary merit allowance, both authorized by the Commissioners' Court. Additionally, despite the higher cost of medical services, the County's hospital and insurance fund increased its fund balance sufficiently enough in fiscal year 2004 to fund a reserve for unanticipated medical costs. Overall, the fiscal year 2005 budget anticipates General Fund growth at 4.3 percent while maintaining an 11.0 percent General/Debt Service Fund reserve.

## **REQUESTS FOR INFORMATION**

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



# TRAVIS COUNTY, TEXAS BASIC FINANCIAL STATEMENTS

## Government-Wide Financial Statements

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

## Fund Financial Statements

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

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

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

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

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

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

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

**Capital Road Bonds and Certificates of Obligation** – This fund accounts for bond and certificate proceeds issued in 1992, 1994, and 1996 through 2004 for the construction of roads.

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

Fund financial statements also consist of the following funds:

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

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

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**TRAVIS COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
GOVERNMENTAL ACTIVITIES**

September 30, 2004

With Comparative Totals For September 30, 2003

	<b>2004</b>	<b>2003</b>
<b>Assets</b>		
Cash and pooled cash	\$ 238,632,537	\$ 242,781,667
Investments	7,988,737	12,634,382
Interest receivable	1,040,256	942,879
Taxes receivable, net	5,320,931	4,070,658
Accounts receivable, net	12,441,723	12,586,804
Notes receivable	166,667	274,667
Other receivables	2,973,805	4,725,686
Prepaid items	238,456	209,713
Other assets	1,694,675	1,694,675
Capital assets:		
Land and land improvements	77,520,412	54,054,812
Land infrastructure	53,361,048	52,376,821
Property, plant and equipment	398,982,273	373,248,887
Infrastructure (other than land)	913,634,095	899,782,433
Construction in progress	31,078,727	41,784,251
Less accumulated depreciation	(503,230,771)	(443,201,607)
Total assets	1,241,843,571	1,257,966,728
<b>Liabilities</b>		
Accounts payable	14,817,439	20,682,595
Interest payable	2,807,803	4,197,185
Accrued liabilities	10,413,702	9,947,011
Other liabilities	4,732,678	6,186,292
Due to other governmental entities	16,036	1,355,582
Deferred revenue	7,410,114	7,062,866
Noncurrent liabilities:		
Due within one year:		
Long-term debt obligations	42,459,599	42,004,275
Other long-term liabilities	229,795	1,119,186
Capital lease obligations	122,065	99,416
Claims and judgements	8,143,189	10,568,107
Compensated absences	9,905,928	9,545,277
Due in more than one year:		
Long-term debt obligations	415,723,705	443,470,395
Other long-term liabilities	3,144,595	3,264,168
Capital lease obligations	1,070,327	1,128,580
Claims and judgements	7,535,085	7,252,934
Compensated absences	9,063,536	8,809,977
Total liabilities	537,595,596	576,693,846
<b>Net Assets</b>		
Invested in capital assets, net of related debt	698,238,526	687,132,617
Restricted for:		
Capital projects	2,333,265	1,332,844
Permanent funds	2,169,124	2,113,717
Other purposes	24,141,927	20,429,053
Unrestricted (deficit)	(22,634,867)	(29,735,349)
Total net assets	\$ 704,247,975	\$ 681,272,882

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended September 30, 2004  
With Comparative Totals For The Year Ended September 30, 2003

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<b>Fees, Fines and Charges for Services</b>
<b>Primary government:</b>		
<b>Governmental activities:</b>		
General government	\$ 77,881,031	\$ 14,192,653
Justice system	78,445,879	15,327,949
Public safety	38,719,649	8,623,813
Corrections and rehabilitation	80,464,846	14,422,038
Health and human services	39,343,976	1,817,582
Infrastructure and environmental services	77,209,480	16,367,385
Community and economic development	5,992,029	2,129,646
Interest on long-term debt	<u>22,721,482</u>	<u>-</u>
Total governmental activities	<u>\$ 420,778,372</u>	<u>\$ 72,881,066</u>

See accompanying notes to financial statements.

<u>Program Revenues</u>		<u>2004</u>	<u>2003</u>
		<u>Net (Expense) Revenue and</u>	<u>Net (Expense) Revenue and</u>
		<u>Changes in Net Assets</u>	<u>Changes in Net Assets</u>
<u>Operating Grants,</u>	<u>Capital Grants,</u>	<u>Primary Government</u>	<u>Primary Government</u>
<u>Contributions,</u>	<u>Contributions and</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Shared Revenues,</u>	<u>Donated Assets</u>	<u>Activities</u>	<u>Activities</u>
<u>and Entitlements</u>			
\$ 154,557	\$ -	\$ (63,533,821)	\$ (62,260,495)
9,540,413	-	(53,577,517)	(54,910,086)
1,390,995	-	(28,704,841)	(27,933,007)
10,326,513	-	(55,716,295)	(58,796,631)
2,748,569	-	(34,777,825)	(34,163,810)
-	29,664,319	(31,177,776)	(29,088,849)
-	109,606	(3,752,777)	(3,278,494)
-	-	(22,721,482)	(25,358,230)
<u>\$ 24,161,047</u>	<u>\$ 29,773,925</u>	<u>(293,962,334)</u>	<u>(295,789,602)</u>

**General revenues:**

Taxes:			
Property taxes, ad valorem		296,050,880	289,545,907
Taxes, other		4,376,878	4,068,052
Grants and contributions not restricted			
to specific programs		2,130,837	1,778,784
Investment earnings		4,669,265	4,990,529
Insurance premiums - employee		5,547,940	4,142,736
Miscellaneous		4,161,627	4,089,495
Total general revenues		<u>316,937,427</u>	<u>308,615,503</u>
Change in net assets		22,975,093	12,825,901
Net assets - beginning of year		<u>681,272,882</u>	<u>668,446,981</u>
Net assets - end of year		<u>\$ 704,247,975</u>	<u>\$ 681,272,882</u>

**TRAVIS COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2004**

	<b>General</b>	<b>Road and Bridge</b>	<b>Grants</b>
<b>Assets</b>			
Cash and pooled cash	\$ 87,252,903	\$ 13,174,573	\$ 12,882,253
Investments	-	-	-
Interest receivable	485,907	48,277	45,245
Due from other funds	4,069,936	202,747	-
Accounts receivable	2,106,835	-	-
Notes receivable	-	-	-
Intergovernmental and other receivables	-	-	1,646,732
Taxes receivable (net of allowances for estimated uncollectibles)	2,394,857	-	-
Prepaid items	121,974	-	-
Total assets	\$ 96,432,412	\$ 13,425,597	\$ 14,574,230
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	9,088,476	924,501	645,931
Interest payable	-	-	-
Accrued liabilities	9,084,353	251,604	736,186
Due to other funds	212,739	-	1,188,134
Other liabilities	3,558,735	-	-
Liability for compensated absences	4,427,676	136,107	279,556
Due to other governmental entities	-	-	16,036
Deferred revenue	2,592,980	-	5,208,427
Total liabilities	28,964,959	1,312,212	8,074,270
<b>Fund balances:</b>			
<i>Reserved for:</i>			
Encumbrances	7,867,662	3,866,847	20,954
Prepaid items	121,974	-	-
County schools	-	-	-
Juveniles	-	-	-
<i>Unreserved, designated for:</i>			
Compensated absences	4,427,676	136,107	279,556
Special revenue funds - compensated absences	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
<i>Unreserved, undesignated, reported in:</i>			
General fund	55,050,141	-	-
Special revenue funds	-	8,110,431	6,199,450
Total fund balances	67,467,453	12,113,385	6,499,960
Total liabilities and fund balances	\$ 96,432,412	\$ 13,425,597	\$ 14,574,230

See accompanying notes to financial statements.

<b>General Purpose Debt Service</b>	<b>Capital General Obligation Bonds</b>	<b>Capital Certificates of Obligation</b>	<b>Capital Road Bonds and Certificates of Obligation</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 30,221	\$ 11,927,610	\$ 17,011,465	\$ 48,607,514	\$ 18,505,469	\$ 209,392,008
7,098,555	-	-	-	890,182	7,988,737
31,807	45,436	74,538	168,613	45,678	945,501
260,074	9,707	-	9,992	-	4,552,456
-	-	-	-	341,526	2,448,361
-	-	166,667	-	-	166,667
-	-	-	-	1,172,723	2,819,455
605,142	-	-	-	20,932	3,020,931
-	-	-	-	-	121,974
<u>\$ 8,025,799</u>	<u>\$ 11,982,753</u>	<u>\$ 17,252,670</u>	<u>\$ 48,786,119</u>	<u>\$ 20,976,510</u>	<u>\$ 231,456,090</u>
-	319,921	1,316,333	1,367,060	1,027,680	14,689,902
64,309	-	-	-	-	64,309
-	1,584	-	16,042	185,643	10,275,412
-	31,731	590,374	238,981	1,294,497	3,556,456
611,684	-	64,570	-	497,689	4,732,678
-	-	-	-	120,500	4,963,839
-	-	-	-	-	16,036
605,142	-	166,667	-	1,258,308	9,831,524
<u>1,281,135</u>	<u>353,236</u>	<u>2,137,944</u>	<u>1,622,083</u>	<u>4,384,317</u>	<u>48,130,156</u>
-	358,956	4,751,431	18,833,403	1,586,721	37,285,974
-	-	-	-	-	121,974
-	-	-	-	2,169,124	2,169,124
-	-	-	-	2,348	2,348
-	-	-	-	-	4,843,339
-	-	-	-	120,500	120,500
6,744,664	-	-	-	413,050	7,157,714
-	11,270,561	10,363,295	28,330,633	908,085	50,872,574
-	-	-	-	-	55,050,141
-	-	-	-	11,392,365	25,702,246
<u>6,744,664</u>	<u>11,629,517</u>	<u>15,114,726</u>	<u>47,164,036</u>	<u>16,592,193</u>	<u>183,325,934</u>
<u>\$ 8,025,799</u>	<u>\$ 11,982,753</u>	<u>\$ 17,252,670</u>	<u>\$ 48,786,119</u>	<u>\$ 20,976,510</u>	<u>\$ 231,456,090</u>



**TRAVIS COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**September 30, 2004**

Fund balance - total governmental funds	\$	183,325,934
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excluding internal service fund).		971,317,862
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the fund financial statements.		12,293,362
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Assets.		13,898,680
Difference due to liabilities for deferred revenue and interest payable (excluding internal service fund).		97,391
Non-current liabilities, including the portion due within one year, that have not matured would not be reported in the funds (excluding internal service fund).		(476,685,254)
Net assets of governmental activities	<u>\$</u>	<u>704,247,975</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, 2004**

	<u>General</u>	<u>Road and Bridge</u>	<u>Grants</u>
<b>Revenues:</b>			
Taxes	\$ 240,038,751	\$ -	\$ -
Intergovernmental	2,992,714	75,687	22,159,582
Charges for services	34,734,527	12,179,454	7,795,593
Fines and forfeits	821,244	4,879,549	494,720
Investment income	1,900,700	176,948	213,625
Miscellaneous	3,127,244	90,611	89,379
Total revenues	<u>283,615,180</u>	<u>17,402,249</u>	<u>30,752,899</u>
<b>Expenditures:</b>			
Current:			
General government	49,164,756	-	136,911
Justice system	71,280,822	-	8,826,086
Public safety	35,499,352	-	1,402,206
Corrections and rehabilitation	65,852,225	-	16,875,621
Health and human services	34,945,923	-	1,904,678
Infrastructure and environmental services	5,094,541	12,292,862	263,470
Community and economic development	4,883,860	-	-
Capital outlay	3,357,508	4,156,157	14,085
Debt service:			
Debt issuance costs	-	-	-
Capital lease principal	-	-	100,719
Principal on general obligation debt	-	-	-
Interest and other charges	-	-	86,875
Total expenditures	<u>270,078,987</u>	<u>16,449,019</u>	<u>29,610,651</u>
Excess (deficiency) of revenues over expenditures	<u>13,536,193</u>	<u>953,230</u>	<u>1,142,248</u>
<b>Other financing sources (uses):</b>			
General obligation debt issued	-	-	-
Debt premium	-	-	-
Transfers in	1,512,403	-	386,335
Transfers out	(6,359,733)	-	-
Total other financing sources (uses)	<u>(4,847,330)</u>	<u>-</u>	<u>386,335</u>
Net change in fund balances	8,688,863	953,230	1,528,583
Fund balances--beginning of year	58,778,590	11,160,155	4,971,377
Fund balances--end of year	<u>\$ 67,467,453</u>	<u>\$ 12,113,385</u>	<u>\$ 6,499,960</u>

See accompanying notes to financial statements.

General Purpose Debt Service	Capital General Obligation Bonds	Capital Certificates of Obligation	Capital Road Bonds and Certificates of Obligation	Other Governmental Funds	Total Governmental Funds
\$ 58,607,758	\$ -	\$ -	\$ -	\$ 581,249	\$ 299,227,758
-	-	-	-	19,966,814	45,194,797
-	-	-	-	11,515,216	66,224,790
-	-	-	-	126,303	6,321,816
432,825	128,964	230,176	422,280	157,997	3,663,515
-	-	108,000	-	756,661	4,171,895
<u>59,040,583</u>	<u>128,964</u>	<u>338,176</u>	<u>422,280</u>	<u>33,104,240</u>	<u>424,804,571</u>
6,000	486,682	1,036,265	235,615	3,011,103	54,077,332
-	-	190,332	-	2,394,315	82,691,555
-	-	1,421,761	-	1,826,093	40,149,412
-	-	999,990	-	1,596,414	85,324,250
-	-	11,406	-	2,518,186	39,380,193
-	-	-	449,492	1,631,372	19,731,737
-	78,603	23,411	-	21,678	5,007,552
-	2,346,218	6,085,830	16,223,363	24,825,230	57,008,391
-	25,011	22,147	40,222	-	87,380
-	-	-	-	-	100,719
37,866,450	-	-	-	370,000	38,236,450
25,751,831	-	-	-	289,930	26,128,636
<u>63,624,281</u>	<u>2,936,514</u>	<u>9,791,142</u>	<u>16,948,692</u>	<u>38,484,321</u>	<u>447,923,607</u>
<u>(4,583,698)</u>	<u>(2,807,550)</u>	<u>(9,452,966)</u>	<u>(16,526,412)</u>	<u>(5,380,081)</u>	<u>(23,119,036)</u>
-	4,090,000	1,800,000	7,830,000	-	13,720,000
6,300	-	-	-	-	6,300
108,000	-	-	-	5,973,398	7,980,136
-	-	(108,000)	-	(516,403)	(6,984,136)
<u>114,300</u>	<u>4,090,000</u>	<u>1,692,000</u>	<u>7,830,000</u>	<u>5,456,995</u>	<u>14,722,300</u>
(4,469,398)	1,282,450	(7,760,966)	(8,696,412)	76,914	(8,396,736)
11,214,062	10,347,067	22,875,692	55,860,448	16,515,279	191,722,670
<u>\$ 6,744,664</u>	<u>\$ 11,629,517</u>	<u>\$ 15,114,726</u>	<u>\$ 47,164,036</u>	<u>\$ 16,592,193</u>	<u>\$ 183,325,934</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, 2004**

Net change in fund balances--total governmental funds	\$	(8,396,736)
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 in the current period (excluding internal service fund).		(17,423,736)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		12,320,824
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 (excluding internal service fund).		29,699,692
Some expenses reported in the Statement of Activities do not require the use of current financial resources or have not matured and therefore are not reported as expenditures in governmental funds (excluding internal service fund).		(515,671)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service fund is reported in governmental activities.		7,290,720
Change in net assets of governmental activities	\$	22,975,093

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
September 30, 2004**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Assets</b>	
Current assets:	
Pooled cash	\$ 29,240,529
Interest receivable	94,755
Other receivables	154,350
Prepaid items	116,482
Other assets	1,694,675
Total current assets	31,300,791
Noncurrent assets:	
Property, plant and equipment	50,000
Less accumulated depreciation	(22,078)
Total noncurrent assets	27,922
Total assets	31,328,713
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	127,537
Deferred revenue	419,475
Due to other funds	996,000
Accrued and other liabilities	138,290
Claims and judgements	8,143,189
Compensated absences	31,832
Total current liabilities	9,856,323
Noncurrent liabilities:	
Claims and judgements	7,535,085
Compensated absences	38,625
Total noncurrent liabilities	7,573,710
Total liabilities	17,430,033
<b>Net Assets</b>	
Invested in capital assets	27,922
Unrestricted	13,870,758
Total net assets	\$ 13,898,680

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, 2004

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Operating revenues:</b>	
	\$ 30,219,868
	5,547,940
	234,162
Total operating revenues	36,001,970
<b>Operating expenses:</b>	
	25,299,635
	340,601
	1,641,330
	74,968
	8,547
	642,132
Total operating expenses	28,007,213
Operating income	7,994,757
<b>Nonoperating revenues:</b>	
	291,963
Total nonoperating revenue	291,963
Income before contributions and transfers	8,286,720
Transfers out	(996,000)
Change in net assets	7,290,720
Net assets--beginning of year	6,607,960
Net assets--end of year	\$ 13,898,680

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For The Year Ended September 30, 2004

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>Cash flows from operating activities</b>	
Cash received from premium revenues	\$ 35,829,431
Cash received from subrogation	59,095
Cash received from insurance proceeds and rebates	234,162
Cash paid for self-insured claims and loss adjustment expenses	(27,442,402)
Cash paid for other operating expenses	(2,323,905)
Cash paid for payroll	(643,724)
Net cash provided by operating activities	5,712,657
<b>Cash Flows from noncapital financing activities</b>	
Transfers to other funds	(1,250,000)
Net cash used by noncapital financing activities	(1,250,000)
<b>Cash flows from investing activities</b>	
Interest received	485,886
Net cash provided by investing activities	485,886
Net increase in balance	4,948,543
Balance--beginning of the year	24,522,488
Balance--end of the year	\$ 29,471,031
Reconciliation of proprietary fund pooled cash	
Balance--end of the year	29,471,031
Decrease in fair value of investment in pooled cash	(230,502)
Pooled cash--end of the year	\$ 29,240,529
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 7,994,757
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	8,547
(Increase) decrease in other receivables	(41,165)
(Increase) decrease in prepaid items	13,059
Increase (decrease) in claims and judgements	(2,142,767)
Increase (decrease) in other liabilities	(119,774)
Net cash provided by operating activities	\$ 5,712,657
<b>Noncash investing, capital, and financing activities</b>	
Decrease in fair value of investments in pooled cash	(230,502)

See accompanying notes to financial statements.

**TRAVIS COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**September 30, 2004**

	<b>Assets</b>	<u>2004</u>
Cash and pooled cash		\$ 57,035,178
Certificates of deposit		338,610
Investments		19,759,570
Interest receivable		17,476
Accounts receivable, net		<u>1,369,035</u>
Total assets		<u>78,519,869</u>
<b>Liabilities</b>		
Due to third parties		61,491,979
Civil and probate deposits		330,732
Cash and surety bond deposits combined		9,551,929
Due to other governmental entities		<u>7,145,229</u>
Total liabilities		<u>78,519,869</u>
Net assets		<u>\$ -</u>

See accompanying notes to financial statements.



**TRAVIS COUNTY, TEXAS**

**NOTES TO THE**

**FINANCIAL STATEMENTS**

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**TRAVIS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2004**

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**TRAVIS COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed 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, 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. In determining the financial reporting entity for the County, management has considered all potential component units and their relationship to the County. During fiscal year 2004, the County adopted GASB Statement No. 39, *Determining whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14. This statement provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. It does not change the original provisions of GASB Statement No. 14. There was no change to the reporting entity of the County as a result of the implementation of GASB Statement No. 39.

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 District issued \$8.6 million in bonds. The District is ad valorem tax-supported for repayment of debt.

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

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

*Corporations:*

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

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

Travis County Health Facilities Development Corporation - The Travis County Health Facilities Development Corporation was incorporated on December 18, 1991, as a public nonprofit corporation in accordance with the Health Facilities Development Act, Texas Health and Safety Code Annotated, Chapter 221, as amended. Under that Act, the Travis County Health Facilities Development Corporation was created to provide, expand and improve health facilities for residents of Travis County, Texas that the Corporation determines are needed to improve the adequacy, cost, and accessibility of health care, research and education in the state. The Corporation is authorized to participate in the issuance of bonds for those purposes.

Capital Industrial Development Corporation - The Capital Industrial Development Corporation was incorporated on April 29, 1980, as a public nonprofit corporation in accordance with the Development Corporation Act of 1979, Article 5190.6, Vernon's Annotated Civil Statutes. Under that Act, the Capital Industrial Development Corporation was created to provide for the promotion and development of industrial and

manufacturing enterprises to promote and encourage employment and the public welfare, and is authorized to participate in the issuance of bonds for those purposes.

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

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

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

The Corporations do not publish separate financial statements.

## **B. Related and Jointly Governed Organizations**

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

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

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

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

### **Government-wide Financial Statements**

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

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

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

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 insurance premiums related to the healthcare fund, and to reimburse specific claims for general and automobile liability, workers' compensation, and other related insurance activities. Operating expenses for the internal service funds include the specific charges for losses incurred and insurance premiums, where the County is not self-insured for that type or amount of loss. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

and for the payment of professional services. Examples of public works include construction and equipping of jails and connecting a bridge to a county road.

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

The County reports the following non-major governmental funds:

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

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

Road District Debt Service Fund – is used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on general long-term debt for the Road District.

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

The County reports the following Proprietary and Fiduciary Funds:

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

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

#### **D. Budgets and Budgetary Accounting**

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

The proposed budget, on a fiscal year basis, includes estimated revenues and proposed expenditures (by fund, office/department and object/sub-object) for the General Fund, Debt Service Fund, with the exception of the Road District Debt Service Fund, Capital Project–Joint Road Improvements Fund and Special Revenue Funds with the exception of Grants, CAPSO/DAPSO Fund, Law Enforcement Fund, Jail Commissary Fund, LEOSE Elected Officials Fund, CSCD Equipment Acquisition Fund, Abandoned Vehicles/Livestock Fund, Unclaimed Property Fund, Vital Statistics Preservation Fund, Gardner House Handicraft Fund, Jury Management Fund, the Capital Health Facilities Development Corporation, the Travis County Housing Finance Corporation, the Travis County Health Facilities Development Corporation, the Travis County Development Authority, and the Capital Industrial Development Corporation. The Corporations, Road

District Debt Service Fund and the Gardner House Handicraft Fund do not have appropriated budgets approved by the Commissioners' Court. Grants are budgeted based on the grant award and grant fiscal period. The other funds are not appropriated by the Commissioners' Court due to the source and nature of their revenues or the funds received which, by statute, may be spent solely at the discretion of the County Attorney, District Attorney, Sheriff, or Constable. Budgetary control for capital projects is achieved through the certificates of obligation and general obligation bond indenture provisions. The Permanent School Fund does not have an appropriated budget.

Public hearings are conducted to obtain taxpayer comments during the budgetary process. The annual appropriations budget is legally adopted by the Commissioners' Court in the September/October timeframe. There is no difference between the appropriations budget and the Commissioners' Court-approved expenditure budget. State law provides that the Commissioners' Court "may amend the budget to transfer an amount budgeted for one item to another budgeted item."

The legal level of budgetary control is at the office/department level. The County's elected/appointed officials, executive managers, and department heads may make transfers of appropriations within an office/department as specified in the Commissioners' Court-approved annual budget rules. According to these rules, the Commissioners' Court authorizes the Planning and Budget Office to sign budget adjustments and send them directly to the County Auditor's Office for auditing if the adjustments are within the office/department's adopted budget and meet several other funding requirements. These "Automatic Budget Adjustments" are then placed on the Commissioners' Court consent agenda the following week. These "Automatic Budget Adjustment" procedures allow for monitoring and management of the budget by the Commissioners' Court. Transfers of appropriations between offices/departments, as specified in the budget rules, require the specific pre-approval of the Commissioners' Court.

The Commissioners' Court may adopt a supplemental budget for the limited purpose of spending money from grants or intergovernmental contracts for their intended purpose. During fiscal year 2004, there were \$728,630 in supplemental budgets adopted by the Commissioners' Court in the General Fund. No fund or office/department exceeded appropriations for fiscal year 2004. All annual appropriations lapse at fiscal year end.

## **E. Assets, Liabilities and Net Assets or Equity**

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

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

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

For the purpose of cash flows, the Internal Service Fund considers pooled cash, certificates of deposit, and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

amount of the transaction can be determined, while revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Taxes, charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The County defines the time period of availability to be generally 60 days after the fiscal year end.

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

The County reports the following major governmental funds:

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

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

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

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

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

Capital – Certificates of Obligation – is used to account for Commissioners' Court-approved financial resources specifically designated for the purpose of paying contractual obligations incurred in the construction of public works; the purchase of materials, supplies, equipment, machinery, buildings, rights-of-way and real property;

The County's depository agreement requires collateralization with a fair market value equal to at least 102% of county funds in excess of \$200,000 on deposit in the bank.

***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. Any residual balances outstanding between governmental and business-type activities are reported as "internal balances."

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 defines 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.

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.

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

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

***Inventory and Prepaid Items***

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

***Long-term Debt***

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

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, 2004.

***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, 2004, the County has an estimated arbitrage rebate liability reported on the government-wide financial statements in other long-term debt in the amount of \$169,172. 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 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.

### ***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 has been eliminated in the government-wide financial statements. Note 5 gives an analysis of the County's interfund transactions for fiscal year 2004.

Premium revenues generated by the Internal Service Fund and the corresponding fund expenses in the amount of \$30,219,868 have been eliminated in the government-wide financial statements.

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

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

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

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

### ***Pension Plans***

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

**Comparative Data/Reclassification of Amounts**

Comparative data for the prior year have been presented for the government-wide financial statements in order to provide an understanding of the changes in the government's activities and net assets. Also, certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

**2. DISAGGREGATION OF RECEIVABLE BALANCES**

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

	<u>Taxes</u>	<u>Accounts</u>	<u>Interest</u>	<u>Notes</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General	\$ 20,006	\$ 18,827	\$ 486	\$ -	\$ -	\$ 39,319
Road and Bridge	-	3,872	48	-	-	3,920
Grants	-	-	45	-	1,647	1,692
General Purpose						
Debt Service	2,544	-	32	-	-	2,576
Capital:						
General Obligation Bonds	-	-	45	-	-	45
Certificates of Obligation	-	-	74	167	-	241
Road Bonds and Certificates of Obligation	-	-	169	-	-	169
Non-major						
Governmental Funds	28	2,730	46	-	1,173	3,977
Proprietary Funds	-	-	95	-	154	249
Total - governmental activities	<u>22,578</u>	<u>25,429</u>	<u>1,040</u>	<u>167</u>	<u>2,974</u>	<u>52,188</u>
Less:						
Allow for uncollectibles	(7,779)	(9,340)	-	-	-	(17,119)
Allow for long-term collections	<u>(9,478)</u>	<u>(3,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,125)</u>
Total - governmental activities, net	<u>\$ 5,321</u>	<u>\$ 12,442</u>	<u>\$ 1,040</u>	<u>\$ 167</u>	<u>\$ 2,974</u>	<u>\$ 21,944</u>
Amounts not scheduled for collection during the subsequent year						
	<u>\$ 21</u>	<u>\$ 10,038</u>	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ -</u>	<u>\$ 10,226</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 *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.

<b>Governmental fund balance</b>	<b>\$</b>	<b>183,325,934</b>
 <b><u>Difference due to capital assets</u></b>		
Capital assets (excluding internal service fund)	1,474,526,555	
Depreciation (excluding internal service fund)	<u>(503,208,693)</u>	971,317,862
 <b><u>Difference due to receivables</u></b>		
Taxes receivable (including penalties and interest)	2,300,000	
Accounts receivable, net of allowances	<u>9,993,362</u>	12,293,362
 <b><u>Difference due to Internal Service Fund</u></b>		
Net asset balance of Self-Insurance Fund	6,803,928	
Net asset balance of Hospital and Insurance Fund	<u>7,094,752</u>	13,898,680
 <b><u>Difference due to liabilities for</u></b>		
Deferred revenue (excluding internal service fund)	2,840,885	
Interest payable	<u>(2,743,494)</u>	97,391
 <b><u>Difference due to non-current liabilities</u></b>		
Capital lease obligations	(1,192,392)	
Landfill remediation	(3,205,218)	
Compensated absences (excluding internal service fund)	(13,935,168)	
Debt payable, including arbitrage*	<u>(458,352,476)</u>	(476,685,254)
* Net of unamortized bond issuance costs, unamortized loss on refunding, unamortized premiums		
 <b>Government-wide net assets</b>	 <b>\$</b>	 <b><u><u>704,247,975</u></u></b>

#### 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.

<b>Change in governmental fund balance</b>		<b>\$ (8,396,736)</b>
<b><u>Amount by which depreciation expense exceeds capital outlays</u></b>		
Capital outlay (excludes internal service funds) <sup>(1)</sup>	46,536,792	
Depreciation expense (excludes internal service funds)	<u>(63,960,528)</u>	(17,423,736)
<b><u>Revenues that do not provide current financial resources</u><sup>(2)</sup></b>		
Excess of capital asset donated revenue over disposal revenue	10,667,355	
Property tax and penalty and interest revenues that do not provide current financial resources and therefore are not reported in the fund financial statements	1,200,000	
Revenue recognized for charges for services*	334,460	
Increase in revenue due to arbitrage rebate liability *net of allowances	<u>119,009</u>	12,320,824
<b><u>Long-term debt and related items</u></b>		
Debt Payments (includes capital lease and arbitrage payments)	43,901,503	
Debt issuance and other debt related increases	(13,726,300)	
Amortization of bond premiums	594,776	
Deferral of bond issuance costs (amortized over life of debt)	87,381	
Accrued interest expense	1,308,095	
Accretion of capital appreciation bond interest	(2,117,820)	
Amortization of debt issuance costs	(163,712)	
Amortization of loss on refunding bonds	<u>(184,231)</u>	29,699,692
<b><u>Expenses that do not require the use of current financial resources</u><sup>(2)</sup> or have not matured</b>		
Landfill liability adjustments–non-current	(109,556)	
Compensated absence adjustment–non-current (excludes internal service fund) (designated in fund balance)	<u>(406,115)</u>	(515,671)
<b><u>Internal Service Fund change in net assets</u></b>		
Self-Insurance Fund	1,125,196	
Hospital and Insurance Fund	<u>6,165,524</u>	7,290,720
<b>Change in government-wide net assets</b>		<b><u><u>\$ 22,975,093</u></u></b>

(1) Capital outlay in the capital projects funds includes \$10,500,000 of right-of-way land purchased for joint road projects with the State of Texas. In the government-wide financial statements, this expenditure is reported as an operating expense and is, therefore, not included in the stated capital outlay of \$46,536,792. The State maintains this right-of-way land and in accordance with GASB Statement No. 34 will report these infrastructure assets in its financial statements. The total capital outlay amount of \$46,536,792 includes an elimination of \$28,401 for fund financial statement presentation.

(2) Revenues that do not provide current financial resources do not include the elimination of \$40,773 for fund financial statement presentation. Expenses that do not require the use of current financial resources do not include the elimination of (\$40,773) for fund financial statement presentation.

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

The County's property tax is levied each October 1 on assessed value listed as of the prior January 1, the date a lien attaches, for all real and personal property located in the County. The assessment ratio is 100 percent of fair market value for the roll levied October 1. Taxes are due by January 31 following the October 1 statement date and become delinquent on February 1, at which time they begin accruing penalty and interest. Total value for County property on the 2003 tax roll was approximately \$59,658,702,458 (net of exemptions) and produced a total levy of \$293,345,216. Collections on this levy were recognized as revenue in fiscal year 2004 in the governmental fund financial statements.

The County is permitted by Article VIII, Section 9 of the State of Texas Constitution to levy taxes up to \$0.80 per \$100 of assessed valuation for general governmental services including payment of principal and interest on general obligation long-term debt and maintenance of roads and bridges. Title 6, Chapters 256.052 and 256.054 of Vernon's Texas Transportation Statutes permits the County to collect an additional \$0.15 per \$100 assessed valuation for road and bridge purposes and \$0.30 per \$100 assessed valuation for road and bridge and flood control purposes, respectively. However, for the October 2003 tax roll, all required taxes to be used for general government purposes were levied under Article VIII, Section 9.

At October 1, 2003 (tax levy for fiscal year 2004 revenues) the County tax rate was \$0.4918 per \$100 valuation of which \$0.0992 was used for payment of long-term debt requirements. The County, therefore, has legal margins of \$0.3082, \$0.1500 and \$0.3000, respectively, and could raise up to \$183,868,121, \$89,488,054 and \$178,976,107 of additional taxes per year from the 2003 tax roll assessed valuation of \$59,658,702,458 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 Travis County Road District is to be levied each October 1 on the assessed value listed as of the prior January 1 for all property within each district. The Commissioners' Court will levy and collect taxes within each district, as required. Debt issued by the 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 districts. Article III, Section 52 of the State of Texas Constitution, as amended, permits each district to issue bonds in any amount not to exceed 25 percent of the assessed valuation of the real property of the district.

As of September 30, 2004, Northwest Travis County Road District No. 3 (NWTCRD #3) is the only active road district that is ad valorem tax-supported for repayment of debt. Total value for NWTCRD #3 property on the 2003 roll was approximately \$368,277,330 and produced a total levy of \$611,340. At October 1, 2003 (tax levy for fiscal year 2004), the NWTCRD #3 tax rate was \$0.1660 per \$100 valuation.

**5. INTERFUND TRANSACTIONS**

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

Interfund transfers for the year ended September 30, 2004 were:

	<b>Transfers in:</b>				
	<u>General</u>	<u>Grants</u>	<u>General Purpose Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Transfers out:</b>					
General	\$ -	\$ 386,335	\$ -	\$ 5,973,398	\$ 6,359,733
Capital - Certificates of Obligation	-	-	108,000	-	108,000
Other governmental funds	516,403	-	-	-	516,403
Internal service	996,000	-	-	-	996,000
<b>Total</b>	<u>\$ 1,512,403</u>	<u>\$ 386,335</u>	<u>\$ 108,000</u>	<u>\$ 5,973,398</u>	<u>\$ 7,980,136</u>

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

Included is a transfer of \$996,000 from the Internal Service Fund to the General Fund which represents the transfer of a declared surplus from the Risk Management Self-Insurance operations. This transfer was a result of lower than anticipated loss expenses and is not expected to be repeated.

Due from/to other funds at September 30, 2004 were:

	<b>Balance due from other funds (receivable):</b>					<b>Total</b>
	<b>General</b>	<b>Road and Bridge</b>	<b>General Purpose Debt Service</b>	<b>Capital - General Obligation Bonds</b>	<b>Capital - Road Bonds and Certificates of Obligation</b>	
<b>Balance due to other funds (payable):</b>						
General	\$ -	\$ 202,747	\$ -	\$ -	\$ 9,992	\$ 212,739
Grants	1,188,134	-	-	-	-	1,188,134
Capital - General Obligation Bonds	7,023	-	24,708	-	-	31,731
Capital - Certificates of Obligation	590,374	-	-	-	-	590,374
Capital - Road Bonds & Certificates of Obligation	3,615	-	235,366	-	-	238,981
Other Governmental Funds	1,284,790	-	-	9,707	-	1,294,497
Internal Service	996,000	-	-	-	-	996,000
<b>Total</b>	<b>\$ 4,069,936</b>	<b>\$ 202,747</b>	<b>\$ 260,074</b>	<b>\$ 9,707</b>	<b>\$ 9,992</b>	<b>\$ 4,552,456</b>

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

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

## **6. DEPOSITS AND INVESTMENTS**

### **Deposits**

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

The County's depository agreement with Bank One, Texas, N.A. requires collateralization with a fair market value equal to at least 102% of County funds in excess of \$200,000 on deposit in the bank. All of the pledged collateral for the County's demand deposits and time deposits are U.S. Treasury securities or U.S. Government agency securities. The depository agreement states that collateral shall consist of one or more of the following: United States Treasury

securities, Federal National Mortgage Association (FNMA) securities, pools or REMIC CMO's; Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) agencies, Federal Home Loan Mortgage Corporation (FHLMC) pools or REMIC CMO's; Government National Mortgage Association (GNMA) pools, obligations of states, agencies, counties, cities, and other political subdivisions of any state that are rated not less than "A" or its equivalent. The REMIC CMO's must not have variable rates or original maturities longer than ten years.

This collateral is held by the Federal Home Loan Bank of Dallas, which in the case of default by Bank One will act as agent for Travis County, in a fiduciary account held in the name of Bank One and Travis County and pledged to Travis County. During fiscal year 2004, there were no instances where the bank balances were not fully collateralized at all times. As of September 30, 2004, the County's bank balances in excess of federal depository insurance were fully collateralized.

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

### **Investments**

The County is authorized to purchase, sell, and invest its funds and funds under its control in accordance with the Texas Public Funds Investment Act, Texas Civil Statutes, Article 842a-2 and its subsequent amendments. During the fiscal period, investments consisted of U.S. government securities, taxable municipal bonds, participation in two local government investment pools (TexPool and TexasTERM), and commercial paper (rated A-1, P-1). The carrying amount of investments as of September 30, 2004, is displayed on the balance sheet as "Investments" or as a component of "Pooled Cash".

The County's adoption of GASB Statement No. 31 requires some investments be reported at fair value. Money market investments and participating interest-earning investment contracts with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. 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 Cooperation Act and the 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 AAA by Standard & Poors. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poors, as well as the office of the Comptroller of Public Accounts, for review.

GASB Statement No. 3 requires that investments that are represented by specific identifiable investment securities be classified as to credit risk by the three categories described below.

- Category 1** - Insured or registered, or securities held by the entity or its agent in the entity's name.
- Category 2** - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the entity's name.
- Category 3** - Uninsured and unregistered, with securities held by the counterparty, its trust department or agent, but not in the entity's name.

The investments in the TexPool Fund and in TexasTERM are not identifiable investments and therefore not classified in accordance with GASB Statement No. 3.

Following is a listing of investments by type and category as of September 30, 2004:

	Carrying Amount	Fair Value
U.S. Government securities and taxable municipal bonds (Category 1)	\$ 215,733,880	\$ 215,717,535
Investment in TexPool and TexasTERM Investment Pools (uncategorized)	56,193,515	56,193,515
Investments in Commercial Paper (Category 1)	4,923,971	4,929,170
Total investments and pooled investments <sup>(1)</sup>	276,851,366	276,840,220
Pooled investments (a component of "pooled cash")	(249,103,058)	(249,091,811)
Non-pooled investments <sup>(2)</sup>	<u>\$ 27,748,308</u>	<u>\$ 27,748,409</u>

(1) Excludes \$338,610 of certificates of deposit and \$46,564,656 of cash and cash equivalents reported in the fund financial statements.

(2) Includes \$19,759,570 of investments reported in the Agency Funds.

**7. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2004 is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 54,054,812	\$ 23,465,600	\$ -	\$ 77,520,412
Land infrastructure	52,376,821	984,227	-	53,361,048
Construction in progress	41,784,251	(10,705,524)	-	31,078,727
Total capital assets, not being depreciated	148,215,884	13,744,303	-	161,960,187
Capital assets being depreciated:				
Property, plant and equipment				
Buildings	252,760,702	17,444,701	-	270,205,403
Improvements other than buildings	35,732,642	1,947,241	-	37,679,883
Machinery and equipment	82,636,363	10,458,528	(4,184,341)	88,910,550
Assets under capital lease	2,039,691	65,115	-	2,104,806
Leasehold improvements	79,489	2,142	-	81,631
Infrastructure	899,782,433	13,851,662	-	913,634,095
Total capital assets being depreciated	1,273,031,320	43,769,389	(4,184,341)	1,312,616,368
Less accumulated depreciation:				
Property, plant and equipment				
Buildings	(54,815,330)	(7,107,287)	-	(61,922,617)
Improvements other than buildings	(5,156,904)	(989,220)	-	(6,146,124)
Machinery and equipment	(50,592,817)	(9,411,903)	3,939,911	(56,064,809)
Assets under capital lease	(344,485)	(54,393)	-	(398,878)
Leasehold improvements	(16,220)	(16,220)	-	(32,440)
Infrastructure	(332,275,851)	(46,390,052)	-	(378,665,903)
Total accumulated depreciation	(443,201,607)	(63,969,075)	3,939,911	(503,230,771)
Total capital assets being depreciated, net	829,829,713	(20,199,686)	(244,430)	809,385,597
Governmental activities capital assets, net	\$ 978,045,597	\$ (6,455,383)	\$ (244,430)	\$ 971,345,784

Note: The County has no business-type capital assets.  
Decreases include retirements and other adjustments.  
The negative increase of \$10.7 million in Construction in Progress denotes completed projects.

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	<u>Depreciation Expense</u>
General government	\$ 5,036,334
Justice system	2,611,725
Public safety	1,843,558
Corrections and rehabilitation	3,255,647
Health and human services	1,142,332
Infrastructure and environmental services	48,625,018
Community and economic development	1,454,461
Total depreciation expense	<u>\$ 63,969,075</u>

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

Construction in progress consists of the following at September 30, 2004:

<u>Description</u>	<u>Amount</u>
Pflugerville Rural Community Health Center	\$ 2,029,841
East Metropolitan Park	980,582
Oak Hill Precinct 3 & Community Center / Clinic	1,730,122
5501 Airport Boulevard Building	836,990
Pflugerville Hike and Bike Trail	54,092
Land infrastructure	5,156,439
Infrastructure	<u>20,290,661</u>
Total construction in progress	<u>\$ 31,078,727</u>

The County has \$30,674,910 of outstanding construction and other commitments as of September 30, 2004 which are funded by Grants for \$1,544,438, by Debt for \$23,201,698 and funded by other sources for \$5,928,774.

**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, 2004.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities<sup>1</sup></b>					
Debt payable:					
General obligation bonds <sup>2</sup>	\$ 373,426,970	\$ 14,037,820	\$ (28,116,272)	\$ 359,348,518	\$ 28,044,599
Certificates of obligation	111,305,000	1,800,000	(14,685,000)	98,420,000	14,415,000
	<u>484,731,970</u>	<u>15,837,820</u>	<u>(42,801,272)</u>	<u>457,768,518</u>	<u>42,459,599</u>
Less deferred amounts:					
For issuance costs	(1,293,876)	(87,381)	163,712	(1,217,545)	-
On refunding	(904,904)	-	184,231	(720,673)	-
Add:					
Unamortized premium	2,941,480	6,300	(594,776)	2,353,004	-
Total debt payable	<u>485,474,670</u>	<u>15,756,739</u>	<u>(43,048,105)</u>	<u>458,183,304</u>	<u>42,459,599</u>
Capital leases	1,227,996	65,115	(100,719)	1,192,392	122,065
Claims and judgements	17,821,041	25,299,635	(27,442,402)	15,678,274	8,143,189
Compensated absences	18,355,254	16,175,882	(15,561,672)	18,969,464	9,905,928
Other long-term liabilities:					
Arbitrage	1,287,692	-	(1,118,520)	169,172	-
Landfill post-closure care	3,095,662	109,556	-	3,205,218	229,795
Total long-term liabilities	<u>\$ 527,262,315</u>	<u>\$ 57,406,927</u>	<u>\$ (87,271,418)</u>	<u>\$ 497,397,824</u>	<u>\$ 60,860,576</u>

(1) The County does not have any long-term liabilities for business-type activities.

(2) Additions to General Obligation Bonds include \$11,920,000 for debt issuance and \$2,117,820 for accretion of interest on capital appreciation bonds.

At September 30, 2004, \$7,157,714 was available in the debt service funds (including the blended component unit amount of \$413,050) 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 \$29,914,884. The unaccreted interest on the capital appreciation bonds is \$5,682,913.

The Internal Service Fund predominantly serves the governmental funds. Accordingly, long-term liabilities, including claims and judgements and compensated absences, reported in that fund are included as part of the above totals for governmental activities. At year-end, \$70,457 of the Internal Service Fund compensated absences is 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

<u>Issue</u>	<u>Original Balance</u>	<u>Interest Rate Range (%)</u>	<u>Maturity Dates</u>	<u>Outstanding Balance</u>
<b>General Obligation Bonds</b>				
<u>Unlimited Tax Road Bonds</u>				
Refunding, Series 1985-A	\$ 12,899,997	* 9.40	2004 - 2009	
Premium Capital Appreciation Road Bonds				
Principal				\$ 1,061,080
Accretion of interest				6,075,637
CAB Series Maturities				<u>(1,303,272)</u> \$ 5,833,445
Series 1996 Serial Bonds	2,820,000	5.00 - 7.00	1999 - 2016	2,080,000
Series 1997 Serial Bonds	2,900,000	5.00 - 7.00	1999 - 2017	2,195,000
Series 1998 Serial Bonds	7,195,000	4.00 - 6.00	1999 - 2018	5,860,000
Series 1998-A Serial Bonds	7,470,000	4.30 - 6.25	1999 - 2018	5,975,000
Series 1999 Serial Bonds	12,805,000	3.63 - 5.63	2000 - 2019	10,655,000
Series 2000 Serial Bonds	9,255,000	5.20 - 7.20	2001 - 2020	8,295,000
Series 2001 Serial Bonds	5,630,000	4.63 - 5.00	2002 - 2021	5,325,000
Series 2002 Serial Bonds	14,000,000	4.70 - 5.50	2003 - 2022	13,445,000
Series 2002-A Serial Bonds	100,000,000	2.25 - 5.13	2003 - 2022	94,695,000
Series 2003 Serial Bonds	31,660,000	3.00 - 5.00	2004 - 2023	29,860,000
Series 2004 Serial Bonds	7,830,000	3.38 - 4.38	2005 - 2024	7,830,000
<u>Permanent Improvement Bonds</u>				
Series 1994-A Serial Bonds	7,400,000	4.50 - 6.50	1996 - 2014	2,180,000
Series 1995 Serial Bonds	1,300,000	6.00 - 8.00	1997 - 2015	60,000
Series 1996 Serial Bonds	18,580,000	4.75 - 6.75	1998 - 2016	13,625,000
Series 1998 Serial Bonds	10,890,000	4.00 - 6.00	1999 - 2018	8,865,000
Series 1998-A Serial Bonds	22,825,000	4.25 - 6.25	1999 - 2018	18,125,000
Series 1999 Serial Bonds	25,005,000	4.38 - 6.00	2000 - 2019	20,805,000
Series 2000 Serial Bonds	725,000	5.30 - 7.25	2002 - 2020	650,000
Series 2002 Serial Bonds	13,000,000	4.70 - 5.13	2003 - 2022	12,500,000
Series 2003 Serial Bonds	4,335,000	2.70 - 4.70	2004 - 2023	4,035,000
Series 2004 Serial Bonds	4,090,000	3.30 - 4.30	2005 - 2024	4,090,000
<u>Limited Tax Refunding Bonds</u>				
Series 1985-B	33,079,014	* 9.30	2001 - 2009	
Capital Appreciation Bonds				
Principal				2,606,189
Accretion of interest				23,839,247
CAB Series Maturities				<u>(12,110,363)</u> 14,335,073
Series 1996 Serial Bonds	17,930,000	3.55 - 5.00	1996 - 2011	12,480,000
Series 1999 Serial Bonds	20,399,949	3.90 - 4.80	1999 - 2015	19,320,000
Series 2002 Serial Bonds	38,540,000	3.00 - 5.00	2003 - 2009	31,245,000
<u>Unlimited Tax Refunding Bonds</u>				
Series 1995				
Serial Bonds (NWTCD #3)	<u>7,925,000</u>	3.85 - 5.40	1996 - 2014	<u>4,985,000</u>
	<u>440,488,960</u>			<u>359,348,518</u>
<b>Certificates of Obligation</b>				
<u>Limited Tax</u>				
Series 1994-A	12,815,000	3.00 - 5.00	1995 - 2014	745,000
Series 1995	14,500,000	5.50 - 7.00	1996 - 2015	200,000
Series 1998	65,340,000	4.00 - 5.00	1999 - 2018	33,630,000
Series 1998-A	10,500,000	4.00 - 5.00	1999 - 2018	2,700,000
Series 2000	14,800,000	5.10 - 7.10	2001 - 2020	11,385,000
Series 2001	27,300,000	4.00 - 4.90	2002 - 2021	14,820,000
Series 2001-A	19,235,000	5.00 - 5.00	2003 - 2007	12,115,000
Series 2003	23,325,000	3.00 - 5.00	2004 - 2023	21,025,000
Series 2004	<u>1,800,000</u>	2.00 - 2.25	2005 - 2009	<u>1,800,000</u>
	<u>189,615,000</u>			<u>98,420,000</u>
Total Bonds and Certificates of Obligation Payable	<u>\$ 630,103,960</u>			<u>\$ 457,768,518</u>

\* effective interest rate

## Debt Service Requirements:

The annual debt service requirements for all general obligation bonds and certificates of obligation outstanding at September 30, 2004, including blended component units, are as follows:

Maturity	General Obligation Bonds		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2005	\$ 28,044,599	\$ 18,385,817	\$ 14,415,000	\$ 1,894,533	\$ 62,739,949
2006	28,656,039	17,132,333	13,950,000	1,578,306	61,316,678
2007	27,511,027	16,113,593	9,510,000	1,347,212	54,481,832
2008	23,883,905	15,190,263	5,440,000	1,236,330	45,750,498
2009	24,147,948	14,357,294	4,055,000	1,147,621	43,707,863
2010-2014	97,130,000	47,701,490	21,990,000	4,325,666	171,147,156
2015-2019	87,860,000	22,475,079	23,455,000	1,557,347	135,347,426
2020-2024	42,115,000	3,605,808	5,605,000	115,250	51,441,058
	<u>\$ 359,348,518</u>	<u>\$ 154,961,677</u>	<u>\$ 98,420,000</u>	<u>\$ 13,202,265</u>	<u>\$ 625,932,460</u>

## Defeased Debt:

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

On September 30, 2004 defeased bonds remaining unredeemed or unmatured from the 1986 and 1999 refunding issuances amounted to \$5,310 and \$3,790,000, respectively.

In prior years, the Southwest Travis County Road District #1 (SWTCRD #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, 2004 defeased bonds remaining unredeemed or unmatured from the SWTCRD #1 issuance amounted to \$35,000.

## New Debt:

In January 2004, the County issued \$7,830,000 in Unlimited Tax Road Bonds with interest rates ranging from 3.375% to 4.375%. The road bonds mature in varying amounts in each of the years 2005 to 2024.

The County also issued \$4,090,000 of Limited Tax Permanent Improvement Bonds, Series 2004. This issuance is part of the \$28.6 million authorization approved by the voters November 6, 2001. These bonds carry interest rates ranging from 3.30% to 4.30% and mature in varying amounts in each of the years 2005 to 2024.

In addition to the bonds, the County also issued \$1,800,000 in Limited Tax Certificates of Obligation, Series 2004. The proceeds are to be used for the following:

1. \$463,586 for authorized capital project needs for the County for fiscal year 2004 (to be repaid over a period of five years);
2. \$1,300,000 for the Combined Transportation, Emergency and Communications Center (CTECC);
3. \$36,414 for cost of issuance.

The certificates, bearing an interest rate ranging from 2.00% to 2.25%, will mature in varying amounts in each of the years 2005 to 2009.

**Future Borrowing:**

In a county-wide bond election held on November 7, 2000 (the "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 2002 (the "Series 2002 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 (the "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, and \$7,830,000 in 2004, thereby leaving \$27,535,000 to be issued in the future. Also authorized by the electorate in the 2001 Election were \$28,600,000 limited tax permanent improvement bonds for county parks, of which \$13,000,000 was issued in 2002, \$4,335,000 issued in 2003, and \$4,090,000 issued in 2004, thereby leaving \$7,175,000 to be issued in the future.

**Other Debt**

**Capital Leases:**

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

Future minimum lease payments under this capital lease are:

2005	\$	184,532
2006		184,532
2007		184,532
2008		184,532
2009		184,532
2010-2012		<u>553,591</u>
Total minimum lease payments		1,476,251
Less amount representing interest		<u>(283,859)</u>
Present value of net minimum lease payments	\$	<u><u>1,192,392</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% capacity and are no longer accepting waste. The County has estimated the current cost of post-closure care to be \$3,345,211. Of this amount, \$139,993 is recorded as a liability in the fund financial

statements, including \$75,423 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, 2004 is as follows:

Capital Health Facilities Development Corporation	\$ 25,000,000
Travis County Housing Finance Corporation	297,873,044
Travis County Health Facilities Development Corporation	314,550,000
Capital Industrial Development Corporation	12,380,000
Total	<u>\$ 649,803,044</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, 2004 amounted to \$2,422,683. Future minimum lease payments for these leases are as follows:

2005	\$ 1,635,170
2006	1,050,600
2007	428,452
2008	428,452
2009	338,835
2010-2014	133,596
2015-2019	133,596
2020-2024	133,596
2025-2029	133,596
2030-2034	133,596
2035-2039	44,581
Total	<u>\$ 4,594,070</u>

## **11. RETIREMENT PLAN**

### **Plan Description**

Travis County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 553 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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

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

### **Funding Policy**

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer's contribution is based on the actuarially determined rate of 9.57% for the months of the accounting year in 2003, and 9.82% for the months of the accounting year in 2004. The contribution rate payable by the employee members for calendar year 2004 is the rate of 7.00% as adopted by the Commissioners' Court.

### **Annual Pension Cost**

For the employer's accounting year ending September 30, 2004, the annual pension cost for the TCDRS plan for its employees and the actual contributions were \$16,215,854. 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, 2001 and December 31, 2002, the basis for determining the contribution rates for calendar years 2003 and 2004. The December 31, 2003 actuarial valuation is the most recent valuation.

**Actuarial Valuation Information**

Actuarial valuation date	12/31/2001	12/31/2002	12/31/2003
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period	20	20	20
Asset valuation method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.50%	5.50%	5.50%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

**For the Retirement Plan for the Employees of Travis County**

Accounting <u>Year Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
2002	\$14,822,525	100%	\$0
2003	\$15,619,761	100%	\$0
2004	\$16,215,854	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
12/31/2001	308,821,574	351,466,939	42,645,365	87.87%	161,115,114	26.47%
12/31/2002	341,802,422	396,125,118	54,322,696	86.29%	164,495,554	33.02%
12/31/2003	385,469,400	433,194,916	47,725,516	88.98%	166,001,728	28.75%

**12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

The County is self-insured for employee and retiree health care. During 2004, the County incurred \$2,946,126 in health insurance claims for 369 retirees and their dependents. Retiree contributions for 2004 totaled \$690,482, 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, 2004, 640 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. The fund charges premiums to other funds for servicing and payment of claims. The fund also charges employee dependents and retirees a premium for their participation in the health plan.

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

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

The County is fully self-insured for general and automobile liability, workers' compensation, and theft and crime losses. The County purchases insurance coverage for aviation damage and liability, public dishonesty and property damage. Also, stop-loss insurance is carried on employee health, workers' compensation and ROCIP. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in coverage from the prior year. The unrestricted portion of net assets at September 30, 2004 in the amount of \$13,870,758 has been designated by management for catastrophic losses for employee health, workers' compensation, general liability and ROCIP.

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

Unpaid claims and judgements at September 30, 2004 and September 30, 2003 are composed of the following categories:

	2004	2003
Employee health	\$ 4,373,109	\$ 5,130,637
General liability	6,781,013	7,886,052
Automobile liability	859,779	1,317,429
Workers' compensation	3,243,469	2,987,452
Property	420,904	499,471
Totals	<u>\$ 15,678,274</u>	<u>\$ 17,821,041</u>

Changes in the balances of unpaid claims and judgements during fiscal years 2003 and 2004 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>
2003	16,416,906	26,693,420	(25,289,285)	17,821,041
2004	17,821,041	25,299,635	(27,442,402)	15,678,274

#### **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. SUBSEQUENT EVENTS**

##### **Refunding Debt**

In October 2004, the County issued \$33,455,000 in limited tax refunding bonds, with interest rates ranging from 2.5% to 5.0%. The refunding bonds mature in varying amounts in each of the years 2005 to 2020. The refunding bonds provide the funds to refund certain amounts of the County's outstanding limited tax debt.

##### **Hospital District**

On May 15, 2004, Travis County voters approved the formation of a Hospital District to furnish medical aid and hospital care to indigent and needy persons residing in Travis County. The Hospital District is a legally separate organization and imposes a separate ad valorem tax on the residents of Travis County. The Hospital District's operations became effective October 1, 2004. Of the District's nine member Board of Managers, four are appointed by Travis County, four by the City of Austin and one is a joint appointee. Additionally, the Travis County Commissioners' Court approves the Hospital District's annual budget and tax rate each year. Because of this relationship, the Hospital District will be reported as a discretely presented component unit of Travis County in the year ending September 30, 2005.

**TRAVIS COUNTY, TEXAS**

**REQUIRED SUPPLEMENTARY**

**INFORMATION**

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**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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 240,127,623	\$ 240,127,623	\$ 240,038,751	\$ (88,872)
Intergovernmental	1,598,297	2,221,897	2,992,714	770,817
Charges for services	33,270,239	33,365,269	34,734,527	1,369,258
Fines and forfeits	563,771	563,771	821,244	257,473
Investment income	2,282,901	2,282,901	1,900,700	(382,201)
Miscellaneous	1,688,976	1,698,976	3,127,244	1,428,268
Total revenues	<u>279,531,807</u>	<u>280,260,437</u>	<u>283,615,180</u>	<u>3,354,743</u>
<b>Expenditures:</b>				
Current:				
General government	51,311,221	52,198,597	49,164,756	3,033,841
Justice system	72,760,236	74,431,991	71,280,822	3,151,169
Public safety	35,966,289	36,955,807	35,499,352	1,456,455
Corrections and rehabilitation	68,400,992	67,459,790	65,852,225	1,607,565
Health and human services	34,723,253	35,953,021	34,945,923	1,007,098
Infrastructure and environmental services	5,701,136	5,861,543	5,094,541	767,002
Community and economic development	5,610,468	5,518,520	4,883,860	634,660
Capital outlay	8,924,412	8,699,597	3,357,508	5,342,089
Total expenditures	<u>283,398,007</u>	<u>287,078,866</u>	<u>270,078,987</u>	<u>16,999,879</u>
Excess (deficiency) of revenues over expenditures	<u>(3,866,200)</u>	<u>(6,818,429)</u>	<u>13,536,193</u>	<u>20,354,622</u>
<b>Other financing sources (uses):</b>				
Transfers in	485,343	485,343	1,512,403	1,027,060
Transfers out	(6,423,212)	(6,407,159)	(6,359,733)	47,426
Total other financing sources (uses)	<u>(5,937,869)</u>	<u>(5,921,816)</u>	<u>(4,847,330)</u>	<u>1,074,486</u>
Net change in fund balance	(9,804,069)	(12,740,245)	8,688,863	21,429,108
Fund balance--beginning of year	<u>58,778,590</u>	<u>58,778,590</u>	<u>58,778,590</u>	<u>-</u>
Fund balance--end of year	<u>\$ 48,974,521</u>	<u>\$ 46,038,345</u>	<u>\$ 67,467,453</u>	<u>\$ 21,429,108</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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 75,687	\$ 687
Charges for services	11,750,000	11,750,000	12,179,454	429,454
Fines and forfeits	4,978,086	4,978,086	4,879,549	(98,537)
Investment income	80,000	80,000	176,948	96,948
Miscellaneous	-	-	90,611	90,611
Total revenues	<u>16,883,086</u>	<u>16,883,086</u>	<u>17,402,249</u>	<u>519,163</u>
<b>Expenditures:</b>				
Current:				
Infrastructure and environmental services	16,133,694	15,920,622	12,292,862	3,627,760
Capital outlay	7,535,907	8,098,979	4,156,157	3,942,822
Total expenditures	<u>23,669,601</u>	<u>24,019,601</u>	<u>16,449,019</u>	<u>7,570,582</u>
Excess (deficiency) of revenues over expenditures	<u>(6,786,515)</u>	<u>(7,136,515)</u>	<u>953,230</u>	<u>8,089,745</u>
Net change in fund balance	(6,786,515)	(7,136,515)	953,230	8,089,745
Fund balance--beginning of year	<u>11,160,155</u>	<u>11,160,155</u>	<u>11,160,155</u>	<u>-</u>
Fund balance--end of year	<u>\$ 4,373,640</u>	<u>\$ 4,023,640</u>	<u>\$ 12,113,385</u>	<u>\$ 8,089,745</u>

**Travis County, Texas  
Other Supplementary Information**



*Photo by Billy Moore, LCRA*

***Lake Austin is popular for boating activities all year round.***

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**TRAVIS COUNTY, TEXAS**  
**NON-MAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

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

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

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

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

**FQHC Operations Fund** - To account for Medicaid/Medicare reimbursements and patient fees to be used for providing medical services. The County health clinics operate as federally qualified health centers (FQHC's) for Medicare/Medicaid recipients and uninsured individuals with economic or geographic barriers.

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**Travis County, Texas**  
**Special Revenue Funds, continued**

**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 from 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.

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

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

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

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

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

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

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

**LEOSE Commissioners' Court** - 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** - To account for funds resulting from a fee charged per person convicted of a graffiti offense. These monies reused to repair damages, provide educational and intervention programs, and for public awards leading to the conviction of such offenders.

**Travis County, Texas**  
**Special Revenue Funds, continued**

**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 collected 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 76<sup>th</sup> Legislature.

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

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

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

**Jury Management Fund** - To account for monies collected by the District Clerk's office for jury fees that are pending disposition due to ongoing litigation.

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

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

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

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

**Truancy Court** - 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.

**Travis County, Texas**  
**Special Revenue Funds, continued**

**County Clerk Archival** - 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** - 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 one that provides family violence prevention, intervention, mental health, counseling, legal, and marriage preservation services to families that have experience or are at risk of experiencing family violence or child abuse or neglect.

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

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

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

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

**Road District** - 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 Road District.

**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** - To account for contractual agreements with other governmental entities for the construction, expansion, or improvement of roads.

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

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

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



**TRAVIS COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
September 30, 2004**

**Special Revenue**

	<u>Law Library</u>	<u>CAPSO DAPSO</u>	<u>Law Enforcement</u>	<u>Dispute Resolution Center</u>	<u>Counseling Center</u>
<b>Assets</b>					
Cash and pooled cash	\$ 468,489	\$ 296,065	\$ 381,002	\$ 5,851	\$ 186,067
Investments	-	-	-	-	-
Interest receivable	1,676	-	-	179	683
Accounts receivable	-	-	200	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 470,165</u>	<u>\$ 296,065</u>	<u>\$ 381,202</u>	<u>\$ 6,030</u>	<u>\$ 186,750</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	43,214	-	-	-	2,206
Accrued liabilities	11,743	-	-	-	10,363
Due to other funds	-	48,575	9,560	-	-
Other liabilities	-	-	85	-	-
Liability for compensated absences	7,845	-	-	-	5,611
Deferred revenue	-	-	-	-	-
Total liabilities	<u>62,802</u>	<u>48,575</u>	<u>9,645</u>	<u>-</u>	<u>18,180</u>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances	4,113	-	-	-	5,676
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	7,845	-	-	-	5,611
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	<u>395,405</u>	<u>247,490</u>	<u>371,557</u>	<u>6,030</u>	<u>157,283</u>
Total fund balances	<u>407,363</u>	<u>247,490</u>	<u>371,557</u>	<u>6,030</u>	<u>168,570</u>
Total liabilities and fund balances	<u>\$ 470,165</u>	<u>\$ 296,065</u>	<u>\$ 381,202</u>	<u>\$ 6,030</u>	<u>\$ 186,750</u>

**Special Revenue**

<u>Juvenile Fee</u>	<u>County and District Clerk Records Management &amp; Preservation</u>	<u>Records Management &amp; Preservation</u>	<u>Courthouse Security</u>	<u>LCRA Parks CIP</u>	<u>FQHC Operations</u>
\$ 216,927	\$ 650,256	\$ 156,358	\$ 240,201	\$ 2,651,470	\$ 470,453
-	-	-	-	-	-
730	2,789	492	825	8,640	3,634
-	-	-	-	-	64,132
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 217,657</u>	<u>\$ 653,045</u>	<u>\$ 156,850</u>	<u>\$ 241,026</u>	<u>\$ 2,660,110</u>	<u>\$ 538,219</u>
-	27,606	16	-	-	536,635
-	35,435	6,814	54,071	-	1,584
-	-	-	-	-	-
-	-	-	-	-	-
-	11,892	5,591	61,890	-	-
-	-	-	-	-	-
-	<u>74,933</u>	<u>12,421</u>	<u>115,961</u>	-	<u>538,219</u>
-	47,246	128	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,892	5,591	61,890	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>217,657</u>	<u>518,974</u>	<u>138,710</u>	<u>63,175</u>	<u>2,660,110</u>	<u>-</u>
<u>217,657</u>	<u>578,112</u>	<u>144,429</u>	<u>125,065</u>	<u>2,660,110</u>	<u>-</u>
<u>\$ 217,657</u>	<u>\$ 653,045</u>	<u>\$ 156,850</u>	<u>\$ 241,026</u>	<u>\$ 2,660,110</u>	<u>\$ 538,219</u>

(continued)

TRAVIS COUNTY, TEXAS  
 COMBINING BALANCE SHEET, continued  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2004

	Special Revenue				
	Juvenile Justice Alternative Education Program	Jail Commissary	Court Reporter Service	CSCD Equipment Acquisition	Juvenile Deferred Prosecution
<b>Assets</b>					
Cash and pooled cash	\$ 1,351,843	\$ 956,426	\$ 124,780	\$ 1,110	\$ 15,439
Investments	-	-	-	-	-
Interest receivable	3,338	-	413	-	46
Accounts receivable	-	-	-	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 1,355,181</u>	<u>\$ 956,426</u>	<u>\$ 125,193</u>	<u>\$ 1,110</u>	<u>\$ 15,485</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	63,897	19,444	-	-	-
Accrued liabilities	3,828	-	5,574	-	-
Due to other funds	-	100,992	-	-	-
Other liabilities	-	1,930	-	-	-
Liability for compensated absences	6,444	-	6,808	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>74,169</u>	<u>122,366</u>	<u>12,382</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances	349	-	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	6,444	-	6,808	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	<u>1,274,219</u>	<u>834,060</u>	<u>106,003</u>	<u>1,110</u>	<u>15,485</u>
Total fund balances	<u>1,281,012</u>	<u>834,060</u>	<u>112,811</u>	<u>1,110</u>	<u>15,485</u>
Total liabilities and fund balances	<u>\$ 1,355,181</u>	<u>\$ 956,426</u>	<u>\$ 125,193</u>	<u>\$ 1,110</u>	<u>\$ 15,485</u>

**Special Revenue**

<b>Balcones Canyonlands</b>	<b>Abandoned Vehicles/ Livestock</b>	<b>LEOSE Elected Officials</b>	<b>LEOSE Commissioners' Court</b>	<b>Juvenile Delinquency Prevention</b>	<b>Unclaimed Property</b>	<b>Professional Prosecutors</b>
\$ 1,737,379	\$ 66,665	\$ 62,469	\$ 1,371	\$ 61	\$ 252,986	\$ -
-	-	-	-	-	-	-
11,026	-	-	-	-	-	-
60,200	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,808,605</u>	<u>\$ 66,665</u>	<u>\$ 62,469</u>	<u>\$ 1,371</u>	<u>\$ 61</u>	<u>\$ 252,986</u>	<u>\$ -</u>
280	60	-	-	-	-	-
3,948	-	-	-	-	-	-
-	-	-	-	-	-	-
-	837	2,010	-	-	252,986	-
2,273	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,501</u>	<u>897</u>	<u>2,010</u>	<u>-</u>	<u>-</u>	<u>252,986</u>	<u>-</u>
12,860	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,273	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,786,971</u>	<u>65,768</u>	<u>60,459</u>	<u>1,371</u>	<u>61</u>	<u>-</u>	<u>-</u>
<u>1,802,104</u>	<u>65,768</u>	<u>60,459</u>	<u>1,371</u>	<u>61</u>	<u>-</u>	<u>-</u>
<u>\$ 1,808,605</u>	<u>\$ 66,665</u>	<u>\$ 62,469</u>	<u>\$ 1,371</u>	<u>\$ 61</u>	<u>\$ 252,986</u>	<u>\$ -</u>

(continued)

TRAVIS COUNTY, TEXAS  
 COMBINING BALANCE SHEET, continued  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2004

	Special Revenue				
	Mary Quinlan Park	Probate Judiciary Fee	Justice Court Technology	Jury Management	Capital Health Facilities Development Corporation
<b>Assets</b>					
Cash and pooled cash	\$ 267,720	\$ 242,174	\$ 327,409	\$ 832,655	\$ 5,814
Investments	-	-	-	-	-
Interest receivable	-	631	872	-	-
Accounts receivable	-	-	-	-	-
Intergovernmental and other receivables	-	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	-	-
Total assets	<u>\$ 267,720</u>	<u>\$ 242,805</u>	<u>\$ 328,281</u>	<u>\$ 832,655</u>	<u>\$ 5,814</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	-	5,302	389	-	-
Accrued liabilities	-	2,399	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Liability for compensated absences	-	1,240	-	-	-
Deferred revenue	-	-	-	832,655	-
Total liabilities	<u>-</u>	<u>8,941</u>	<u>389</u>	<u>832,655</u>	<u>-</u>
<b>Fund balances:</b>					
<i>Reserved for:</i>					
Encumbrances	2,270	-	-	-	-
County schools	-	-	-	-	-
Juveniles	-	-	-	-	-
<i>Unreserved, designated for:</i>					
Compensated absences	-	1,240	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>					
Special revenue funds	<u>265,450</u>	<u>232,624</u>	<u>327,892</u>	<u>-</u>	<u>5,814</u>
Total fund balances	<u>267,720</u>	<u>233,864</u>	<u>327,892</u>	<u>-</u>	<u>5,814</u>
Total liabilities and fund balances	<u>\$ 267,720</u>	<u>\$ 242,805</u>	<u>\$ 328,281</u>	<u>\$ 832,655</u>	<u>\$ 5,814</u>

**Special Revenue**

<b>Travis County Housing Finance Corporation</b>	<b>Travis County Health Facilities Development Corporation</b>	<b>Capital Industrial Development Corporation</b>	<b>Truancy Court</b>	<b>County Clerk Archival</b>	<b>Family Protection</b>	<b>Elections Contract</b>
\$ 56,359	\$ 53,181	\$ 17,118	\$ 79,399	\$ 958,586	\$ 40,221	\$ 8,619
407,875	69,258	-	-	-	-	-
-	-	-	239	1,900	49	328
25,000	-	-	5,374	-	-	186,620
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 489,234</u>	<u>\$ 122,439</u>	<u>\$ 17,118</u>	<u>\$ 85,012</u>	<u>\$ 960,486</u>	<u>\$ 40,270</u>	<u>\$ 195,567</u>
-	-	-	578	29,023	-	84,664
-	-	-	5,987	1,678	-	42,219
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,349	135	-	9,422
-	-	-	-	-	173	-
-	-	-	7,914	30,836	173	136,305
-	-	-	1,168	58,282	-	29,449
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,349	135	-	9,422
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>489,234</u>	<u>122,439</u>	<u>17,118</u>	<u>74,581</u>	<u>871,233</u>	<u>40,097</u>	<u>20,391</u>
<u>489,234</u>	<u>122,439</u>	<u>17,118</u>	<u>77,098</u>	<u>929,650</u>	<u>40,097</u>	<u>59,262</u>
<u>\$ 489,234</u>	<u>\$ 122,439</u>	<u>\$ 17,118</u>	<u>\$ 85,012</u>	<u>\$ 960,486</u>	<u>\$ 40,270</u>	<u>\$ 195,567</u>

(continued)

**TRAVIS COUNTY, TEXAS**  
**COMBINING BALANCE SHEET, continued**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**September 30, 2004**

	Special Revenue			Debt Service
	Vital Statistic Preservation	Gardner House Handicraft	Total	Road District
<b>Assets</b>				
Cash and pooled cash	\$ 3,591	\$ 2,340	\$ 13,188,854	\$ 1
Investments	-	-	477,133	413,049
Interest receivable	3	8	38,501	-
Accounts receivable	-	-	341,526	-
Intergovernmental and other receivables	-	-	-	-
Taxes receivable (net of allowances for estimated uncollectibles)	-	-	-	20,932
Total assets	\$ 3,594	\$ 2,348	\$ 14,046,014	\$ 433,982
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	-	-	813,314	-
Accrued liabilities	-	-	185,643	-
Due to other funds	-	-	159,127	-
Other liabilities	-	-	257,848	-
Liability for compensated absences	-	-	120,500	-
Deferred revenue	-	-	832,828	20,932
Total liabilities	-	-	2,369,260	20,932
<b>Fund balances:</b>				
<i>Reserved for:</i>				
Encumbrances	-	-	161,541	-
County schools	-	-	-	-
Juveniles	-	2,348	2,348	-
<i>Unreserved, designated for:</i>				
Compensated absences	-	-	120,500	-
Debt service	-	-	-	413,050
Capital projects	-	-	-	-
<i>Unreserved, undesignated, reported in:</i>				
Special revenue funds	3,594	-	11,392,365	-
Total fund balances	3,594	2,348	11,676,754	413,050
Total liabilities and fund balances	\$ 3,594	\$ 2,348	\$ 14,046,014	\$ 433,982

<b>Capital Projects</b>			<b>Permanent Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Joint Road Improvements</b>	<b>Grants</b>	<b>Total</b>	<b>Permanent School Fund</b>	
\$ 2,711,713	\$ 435,777	\$ 3,147,490	\$ 2,169,124	\$ 18,505,469
-	-	-	-	890,182
5,703	1,474	7,177	-	45,678
-	-	-	-	341,526
15,000	1,157,723	1,172,723	-	1,172,723
-	-	-	-	20,932
<u>\$ 2,732,416</u>	<u>\$ 1,594,974</u>	<u>\$ 4,327,390</u>	<u>\$ 2,169,124</u>	<u>\$ 20,976,510</u>
159,310	55,056	214,366	-	1,027,680
-	-	-	-	185,643
-	1,135,370	1,135,370	-	1,294,497
239,841	-	239,841	-	497,689
-	-	-	-	120,500
-	404,548	404,548	-	1,258,308
<u>399,151</u>	<u>1,594,974</u>	<u>1,994,125</u>	<u>-</u>	<u>4,384,317</u>
1,425,180	-	1,425,180	-	1,586,721
-	-	-	2,169,124	2,169,124
-	-	-	-	2,348
-	-	-	-	120,500
-	-	-	-	413,050
908,085	-	908,085	-	908,085
-	-	-	-	11,392,365
<u>2,333,265</u>	<u>-</u>	<u>2,333,265</u>	<u>2,169,124</u>	<u>16,592,193</u>
<u>\$ 2,732,416</u>	<u>\$ 1,594,974</u>	<u>\$ 4,327,390</u>	<u>\$ 2,169,124</u>	<u>\$ 20,976,510</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, 2004**

	<u>Special Revenue</u>				
	<u>Law Library</u>	<u>CAPSO DAPSO</u>	<u>Law Enforcement</u>	<u>Dispute Resolution Center</u>	<u>Counseling Center</u>
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	37,432	-	-	-
Charges for services	742,059	247,579	-	198,119	497,583
Fines and forfeits	-	-	126,303	-	-
Investment income	5,436	-	1,766	841	2,359
Miscellaneous	-	-	-	2,918	-
Total revenues	<u>747,495</u>	<u>285,011</u>	<u>128,069</u>	<u>201,878</u>	<u>499,942</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Justice system	777,571	151,179	54,360	323,828	8,225
Public safety	-	-	76,927	-	-
Corrections and rehabilitation	-	-	-	-	531,343
Health and human services	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	25,072	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>777,571</u>	<u>151,179</u>	<u>156,359</u>	<u>323,828</u>	<u>539,568</u>
Excess (deficiency) of revenues over expenditures	<u>(30,076)</u>	<u>133,832</u>	<u>(28,290)</u>	<u>(121,950)</u>	<u>(39,626)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	83,330	32,000
Transfers out	-	(100,000)	(31,060)	-	(21,135)
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>(31,060)</u>	<u>83,330</u>	<u>10,865</u>
Net change in fund balances	(30,076)	33,832	(59,350)	(38,620)	(28,761)
Fund balances--beginning of year	437,439	213,658	430,907	44,650	197,331
Fund balances--end of year	<u>\$ 407,363</u>	<u>\$ 247,490</u>	<u>\$ 371,557</u>	<u>\$ 6,030</u>	<u>\$ 168,570</u>

**Special Revenue**

<b>Juvenile Fee</b>	<b>County and District Clerk Records Management &amp; Preservation</b>	<b>Records Management &amp; Preservation</b>	<b>Courthouse Security</b>	<b>LCRA Parks CIP</b>	<b>FQHC Operations</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	776,046
17,114	1,330,954	279,173	516,853	239,643	46,701
-	-	-	-	-	-
2,305	11,235	1,553	3,178	27,252	11,642
-	-	-	-	-	-
<u>19,419</u>	<u>1,342,189</u>	<u>280,726</u>	<u>520,031</u>	<u>266,895</u>	<u>834,389</u>
-	1,397,633	273,880	-	-	-
-	32,314	-	-	-	-
-	-	-	1,637,277	-	-
-	-	-	-	-	-
-	-	-	-	-	2,518,186
-	-	-	-	-	-
-	-	-	-	19,398	-
-	420,833	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>1,850,780</u>	<u>273,880</u>	<u>1,637,277</u>	<u>19,398</u>	<u>2,518,186</u>
<u>19,419</u>	<u>(508,591)</u>	<u>6,846</u>	<u>(1,117,246)</u>	<u>247,497</u>	<u>(1,683,797)</u>
-	-	-	1,022,871	-	1,522,675
-	-	-	-	-	-
-	-	-	<u>1,022,871</u>	-	<u>1,522,675</u>
19,419	(508,591)	6,846	(94,375)	247,497	(161,122)
198,238	1,086,703	137,583	219,440	2,412,613	161,122
<u>\$ 217,657</u>	<u>\$ 578,112</u>	<u>\$ 144,429</u>	<u>\$ 125,065</u>	<u>\$ 2,660,110</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, 2004**

	<b>Special Revenue</b>				
	<b>Juvenile Justice Alternative Education Program</b>	<b>Jail Commissary</b>	<b>Court Reporter Service</b>	<b>CSCD Equipment Acquisition</b>	<b>Juvenile Deferred Prosecution</b>
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	545,378	-	-	-	-
Charges for services	-	1,109,465	308,684	-	5,147
Fines and forfeits	-	-	-	-	-
Investment income	11,262	1,102	1,338	(9)	142
Miscellaneous	-	-	-	-	-
Total revenues	<u>556,640</u>	<u>1,110,567</u>	<u>310,022</u>	<u>(9)</u>	<u>5,289</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Justice system	436,329	-	302,430	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	1,065,071	-	-	-
Health and human services	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>436,329</u>	<u>1,065,071</u>	<u>302,430</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>120,311</u>	<u>45,496</u>	<u>7,592</u>	<u>(9)</u>	<u>5,289</u>
<b>Other financing sources (uses):</b>					
Transfers in	160,758	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>160,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	281,069	45,496	7,592	(9)	5,289
Fund balances--beginning of year	<u>999,943</u>	<u>788,564</u>	<u>105,219</u>	<u>1,119</u>	<u>10,196</u>
Fund balances--end of year	<u>\$ 1,281,012</u>	<u>\$ 834,060</u>	<u>\$ 112,811</u>	<u>\$ 1,110</u>	<u>\$ 15,485</u>

**Special Revenue**

<b>Balcones Canyonlands</b>	<b>Abandoned Vehicles/ Livestock</b>	<b>LEOSE Elected Officials</b>	<b>LEOSE Commissioners' Court</b>	<b>Juvenile Delinquency Prevention</b>	<b>Unclaimed Property</b>	<b>Professional Prosecutors</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	90,149	895	-	-	-
511,654	-	-	-	10	-	-
-	-	-	-	-	-	-
49,299	77	90	-	1	-	-
<u>332,008</u>	<u>24,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>892,961</u>	<u>24,121</u>	<u>90,239</u>	<u>895</u>	<u>11</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	5,159	-	-	-	102,174
-	13,307	93,762	4,820	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
122,586	-	-	-	-	-	-
-	-	-	-	-	-	-
5,773,589	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,896,175</u>	<u>13,307</u>	<u>98,921</u>	<u>4,820</u>	<u>-</u>	<u>-</u>	<u>102,174</u>
<u>(5,003,214)</u>	<u>10,814</u>	<u>(8,682)</u>	<u>(3,925)</u>	<u>11</u>	<u>-</u>	<u>(102,174)</u>
3,099,876	-	-	-	-	-	50,850
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,099,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,850</u>
(1,903,338)	10,814	(8,682)	(3,925)	11	-	(51,324)
<u>3,705,442</u>	<u>54,954</u>	<u>69,141</u>	<u>5,296</u>	<u>50</u>	<u>-</u>	<u>51,324</u>
<u>\$ 1,802,104</u>	<u>\$ 65,768</u>	<u>\$ 60,459</u>	<u>\$ 1,371</u>	<u>\$ 61</u>	<u>\$ -</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, 2004**

	<u>Special Revenue</u>				
	<u>Mary Quinlan Park</u>	<u>Probate Judiciary Fee</u>	<u>Justice Court Technology</u>	<u>Jury Management</u>	<u>Capital Health Facilities Development Corporation</u>
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	125,259	150,027	-	-
Fines and forfeits	-	-	-	-	-
Investment income	-	2,265	2,508	-	21
Miscellaneous	10,000	-	-	-	-
Total revenues	<u>10,000</u>	<u>127,524</u>	<u>152,535</u>	<u>-</u>	<u>21</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	170
Justice system	-	63,173	18,909	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-
Health and human services	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Community and economic development	2,280	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal on general obligation debt	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>2,280</u>	<u>63,173</u>	<u>18,909</u>	<u>-</u>	<u>170</u>
Excess (deficiency) of revenues over expenditures	<u>7,720</u>	<u>64,351</u>	<u>133,626</u>	<u>-</u>	<u>(149)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(668)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(668)</u>
Net change in fund balances	7,720	64,351	133,626	-	(817)
Fund balances--beginning of year	260,000	169,513	194,266	-	6,631
Fund balances--end of year	<u>\$ 267,720</u>	<u>\$ 233,864</u>	<u>\$ 327,892</u>	<u>\$ -</u>	<u>\$ 5,814</u>

**Special Revenue**

<b>Travis County Housing Finance Corporation</b>	<b>Travis County Health Facilities Development Corporation</b>	<b>Capital Industrial Development Corporation</b>	<b>Truancy Court</b>	<b>County Clerk Archival</b>	<b>Family Protection</b>	<b>Elections Contract</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,000	-	-	-	-	-	-
295,979	354,693	-	129,657	1,257,548	40,291	865,782
-	-	-	-	-	-	-
4,277	3,026	70	735	3,619	(194)	1,354
-	-	-	-	-	-	-
<u>305,256</u>	<u>357,719</u>	<u>70</u>	<u>130,392</u>	<u>1,261,167</u>	<u>40,097</u>	<u>867,136</u>
224,052	8,564	307	-	306,065	-	796,516
-	-	-	118,664	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	17,750	-	11,358
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>224,052</u>	<u>8,564</u>	<u>307</u>	<u>118,664</u>	<u>323,815</u>	<u>-</u>	<u>807,874</u>
81,204	349,155	(237)	11,728	937,352	40,097	59,262
-	-	-	1,038	-	-	-
<u>(45,689)</u>	<u>(308,206)</u>	<u>(1,943)</u>	<u>-</u>	<u>(7,702)</u>	<u>-</u>	<u>-</u>
<u>(45,689)</u>	<u>(308,206)</u>	<u>(1,943)</u>	<u>1,038</u>	<u>(7,702)</u>	<u>-</u>	<u>-</u>
35,515	40,949	(2,180)	12,766	929,650	40,097	59,262
453,719	81,490	19,298	64,332	-	-	-
<u>\$ 489,234</u>	<u>\$ 122,439</u>	<u>\$ 17,118</u>	<u>\$ 77,098</u>	<u>\$ 929,650</u>	<u>\$ 40,097</u>	<u>\$ 59,262</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, 2004**

	Special Revenue			Debt Service
	Vital Statistic Preservation	Gardner House Handicraft	Total	Road District
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 581,249
Intergovernmental	-	-	1,454,900	-
Charges for services	3,605	-	9,273,579	-
Fines and forfeits	-	-	126,303	-
Investment income	(11)	27	148,566	9,431
Miscellaneous	-	-	368,970	-
Total revenues	3,594	27	11,372,318	590,680
<b>Expenditures:</b>				
Current:				
General government	-	-	3,007,187	3,916
Justice system	-	-	2,394,315	-
Public safety	-	-	1,826,093	-
Corrections and rehabilitation	-	-	1,596,414	-
Health and human services	-	-	2,518,186	-
Infrastructure and environmental services	-	-	122,586	-
Community and economic development	-	-	21,678	-
Capital outlay	-	-	6,248,602	-
Debt service:				
Principal on general obligation debt	-	-	-	370,000
Interest and other charges	-	-	-	289,930
Total expenditures	-	-	17,735,061	663,846
Excess (deficiency) of revenues over expenditures	3,594	27	(6,362,743)	(73,166)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	5,973,398	-
Transfers out	-	-	(516,403)	-
Total other financing sources (uses)	-	-	5,456,995	-
Net change in fund balances	3,594	27	(905,748)	(73,166)
Fund balances--beginning of year	-	2,321	12,582,502	486,216
Fund balances--end of year	3,594	\$ 2,348	\$ 11,676,754	\$ 413,050

<u>Capital Projects</u>			<u>Permanent Fund</u>	
<u>Joint Road Improvements</u>	<u>Grants</u>	<u>Total</u>	<u>Permanent School Fund</u>	<u>Total Non-Major Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 581,249
-	18,511,914	18,511,914	-	19,966,814
2,241,637	-	2,241,637	-	11,515,216
-	-	-	-	126,303
-	-	-	-	157,997
332,284	-	332,284	55,407	756,661
<u>2,573,921</u>	<u>18,511,914</u>	<u>21,085,835</u>	<u>55,407</u>	<u>33,104,240</u>
-	-	-	-	3,011,103
-	-	-	-	2,394,315
-	-	-	-	1,826,093
-	-	-	-	1,596,414
-	-	-	-	2,518,186
1,299,286	209,500	1,508,786	-	1,631,372
-	-	-	-	21,678
274,214	18,302,414	18,576,628	-	24,825,230
-	-	-	-	370,000
-	-	-	-	289,930
<u>1,573,500</u>	<u>18,511,914</u>	<u>20,085,414</u>	<u>-</u>	<u>38,484,321</u>
<u>1,000,421</u>	<u>-</u>	<u>1,000,421</u>	<u>55,407</u>	<u>(5,380,081)</u>
-	-	-	-	5,973,398
-	-	-	-	(516,403)
-	-	-	-	5,456,995
1,000,421	-	1,000,421	55,407	76,914
1,332,844	-	1,332,844	2,113,717	16,515,279
<u>\$ 2,333,265</u>	<u>\$ -</u>	<u>\$ 2,333,265</u>	<u>\$ 2,169,124</u>	<u>\$ 16,592,193</u>

(concluded)



**TRAVIS COUNTY, TEXAS**  
**BUDGETARY COMPARISON**  
**SCHEDULES**

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**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, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 58,991,030	\$ 58,991,030	\$ 58,607,758	\$ (383,272)
Investment income	232,064	232,064	432,825	200,761
Total revenues	<u>59,223,094</u>	<u>59,223,094</u>	<u>59,040,583</u>	<u>(182,511)</u>
<b>Expenditures:</b>				
Current:				
General government	6,000	6,000	6,000	-
Debt service:				
Principal on general obligation debt	37,866,451	37,866,451	37,866,450	1
Interest and other charges	<u>25,897,426</u>	<u>25,897,426</u>	<u>25,751,831</u>	<u>145,595</u>
Total expenditures	<u>63,769,877</u>	<u>63,769,877</u>	<u>63,624,281</u>	<u>145,596</u>
Excess (deficiency) of revenues over expenditures	<u>(4,546,783)</u>	<u>(4,546,783)</u>	<u>(4,583,698)</u>	<u>(36,915)</u>
<b>Other financing sources (uses):</b>				
General obligation debt issued	-	-	6,300	6,300
Transfers in	<u>108,000</u>	<u>108,000</u>	<u>108,000</u>	<u>-</u>
Total other financing sources (uses)	<u>108,000</u>	<u>108,000</u>	<u>114,300</u>	<u>6,300</u>
Net change in fund balance	(4,438,783)	(4,438,783)	(4,469,398)	(30,615)
Fund balance--beginning of year	<u>11,214,062</u>	<u>11,214,062</u>	<u>11,214,062</u>	<u>-</u>
Fund balance--end of year	<u>\$ 6,775,279</u>	<u>\$ 6,775,279</u>	<u>\$ 6,744,664</u>	<u>\$ (30,615)</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, 2004

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Law Library</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 760,470	\$ 742,059	\$ (18,411)
Investment income	2,000	5,436	3,436
Total revenues	<u>762,470</u>	<u>747,495</u>	<u>(14,975)</u>
<b>Expenditures:</b>			
Current:			
Justice system	<u>792,846</u>	<u>777,571</u>	<u>15,275</u>
Total expenditures	<u>792,846</u>	<u>777,571</u>	<u>15,275</u>
Excess (deficiency) of revenues over expenditures	<u>(30,376)</u>	<u>(30,076)</u>	<u>300</u>
Net change in fund balance	(30,376)	(30,076)	300
Fund balance--beginning of year	<u>437,439</u>	<u>437,439</u>	<u>-</u>
Fund balance--end of year	<u>\$ 407,063</u>	<u>\$ 407,363</u>	<u>\$ 300</u>
<b><u>Dispute Resolution Center</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 197,930	\$ 198,119	\$ 189
Investment income	600	841	241
Miscellaneous	<u>5,100</u>	<u>2,918</u>	<u>(2,182)</u>
Total revenues	<u>203,630</u>	<u>201,878</u>	<u>(1,752)</u>
<b>Expenditures:</b>			
Current:			
Justice system	<u>323,828</u>	<u>323,828</u>	<u>-</u>
Total expenditures	<u>323,828</u>	<u>323,828</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(120,198)</u>	<u>(121,950)</u>	<u>(1,752)</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>83,330</u>	<u>83,330</u>	<u>-</u>
Total other financing sources (uses)	<u>83,330</u>	<u>83,330</u>	<u>-</u>
Net change in fund balance	(36,868)	(38,620)	(1,752)
Fund balance--beginning of year	<u>44,650</u>	<u>44,650</u>	<u>-</u>
Fund balance--end of year	<u>\$ 7,782</u>	<u>\$ 6,030</u>	<u>\$ (1,752)</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Counseling Center</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 525,718	\$ 497,583	\$ (28,135)
Investment income	3,112	2,359	(753)
Total revenues	<u>528,830</u>	<u>499,942</u>	<u>(28,888)</u>
<b>Expenditures:</b>			
Current:			
Justice system	10,454	8,225	2,229
Corrections and rehabilitation	<u>570,295</u>	<u>531,343</u>	<u>38,952</u>
Total expenditures	<u>580,749</u>	<u>539,568</u>	<u>41,181</u>
Excess (deficiency) of revenues over expenditures	<u>(51,919)</u>	<u>(39,626)</u>	<u>12,293</u>
<b>Other financing sources (uses):</b>			
Transfers in	32,000	32,000	-
Transfers out	<u>(21,135)</u>	<u>(21,135)</u>	-
Total other financing sources (uses)	<u>10,865</u>	<u>10,865</u>	-
Net change in fund balance	(41,054)	(28,761)	12,293
Fund balance--beginning of year	<u>197,331</u>	<u>197,331</u>	-
Fund balance--end of year	<u>\$ 156,277</u>	<u>\$ 168,570</u>	<u>\$ 12,293</u>
<b><u>Juvenile Fee</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 15,000	\$ 17,114	\$ 2,114
Investment income	800	2,305	1,505
Total revenues	<u>15,800</u>	<u>19,419</u>	<u>3,619</u>
<b>Expenditures:</b>			
Current:			
Justice system	<u>212,409</u>	-	<u>212,409</u>
Total expenditures	<u>212,409</u>	-	<u>212,409</u>
Excess (deficiency) of revenues over expenditures	<u>(196,609)</u>	<u>19,419</u>	<u>216,028</u>
Net change in fund balance	(196,609)	19,419	216,028
Fund balance--beginning of year	<u>198,238</u>	<u>198,238</u>	-
Fund balance--end of year	<u>\$ 1,629</u>	<u>\$ 217,657</u>	<u>\$ 216,028</u>

(continued)

**TRAVIS COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET (GAAP BASIS) AND ACTUAL, continuec**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**For The Year Ended September 30, 2004**

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>County and District Clerk</b>			
<b><u>Records Management &amp; Preservation</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 1,335,250	\$ 1,330,954	\$ (4,296)
Investment income	4,000	11,235	7,235
Total revenues	<u>1,339,250</u>	<u>1,342,189</u>	<u>2,939</u>
<b>Expenditures:</b>			
Current:			
General government	1,486,557	1,397,633	88,924
Justice system	121,731	32,314	89,417
Capital outlay	446,124	420,833	25,291
Total expenditures	<u>2,054,412</u>	<u>1,850,780</u>	<u>203,632</u>
Excess (deficiency) of revenues over expenditures	<u>(715,162)</u>	<u>(508,591)</u>	<u>206,571</u>
Net change in fund balance	(715,162)	(508,591)	206,571
Fund balance--beginning of year	<u>1,086,703</u>	<u>1,086,703</u>	<u>-</u>
Fund balance--end of year	<u>\$ 371,541</u>	<u>\$ 578,112</u>	<u>\$ 206,571</u>
<b><u>Records Management &amp; Preservation</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 253,965	\$ 279,173	\$ 25,208
Investment income	800	1,553	753
Total revenues	<u>254,765</u>	<u>280,726</u>	<u>25,961</u>
<b>Expenditures:</b>			
Current:			
General government	<u>275,273</u>	<u>273,880</u>	<u>1,393</u>
Total expenditures	<u>275,273</u>	<u>273,880</u>	<u>1,393</u>
Excess (deficiency) of revenues over expenditures	<u>(20,508)</u>	<u>6,846</u>	<u>27,354</u>
Net change in fund balance	(20,508)	6,846	27,354
Fund balance--beginning of year	<u>137,583</u>	<u>137,583</u>	<u>-</u>
Fund balance--end of year	<u>\$ 117,075</u>	<u>\$ 144,429</u>	<u>\$ 27,354</u>

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Courthouse Security</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 512,356	\$ 516,853	\$ 4,497
Investment income	250	3,178	2,928
Total revenues	<u>512,606</u>	<u>520,031</u>	<u>7,425</u>
<b>Expenditures:</b>			
Current:			
Public safety	1,664,173	1,637,277	26,896
Total expenditures	<u>1,664,173</u>	<u>1,637,277</u>	<u>26,896</u>
Excess (deficiency) of revenues over expenditures	<u>(1,151,567)</u>	<u>(1,117,246)</u>	<u>34,321</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,022,871	1,022,871	-
Total other financing sources (uses)	<u>1,022,871</u>	<u>1,022,871</u>	<u>-</u>
Net change in fund balance	(128,696)	(94,375)	34,321
Fund balance--beginning of year	219,440	219,440	-
Fund balance--end of year	<u>\$ 90,744</u>	<u>\$ 125,065</u>	<u>\$ 34,321</u>

**LCRA Parks CIP**

<b>Revenues:</b>			
Charges for services	\$ 154,965	\$ 239,643	\$ 84,678
Investment income	19,171	27,252	8,081
Total revenues	<u>174,136</u>	<u>266,895</u>	<u>92,759</u>
<b>Expenditures:</b>			
Current:			
Community and economic development	23,375	19,398	3,977
Capital outlay	88,118	-	88,118
Total expenditures	<u>111,493</u>	<u>19,398</u>	<u>92,095</u>
Excess (deficiency) of revenues over expenditures	<u>62,643</u>	<u>247,497</u>	<u>184,854</u>
Net change in fund balance	62,643	247,497	184,854
Fund balance--beginning of year	2,412,613	2,412,613	-
Fund balance--end of year	<u>\$ 2,475,256</u>	<u>\$ 2,660,110</u>	<u>\$ 184,854</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, 2004**

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>FQHC Operations</u></b>			
<b>Revenues:</b>			
Intergovernmental	\$ 717,902	\$ 776,046	\$ 58,144
Charges for services	38,500	46,701	8,201
Investment income	<u>22,000</u>	<u>11,642</u>	<u>(10,358)</u>
Total revenues	<u>778,402</u>	<u>834,389</u>	<u>55,987</u>
<b>Expenditures:</b>			
Current:			
Health and human services	<u>2,518,236</u>	<u>2,518,186</u>	<u>50</u>
Total expenditures	<u>2,518,236</u>	<u>2,518,186</u>	<u>50</u>
Excess (deficiency) of revenues over expenditures	<u>(1,739,834)</u>	<u>(1,683,797)</u>	<u>56,037</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>1,522,675</u>	<u>1,522,675</u>	<u>-</u>
Total other financing sources (uses)	<u>1,522,675</u>	<u>1,522,675</u>	<u>-</u>
Net change in fund balance	(217,159)	(161,122)	56,037
Fund balance--beginning of year	<u>161,122</u>	<u>161,122</u>	<u>-</u>
Fund balance--end of year	<u>\$ (56,037)</u>	<u>\$ -</u>	<u>\$ 56,037</u>
<b><u>Juvenile Justice Alternative Education Program</u></b>			
<b>Revenues:</b>			
Intergovernmental	\$ 588,000	\$ 545,378	\$ (42,622)
Investment income	<u>5,000</u>	<u>11,262</u>	<u>6,262</u>
Total revenues	<u>593,000</u>	<u>556,640</u>	<u>(36,360)</u>
<b>Expenditures:</b>			
Current:			
Justice system	<u>1,589,343</u>	<u>436,329</u>	<u>1,153,014</u>
Total expenditures	<u>1,589,343</u>	<u>436,329</u>	<u>1,153,014</u>
Excess (deficiency) of revenues over expenditures	<u>(996,343)</u>	<u>120,311</u>	<u>1,116,654</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>160,758</u>	<u>160,758</u>	<u>-</u>
Total other financing sources (uses)	<u>160,758</u>	<u>160,758</u>	<u>-</u>
Net change in fund balance	(835,585)	281,069	1,116,654
Fund balance--beginning of year	<u>999,943</u>	<u>999,943</u>	<u>-</u>
Fund balance--end of year	<u>\$ 164,358</u>	<u>\$ 1,281,012</u>	<u>\$ 1,116,654</u>

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Court Reporter Service</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 245,540	\$ 308,684	\$ 63,144
Investment income	1,000	1,338	338
Total revenues	<u>246,540</u>	<u>310,022</u>	<u>63,482</u>
<b>Expenditures:</b>			
Current:			
Justice system	<u>309,211</u>	<u>302,430</u>	<u>6,781</u>
Total expenditures	<u>309,211</u>	<u>302,430</u>	<u>6,781</u>
Excess (deficiency) of revenues over expenditures	<u>(62,671)</u>	<u>7,592</u>	<u>70,263</u>
Net change in fund balance	(62,671)	7,592	70,263
Fund balance--beginning of year	<u>105,219</u>	<u>105,219</u>	<u>-</u>
Fund balance--end of year	<u>\$ 42,548</u>	<u>\$ 112,811</u>	<u>\$ 70,263</u>
<b><u>Juvenile Deferred Prosecution</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 6,000	\$ 5,147	\$ (853)
Investment income	60	142	82
Total revenues	<u>6,060</u>	<u>5,289</u>	<u>(771)</u>
<b>Expenditures:</b>			
Justice system	<u>13,311</u>	<u>-</u>	<u>13,311</u>
Total expenditures	<u>13,311</u>	<u>-</u>	<u>13,311</u>
Excess (deficiency) of revenues over expenditures	<u>(7,251)</u>	<u>5,289</u>	<u>12,540</u>
Net change in fund balance	(7,251)	5,289	12,540
Fund balance--beginning of year	<u>10,196</u>	<u>10,196</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,945</u>	<u>\$ 15,485</u>	<u>\$ 12,540</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, 2004**

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Balcones Canyonlands</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 1,695,003	\$ 511,654	\$ (1,183,349)
Investment income	25,000	49,299	24,299
Miscellaneous	125,514	332,008	206,494
Total revenues	<u>1,845,517</u>	<u>892,961</u>	<u>(952,556)</u>
<b>Expenditures:</b>			
Current:			
Infrastructure and environmental services	265,758	122,586	143,172
Capital outlay	6,122,422	5,773,589	348,833
Total expenditures	<u>6,388,180</u>	<u>5,896,175</u>	<u>492,005</u>
Excess (deficiency) of revenues over expenditures	<u>(4,542,663)</u>	<u>(5,003,214)</u>	<u>(460,551)</u>
<b>Other financing sources (uses):</b>			
Transfers in	3,099,876	3,099,876	-
Total other financing sources (uses)	<u>3,099,876</u>	<u>3,099,876</u>	<u>-</u>
Net change in fund balance	(1,442,787)	(1,903,338)	(460,551)
Fund balance--beginning of year	<u>3,705,442</u>	<u>3,705,442</u>	<u>-</u>
Fund balance--end of year	<u>\$ 2,262,655</u>	<u>\$ 1,802,104</u>	<u>\$ (460,551)</u>
<b><u>LEOSE Commissioners' Court</u></b>			
<b>Revenues:</b>			
Intergovernmental	\$ 900	\$ 895	\$ (5)
Total revenues	<u>900</u>	<u>895</u>	<u>(5)</u>
<b>Expenditures:</b>			
Current:			
Public safety	5,283	4,820	463
Total expenditures	<u>5,283</u>	<u>4,820</u>	<u>463</u>
Excess (deficiency) of revenues over expenditures	<u>(4,383)</u>	<u>(3,925)</u>	<u>458</u>
Net change in fund balance	(4,383)	(3,925)	458
Fund balance--beginning of year	<u>5,296</u>	<u>5,296</u>	<u>-</u>
Fund balance--end of year	<u>\$ 913</u>	<u>\$ 1,371</u>	<u>\$ 458</u>

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Juvenile Delinquency Prevention</u></b>			
<b>Revenues:</b>			
Charges for services	\$ -	\$ 10	\$ 10
Investment income	-	1	1
Total revenues	-	11	11
<b>Expenditures:</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	11	11
Net change in fund balance	-	11	11
Fund balance--beginning of year	50	50	-
Fund balance--end of year	<u>\$ 50</u>	<u>\$ 61</u>	<u>\$ 11</u>

**Professional Prosecutors**

<b>Revenues:</b>			
Total revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Justice system	102,174	102,174	-
Total expenditures	102,174	102,174	-
Excess (deficiency) of revenues over expenditures	(102,174)	(102,174)	-
<b>Other financing sources (uses):</b>			
Transfers in	50,850	50,850	-
Total other financing sources (uses)	50,850	50,850	-
Net change in fund balance	(51,324)	(51,324)	-
Fund balance--beginning of year	51,324	51,324	-
Fund balance--end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2004**

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Mary Quinlan Park</u></b>			
<b>Revenues:</b>			
Miscellaneous	\$ 5,000	\$ 10,000	\$ 5,000
Total revenues	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>
<b>Expenditures:</b>			
Current:			
Community and economic development	5,000	2,280	2,720
Total expenditures	<u>5,000</u>	<u>2,280</u>	<u>2,720</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>7,720</u>	<u>7,720</u>
Net change in fund balance	-	7,720	7,720
Fund balance--beginning of year	<u>260,000</u>	<u>260,000</u>	<u>-</u>
Fund balance--end of year	<u>\$ 260,000</u>	<u>\$ 267,720</u>	<u>\$ 7,720</u>
<b><u>Probate Judiciary Fee</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 58,800	\$ 125,259	\$ 66,459
Investment income	2,000	2,265	265
Total revenues	<u>60,800</u>	<u>127,524</u>	<u>66,724</u>
<b>Expenditures:</b>			
Current:			
Justice system	73,147	63,173	9,974
Total expenditures	<u>73,147</u>	<u>63,173</u>	<u>9,974</u>
Excess (deficiency) of revenues over expenditures	<u>(12,347)</u>	<u>64,351</u>	<u>76,698</u>
Net change in fund balance	(12,347)	64,351	76,698
Fund balance--beginning of year	<u>169,513</u>	<u>169,513</u>	<u>-</u>
Fund balance--end of year	<u>\$ 157,166</u>	<u>\$ 233,864</u>	<u>\$ 76,698</u>

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Justice Court Technology</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 122,500	\$ 150,027	\$ 27,527
Investment income	200	2,508	2,308
Total revenues	<u>122,700</u>	<u>152,535</u>	<u>29,835</u>
<b>Expenditures:</b>			
Current:			
Justice system	30,637	18,909	11,728
Total expenditures	<u>30,637</u>	<u>18,909</u>	<u>11,728</u>
Excess (deficiency) of revenues over expenditures	<u>92,063</u>	<u>133,626</u>	<u>41,563</u>
Net change in fund balance	92,063	133,626	41,563
Fund balance--beginning of year	<u>194,266</u>	<u>194,266</u>	<u>-</u>
Fund balance--end of year	<u>\$ 286,329</u>	<u>\$ 327,892</u>	<u>\$ 41,563</u>
<b><u>Truancy Court</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 97,242	\$ 129,657	\$ 32,415
Investment income	-	735	735
Total revenues	<u>97,242</u>	<u>130,392</u>	<u>33,150</u>
<b>Expenditures:</b>			
Current:			
Justice system	161,349	118,664	42,685
Total expenditures	<u>161,349</u>	<u>118,664</u>	<u>42,685</u>
Excess (deficiency) of revenues over expenditures	<u>(64,107)</u>	<u>11,728</u>	<u>75,835</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,038	1,038	-
Total other financing sources (uses)	<u>1,038</u>	<u>1,038</u>	<u>-</u>
Net change in fund balance	(63,069)	12,766	75,835
Fund balance--beginning of year	<u>64,332</u>	<u>64,332</u>	<u>-</u>
Fund balance--end of year	<u>\$ 1,263</u>	<u>\$ 77,098</u>	<u>\$ 75,835</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, 2004**

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>County Clerk Archival</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 1,200,000	\$ 1,257,548	\$ 57,548
Investment income	-	3,619	3,619
Total revenues	<u>1,200,000</u>	<u>1,261,167</u>	<u>61,167</u>
<b>Expenditures:</b>			
Current:			
General government	459,374	306,065	153,309
Capital outlay	392,529	17,750	374,779
Total expenditures	<u>851,903</u>	<u>323,815</u>	<u>528,088</u>
Excess (deficiency) of revenues over expenditures	<u>348,097</u>	<u>937,352</u>	<u>589,255</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(7,702)</u>	<u>(7,702)</u>	-
Total other financing sources (uses)	<u>(7,702)</u>	<u>(7,702)</u>	-
Net change in fund balance	340,395	929,650	589,255
Fund balance--beginning of year	-	-	-
Fund balance--end of year	<u>\$ 340,395</u>	<u>\$ 929,650</u>	<u>\$ 589,255</u>
<b><u>Family Protection</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 37,100	\$ 40,291	\$ 3,191
Investment income	-	(194)	(194)
Total revenues	<u>37,100</u>	<u>40,097</u>	<u>2,997</u>
<b>Expenditures:</b>			
Current:			
Health and human services	<u>37,100</u>	-	<u>37,100</u>
Total expenditures	<u>37,100</u>	-	<u>37,100</u>
Excess (deficiency) of revenues over expenditures	-	<u>40,097</u>	<u>40,097</u>
Net change in fund balance	-	40,097	40,097
Fund balance--beginning of year	-	-	-
Fund balance--end of year	<u>\$ -</u>	<u>\$ 40,097</u>	<u>\$ 40,097</u>

	<b>Budgeted Amounts Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b><u>Elections Contract</u></b>			
<b>Revenues:</b>			
Charges for services	\$ 1,051,658	\$ 865,782	\$ (185,876)
Investment income	-	1,354	1,354
Total revenues	<u>1,051,658</u>	<u>867,136</u>	<u>(184,522)</u>
<b>Expenditures:</b>			
Current:			
General government	1,013,348	796,516	216,832
Public safety	2,740	-	2,740
Capital outlay	12,650	11,358	1,292
Total expenditures	<u>1,028,738</u>	<u>807,874</u>	<u>220,864</u>
Excess (deficiency) of revenues over expenditures	<u>22,920</u>	<u>59,262</u>	<u>36,342</u>
Net change in fund balance	22,920	59,262	36,342
Fund balance--beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance--end of year	<u>\$ 22,920</u>	<u>\$ 59,262</u>	<u>\$ 36,342</u> (concluded)

**TRAVIS COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**For The Year Ended September 30, 2004**

<u>Joint Road Improvements</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 1,494,500	\$ 2,367,329	\$ 2,241,637	\$ (125,692)
Miscellaneous	6,639,100	7,135,938	332,284	(6,803,654)
Total revenues	<u>8,133,600</u>	<u>9,503,267</u>	<u>2,573,921</u>	<u>(6,929,346)</u>
<b>Expenditures:</b>				
Current:				
Infrastructure and environmental services	2,820,365	3,826,559	1,299,286	2,527,273
Capital outlay	7,239,614	7,603,087	274,214	7,328,873
Total expenditures	<u>10,059,979</u>	<u>11,429,646</u>	<u>1,573,500</u>	<u>9,856,146</u>
Excess (deficiency) of revenues over expenditures	<u>(1,926,379)</u>	<u>(1,926,379)</u>	<u>1,000,421</u>	<u>2,926,800</u>
Net change in fund balance	(1,926,379)	(1,926,379)	1,000,421	2,926,800
Fund balance--beginning of year	<u>1,332,844</u>	<u>1,332,844</u>	<u>1,332,844</u>	<u>-</u>
Fund balance--end of year	<u>\$ (593,535)</u>	<u>\$ (593,535)</u>	<u>\$ 2,333,265</u>	<u>\$ 2,926,800</u>

TRAVIS COUNTY, TEXAS

PROPRIETARY FUND

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

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

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

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**TRAVIS COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUND**  
September 30, 2004

	<u>Self-Insurance</u>	<u>Hospital and Insurance Fund - Co. Employees</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Pooled cash	\$ 18,779,196	\$ 10,461,333	\$ 29,240,529
Interest receivable	63,797	30,958	94,755
Other receivables	121,347	33,003	154,350
Prepaid items	116,482	-	116,482
Other assets	321,000	1,373,675	1,694,675
Total current assets	<u>19,401,822</u>	<u>11,898,969</u>	<u>31,300,791</u>
Noncurrent assets:			
Property, plant and equipment	50,000	-	50,000
Less accumulated depreciation	(22,078)	-	(22,078)
Total noncurrent assets	<u>27,922</u>	<u>-</u>	<u>27,922</u>
Total assets	<u>19,429,744</u>	<u>11,898,969</u>	<u>31,328,713</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	127,534	3	127,537
Deferred revenue	-	419,475	419,475
Due to other funds	996,000	-	996,000
Accrued and other liabilities	133,948	4,342	138,290
Claims and judgements	3,770,080	4,373,109	8,143,189
Compensated absences	27,611	4,221	31,832
Total current liabilities	<u>5,055,173</u>	<u>4,801,150</u>	<u>9,856,323</u>
Noncurrent liabilities:			
Claims and judgements	7,535,085	-	7,535,085
Compensated absences	35,558	3,067	38,625
Total noncurrent liabilities	<u>7,570,643</u>	<u>3,067</u>	<u>7,573,710</u>
Total liabilities	<u>12,625,816</u>	<u>4,804,217</u>	<u>17,430,033</u>
<b>Net Assets</b>			
Invested in capital assets	27,922	-	27,922
Unrestricted	6,776,006	7,094,752	13,870,758
Total net assets	<u>\$ 6,803,928</u>	<u>\$ 7,094,752</u>	<u>\$ 13,898,680</u>

**TRAVIS COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUND**  
For The Year Ended September 30, 2004

	<u>Self-Insurance</u>	<u>Hospital and Insurance Fund - Co. Employees</u>	<u>Total</u>
<b>Operating revenues:</b>			
Insurance premiums-county	\$ 5,081,971	\$ 25,137,897	\$ 30,219,868
Insurance premiums-employee	-	5,547,940	5,547,940
Miscellaneous	-	234,162	234,162
Total operating revenues	<u>5,081,971</u>	<u>30,919,999</u>	<u>36,001,970</u>
<b>Operating expenses:</b>			
Incurred losses	1,384,798	23,914,837	25,299,635
Unemployment claims	340,601	-	340,601
Premiums	901,576	739,754	1,641,330
Professional services	5,500	69,468	74,968
Depreciation expense	8,547	-	8,547
Administration	515,261	126,871	642,132
Total operating expenses	<u>3,156,283</u>	<u>24,850,930</u>	<u>28,007,213</u>
Operating income	<u>1,925,688</u>	<u>6,069,069</u>	<u>7,994,757</u>
<b>Nonoperating revenues:</b>			
Investment income	195,508	96,455	291,963
Total nonoperating revenue	<u>195,508</u>	<u>96,455</u>	<u>291,963</u>
Income before contributions and transfers	<u>2,121,196</u>	<u>6,165,524</u>	<u>8,286,720</u>
Transfers out	(996,000)	-	(996,000)
Change in net assets	1,125,196	6,165,524	7,290,720
Net assets--beginning of year	<u>5,678,732</u>	<u>929,228</u>	<u>6,607,960</u>
Net assets--end of year	<u>\$ 6,803,928</u>	<u>\$ 7,094,752</u>	<u>\$ 13,898,680</u>

**TRAVIS COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUND**  
**For The Year Ended September 30, 2004**

	<b>Self-Insurance</b>	<b>Hospital and Insurance Fund - Co. Employees</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received from premium revenues	\$ 5,081,971	\$ 30,747,460	\$ 35,829,431
Cash received from subrogation	59,095	-	59,095
Cash received from insurance proceeds and rebates	-	234,162	234,162
Cash paid for self-insured claims and loss adjustment expenses	(2,770,037)	(24,672,365)	(27,442,402)
Cash paid for other operating expenses	(1,513,190)	(810,715)	(2,323,905)
Cash paid for payroll	(524,878)	(118,846)	(643,724)
Net cash provided by operating activities	<u>332,961</u>	<u>5,379,696</u>	<u>5,712,657</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer to other funds	(1,250,000)	-	(1,250,000)
Net cash used by noncapital financing activities	<u>(1,250,000)</u>	<u>-</u>	<u>(1,250,000)</u>
<b>Cash flows from investing activities</b>			
Interest received	329,745	156,141	485,886
Net cash provided by investing activities	<u>329,745</u>	<u>156,141</u>	<u>485,886</u>
Net increase (decrease) in balance	(587,294)	5,535,837	4,948,543
Balance--beginning of the year	<u>19,517,725</u>	<u>5,004,763</u>	<u>24,522,488</u>
Balance--end of the year	<u>\$ 18,930,431</u>	<u>\$ 10,540,600</u>	<u>\$ 29,471,031</u>
<b>Reconciliation of proprietary fund pooled cash</b>			
Balance--end of the year	18,930,431	\$ 10,540,600	29,471,031
Decrease in fair value of investment in pooled cash	(151,235)	(79,267)	(230,502)
Pooled cash--end of the year	<u>\$ 18,779,196</u>	<u>\$ 10,461,333</u>	<u>\$ 29,240,529</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ 1,925,688	\$ 6,069,069	\$ 7,994,757
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	8,547	-	8,547
(Increase) decrease in other receivables	(85,780)	44,615	(41,165)
(Increase) decrease in prepaid items	13,059	-	13,059
Increase (decrease) in claims and judgements	(1,385,239)	(757,528)	(2,142,767)
Increase (decrease) in other liabilities	(143,314)	23,540	(119,774)
Net cash provided by operating activities	<u>\$ 332,961</u>	<u>\$ 5,379,696</u>	<u>\$ 5,712,657</u>
<b>Noncash investing, capital, and financing activities</b>			
Decrease in fair value of investments in pooled cash	(151,235)	(79,267)	(230,502)



**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 has been no request for refund.

**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. On some of the fees collected, the County receives a 10% commission, which is deposited in the General Fund.

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

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

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

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

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

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

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

**Road Districts Refunded Bonds Fund** - Southwest Travis County Road District No. 1 and Northwest Travis County Road District No. 3 have advance refunded bonds. The monies were placed in an escrow account to be disbursed for payment of the principal and interest for the bonds refunded. The County acts as the paying agent for these bonds.

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

**DNA Testing** – To account for court costs on conviction for offenses requiring DNA testing.

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

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**TRAVIS COUNTY, TEXAS**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**September 30, 2004**

	<u>County Officials' Escrow</u>	<u>Cash Bond</u>	<u>Surety Bail Bond</u>
<b>Assets</b>			
Cash and pooled cash	\$ 246,163	\$ 6,128,977	\$ 13,188
Certificates of deposit	-	-	126,907
Investments	-	-	-
Interest receivable	-	-	-
Accounts receivable, net	-	8,030	-
Total assets	<u>246,163</u>	<u>6,137,007</u>	<u>140,095</u>
<b>Liabilities</b>			
Due to third parties	7,365	10,070	-
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	238,798	6,126,937	140,095
Due to other governmental entities	-	-	-
Total liabilities	<u>246,163</u>	<u>6,137,007</u>	<u>140,095</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>State Revenue</u>	<u>LCRA Escrow</u>	<u>Officials' Fee Account</u>	<u>District and County Clerk Invested Trust Fund</u>	<u>Road District Indemnification Fees</u>
\$ 884,211	\$ 20,403	\$ 11,469,311	\$ 34,346,392	\$ 127,162
-	-	-	211,703	-
-	-	11,848,615	7,910,955	-
-	1,210	-	-	447
218,990	-	1,142,015	-	-
<u>1,103,201</u>	<u>21,613</u>	<u>24,459,941</u>	<u>42,469,050</u>	<u>127,609</u>
-	21,613	15,246,102	42,469,050	\$ 127,609
-	-	330,732	-	-
-	-	3,046,099	-	-
1,103,201	-	5,837,008	-	-
<u>1,103,201</u>	<u>21,613</u>	<u>24,459,941</u>	<u>42,469,050</u>	<u>127,609</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, 2004**

	<u>TNR Escrow</u>	<u>District and County Attorney Forfeited Property</u>	<u>Travis County Refunded Bonds</u>
<b>Assets</b>			
Cash and pooled cash	\$ 2,204,935	\$ 687,903	\$ 5,316
Certificates of deposit	-	-	-
Investments	-	-	-
Interest receivable	8,187	-	-
Accounts receivable, net	-	-	-
Total assets	<u>2,213,122</u>	<u>687,903</u>	<u>5,316</u>
<b>Liabilities</b>			
Due to third parties	2,213,122	669,188	5,316
Civil and probate deposits	-	-	-
Cash and surety bond deposits combined	-	-	-
Due to other governmental entities	-	18,715	-
Total liabilities	<u>2,213,122</u>	<u>687,903</u>	<u>5,316</u>
Net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Road Districts Refunded Bonds</b>	<b>Inmate Trust Fund</b>	<b>DNA Testing</b>	<b>Available School Fund</b>	<b>Total Agency Funds</b>
\$ 620,295	\$ 102,249	\$ 162	\$ 178,511	\$ 57,035,178
-	-	-	-	338,610
-	-	-	-	19,759,570
-	-	-	7,632	17,476
-	-	-	-	1,369,035
<u>620,295</u>	<u>102,249</u>	<u>162</u>	<u>186,143</u>	<u>78,519,869</u>
620,295	102,249	-	-	61,491,979
-	-	-	-	330,732
-	-	-	-	9,551,929
-	-	162	186,143	7,145,229
<u>620,295</u>	<u>102,249</u>	<u>162</u>	<u>186,143</u>	<u>78,519,869</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

**TRAVIS COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**September 30, 2004**

	<u>Balance</u> <u>October 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2004</u>
<b><u>County Officials' Escrow</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 246,763	\$ -	\$ 600	\$ 246,163
Total assets	<u>246,763</u>	<u>-</u>	<u>600</u>	<u>246,163</u>
<b>Liabilities:</b>				
Due to third parties	7,365	600	600	7,365
Cash and surety bond deposits combined	239,398	-	600	238,798
Total liabilities	<u>\$ 246,763</u>	<u>\$ 600</u>	<u>\$ 1,200</u>	<u>\$ 246,163</u>
<b><u>Cash Bond</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 5,106,171	\$ 4,214,996	\$ 3,192,190	\$ 6,128,977
Accounts receivable, net	8,000	756,278	756,248	8,030
Total assets	<u>5,114,171</u>	<u>4,971,274</u>	<u>3,948,438</u>	<u>6,137,007</u>
<b>Liabilities:</b>				
Due to third parties	10,070	-	-	10,070
Cash and surety bond deposits combined	5,104,101	3,458,748	2,435,912	6,126,937
Total liabilities	<u>\$ 5,114,171</u>	<u>\$ 3,458,748</u>	<u>\$ 2,435,912</u>	<u>\$ 6,137,007</u>
<b><u>Surety Bail Bond</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 13,188	\$ 65,000	\$ 65,000	\$ 13,188
Certificates of deposit	61,754	65,153	-	126,907
Total assets	<u>74,942</u>	<u>130,153</u>	<u>65,000</u>	<u>140,095</u>
<b>Liabilities:</b>				
Cash and surety bond deposits combined	74,942	65,153	-	140,095
Total liabilities	<u>\$ 74,942</u>	<u>\$ 65,153</u>	<u>\$ -</u>	<u>\$ 140,095</u>
<b><u>State Revenue</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 649,432	\$ 6,706,984	\$ 6,472,205	\$ 884,211
Accounts receivable, net	207,106	1,635,090	1,623,206	218,990
Total assets	<u>856,538</u>	<u>8,342,074</u>	<u>8,095,411</u>	<u>1,103,201</u>
<b>Liabilities:</b>				
Due to other governmental entities	856,538	4,923,029	4,676,366	1,103,201
Total liabilities	<u>\$ 856,538</u>	<u>\$ 4,923,029</u>	<u>\$ 4,676,366</u>	<u>\$ 1,103,201</u>

	<b>Balance October 1, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2004</b>
<b><u>LCRA Escrow</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 26,075	\$ 2,130,563	\$ 2,136,235	\$ 20,403
Interest receivable	679	531	-	1,210
Total assets	<u>26,754</u>	<u>2,131,094</u>	<u>2,136,235</u>	<u>21,613</u>
<b>Liabilities:</b>				
Due to third parties	26,754	2,503,325	2,508,466	21,613
Total liabilities	<u>\$ 26,754</u>	<u>\$ 2,503,325</u>	<u>\$ 2,508,466</u>	<u>\$ 21,613</u>

**Officials' Fee Account**

<b>Assets:</b>				
Cash and pooled cash	\$ 8,509,834	\$ 2,959,477	\$ -	\$ 11,469,311
Investments	12,740,078	-	891,463	11,848,615
Accounts receivable, net	1,216,917	-	74,902	1,142,015
Total assets	<u>22,466,829</u>	<u>2,959,477</u>	<u>966,365</u>	<u>24,459,941</u>
<b>Liabilities:</b>				
Due to third parties	15,479,250	-	233,148	15,246,102
Civil and probate deposits	334,872	-	4,140	330,732
Cash and surety bond deposits combined	2,374,877	671,222	-	3,046,099
Due to other governmental entities	4,277,830	1,559,178	-	5,837,008
Total liabilities	<u>\$ 22,466,829</u>	<u>\$ 2,230,400</u>	<u>\$ 237,288</u>	<u>\$ 24,459,941</u>

Note: Changes in the Officials' Fee Account Fund represent the net change during the year.

**District and County Clerk Invested Trust Fund**

<b>Assets:</b>				
Cash and pooled cash	\$ 31,608,625	\$ 2,737,767	\$ -	\$ 34,346,392
Certificates of deposit	211,201	502	-	211,703
Investments	7,862,599	48,356	-	7,910,955
Total assets	<u>39,682,425</u>	<u>2,786,625</u>	<u>-</u>	<u>42,469,050</u>
<b>Liabilities:</b>				
Due to third parties	39,682,425	2,786,625	-	42,469,050
Total liabilities	<u>\$ 39,682,425</u>	<u>\$ 2,786,625</u>	<u>\$ -</u>	<u>\$ 42,469,050</u>

Note: Changes in the District and County Clerk Invested Trust Fund represent the net change during the year.

**Road District Indemnification Fees**

<b>Assets:</b>				
Cash and pooled cash	\$ 125,869	\$ 7,551	\$ 6,258	\$ 127,162
Interest receivable	304	143	-	447
Total assets	<u>126,173</u>	<u>7,694</u>	<u>6,258</u>	<u>127,609</u>
<b>Liabilities:</b>				
Due to third parties	126,173	1,436	-	127,609
Total liabilities	<u>\$ 126,173</u>	<u>\$ 1,436</u>	<u>\$ -</u>	<u>\$ 127,609</u>

(continued)

**TRAVIS COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, continued**  
**AGENCY FUNDS**  
**September 30, 2004**

	<u>Balance</u> <u>October 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2004</u>
<b><u>TNR Escrow</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 2,180,088	\$ 1,078,250	\$ 1,053,403	\$ 2,204,935
Interest receivable	5,303	2,884	-	8,187
Total assets	<u>2,185,391</u>	<u>1,081,134</u>	<u>1,053,403</u>	<u>2,213,122</u>
<b>Liabilities:</b>				
Due to third parties	2,185,391	1,442,911	1,415,180	2,213,122
Total liabilities	<u>\$ 2,185,391</u>	<u>\$ 1,442,911</u>	<u>\$ 1,415,180</u>	<u>\$ 2,213,122</u>
<b><u>District and County Attorney Forfeited Property</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 571,996	\$ 115,907	-	\$ 687,903
Total assets	<u>571,996</u>	<u>115,907</u>	<u>-</u>	<u>687,903</u>
<b>Liabilities:</b>				
Due to third parties	571,921	97,267	-	669,188
Due to other governmental entities	75	18,640	-	18,715
Total liabilities	<u>\$ 571,996</u>	<u>\$ 115,907</u>	<u>\$ -</u>	<u>\$ 687,903</u>
Note: Changes in the District and County Attorney Forfeited Property Fund represent the net change during the year.				
<b><u>Travis County Refunded Bonds</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 5,316	\$ 3,409,101	\$ 3,409,101	\$ 5,316
Total assets	<u>5,316</u>	<u>3,409,101</u>	<u>3,409,101</u>	<u>5,316</u>
<b>Liabilities:</b>				
Due to third parties	5,316	6,818,202	6,818,202	5,316
Total liabilities	<u>\$ 5,316</u>	<u>\$ 6,818,202</u>	<u>\$ 6,818,202</u>	<u>\$ 5,316</u>
<b><u>Road Districts Refunded Bonds</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 619,962	\$ 372	\$ 39	\$ 620,295
Total assets	<u>619,962</u>	<u>372</u>	<u>39</u>	<u>620,295</u>
<b>Liabilities:</b>				
Due to third parties	619,962	372	39	620,295
Total liabilities	<u>\$ 619,962</u>	<u>\$ 372</u>	<u>\$ 39</u>	<u>\$ 620,295</u>

	<b>Balance October 1, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance September 30, 2004</b>
<b><u>Inmate Trust Fund</u></b>				
<b>Assets:</b>				
Cash and pooled cash	\$ 112,261	\$ -	\$ 10,012	\$ 102,249
Accounts receivable, net	197	-	197	-
Total assets	<u>112,458</u>	<u>-</u>	<u>10,209</u>	<u>102,249</u>
<b>Liabilities:</b>				
Due to third parties	112,458	-	10,209	102,249
Total liabilities	<u>\$ 112,458</u>	<u>\$ -</u>	<u>\$ 10,209</u>	<u>\$ 102,249</u>

Note: Changes in the Inmate Trust Fund represent the net change during the year.

#### **DNA Testing**

<b>Assets:</b>				
Cash and pooled cash	\$ -	\$ 250	\$ 88	\$ 162
Total assets	<u>-</u>	<u>250</u>	<u>88</u>	<u>162</u>
<b>Liabilities:</b>				
Due to other governmental entities	-	250	88	162
Total liabilities	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 88</u>	<u>\$ 162</u>

#### **Available School Fund**

<b>Assets:</b>				
Cash and pooled cash	\$ 187,813	\$ 444,224	\$ 453,526	\$ 178,511
Interest receivable	5,576	7,632	5,576	7,632
Total assets	<u>193,389</u>	<u>451,856</u>	<u>459,102</u>	<u>186,143</u>
<b>Liabilities:</b>				
Due to other governmental entities	193,389	242,619	249,865	186,143
Total liabilities	<u>\$ 193,389</u>	<u>\$ 242,619</u>	<u>\$ 249,865</u>	<u>\$ 186,143</u>

Note: Available School Fund was reclassified to an agency fund in FY 2004.

#### **Total - All Agency Funds**

<b>Assets:</b>				
Cash and pooled cash	\$ 49,963,393	\$ 23,870,442	\$ 16,798,657	\$ 57,035,178
Certificates of deposit	272,955	65,655	-	338,610
Investments	20,602,677	48,356	891,463	19,759,570
Interest receivable	11,862	11,190	5,576	17,476
Accounts receivable, net	1,432,220	2,391,368	2,454,553	1,369,035
Total assets	<u>72,283,107</u>	<u>26,387,011</u>	<u>20,150,249</u>	<u>78,519,869</u>
<b>Liabilities:</b>				
Due to third parties	58,827,085	13,650,738	10,985,844	61,491,979
Civil and probate deposits	334,872	-	4,140	330,732
Cash and surety bond deposits combined	7,793,318	4,195,123	2,436,512	9,551,929
Due to other governmental entities	5,327,832	6,743,716	4,926,319	7,145,229
Total liabilities	<u>\$ 72,283,107</u>	<u>\$ 24,589,577</u>	<u>\$ 18,352,815</u>	<u>\$ 78,519,869</u>

(concluded)



**TRAVIS COUNTY, TEXAS**

**GENERAL FUND**

**EXPENDITURES BUDGET**

**AND ACTUAL DETAIL**

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**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, 2004**

	<u>Budgeted Amounts<sup>2, 3</sup></u>		<u>Actual Amounts<sup>3</sup></u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government:</b>				
General Administration				
County Judge	\$ 339,748	\$ 339,746	\$ 306,955	\$ 32,791
County Commissioner Precinct #1	263,153	263,153	261,443	1,710
County Commissioner Precinct #2	271,438	271,438	269,823	1,615
County Commissioner Precinct #3	255,595	255,595	246,889	8,706
County Commissioner Precinct #4	265,090	265,911	258,745	7,166
Commissioners' Court General Administration	763,996	904,576	2,166,598	(1,262,022) <sup>1</sup>
Human Resource Management	6,520,603	6,564,442	6,291,462	272,980
Information Systems and Telecommunications	17,326,575	17,109,029	13,029,673	4,079,356
County Clerk - Recording	1,766,595	1,827,038	1,707,974	119,064
Civil Service Commission	67,938	68,255	63,753	4,502
Records Management and Communication	3,419,431	3,446,421	3,405,923	40,498
Centralized Computer Systems and Services (ITS)	85,435	87,935	82,605	5,330
Centralized Rent and Utilities (Facilities)	423,196	382,692	382,589	103
Centralized Fleet Services (TNR)	13,177	14,470	14,465	5
Total General Administration	31,830,283	31,825,702	28,488,897	3,336,805
Financial Administration				
County Auditor	5,451,870	5,451,871	4,983,183	468,688
County Treasurer	376,936	377,706	370,747	6,959
Planning and Budget	1,188,639	1,188,639	1,074,369	114,270
Purchasing and Inventory Management	2,043,738	2,043,362	1,952,509	90,853
Centralized Computer Systems and Services (ITS)	9,955	9,955	8,555	1,400
Centralized Rent and Utilities (Facilities)	94,315	89,215	89,057	158
Centralized Fleet Services (TNR)	942	1,077	1,075	2
Total Financial Administration	9,166,395	9,161,825	8,479,495	682,330
Tax Administration				
Tax Collector	4,946,631	4,957,252	4,781,727	175,525
Centralized Computer Systems and Services (ITS)	53,172	52,872	40,413	12,459
Centralized Rent and Utilities (Facilities)	39,339	30,296	30,258	38
Total Tax Administration	5,039,142	5,040,420	4,852,398	188,022
Facilities Management				
Facilities Management	6,972,025	7,270,434	6,139,124	1,131,310
Centralized Computer Systems and Services (ITS)	2,200	2,200	1,788	412
Centralized Rent and Utilities (Facilities)	59,670	35,337	35,239	98
Centralized Fleet Services (TNR)	30,910	33,597	33,595	2
Total Facilities Management	7,064,805	7,341,568	6,209,746	1,131,822
Election Administration				
Tax Collector - Voter Registration	183,392	-	-	-
County Clerk - Election Administration	2,286,798	2,360,572	2,284,011	76,561
Centralized Computer Systems and Services (ITS)	89,200	86,700	75,306	11,394
Centralized Rent and Utilities (Facilities)	98,845	56,882	56,853	29
Total Election Administration	2,658,235	2,504,154	2,416,170	87,984
<b>Total General Government</b>	55,758,860	55,873,669	50,446,706	5,426,963

<sup>1</sup> 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.

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

	Budgeted Amounts <sup>2,3</sup>		Actual Amounts <sup>3</sup>	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Justice System:</b>				
Criminal Justice				
Tax Collector	-	185,144	183,955	1,189
County Attorney	3,888,621	3,736,166	3,600,905	135,261
County Clerk	1,130,483	1,165,876	1,152,491	13,385
District Clerk	1,426,341	1,428,852	1,391,937	36,915
District Attorney	8,606,045	8,862,714	8,382,171	480,543
Criminal Courts	4,675,956	4,686,718	4,370,200	316,518
Justice of the Peace #1	297,943	298,800	296,618	2,182
Justice of the Peace #2	499,611	575,380	558,910	16,470
Justice of the Peace #3	460,368	468,958	464,103	4,855
Justice of the Peace #4	328,168	332,515	326,738	5,777
Justice of the Peace #5	322,635	328,448	319,486	8,962
Criminal Justice Planning	649,656	753,126	699,021	54,105
Centralized Computer Systems and Services (ITS)	80,345	80,345	61,956	18,389
Centralized Rent and Utilities (Facilities)	769,985	879,730	879,617	113
Centralized Fleet Services (TNR)	3,266	4,234	4,233	1
Legally Mandated Fees	5,656,124	5,656,124	5,429,069	227,055
Total Criminal Justice	29,922,262	30,585,425	28,243,917	2,341,508
Civil Justice				
County Attorney	5,013,422	5,198,892	5,016,208	182,684
County Clerk	970,604	1,019,643	969,138	50,505
District Clerk	3,347,202	3,401,265	3,158,256	243,009
Civil Courts	4,272,333	4,268,358	3,879,450	388,908
District Attorney	1,713,423	1,889,810	1,777,067	112,743
Probate Court	1,116,179	1,150,743	1,115,551	35,192
Justice of the Peace #1	223,549	222,692	222,012	680
Justice of the Peace #2	255,056	229,250	217,145	12,105
Justice of the Peace #3	206,837	207,633	203,658	3,975
Justice of the Peace #4	211,251	256,792	251,274	5,518
Justice of the Peace #5	322,282	321,918	310,660	11,258
Centralized Computer Systems and Services (ITS)	99,338	99,338	86,246	13,092
Centralized Rent and Utilities (Facilities)	230,340	237,624	230,711	6,913
Centralized Fleet Services (TNR)	2,426	2,937	2,934	3
Legally Mandated Fees	1,839,705	1,839,705	1,818,894	20,811
Total Civil Justice	19,823,947	20,346,600	19,259,204	1,087,396
Juvenile Services				
County Judge	5,643	5,645	5,636	9
Juvenile Public Defender	857,937	857,937	821,185	36,752
Juvenile Court	20,965,535	21,277,552	20,812,290	465,262
Child Protective Services (HHS)	1,334,158	1,409,731	1,351,300	58,431
Centralized Computer Systems and Services (ITS)	118,945	118,945	106,494	12,451
Centralized Rent and Utilities (Facilities)	748,527	695,923	695,897	26
Centralized Fleet Services (TNR)	9,443	11,328	11,324	4
Total Juvenile Services	24,109,730	24,451,938	23,872,170	579,768
<b>Total Justice System</b>	<b>73,855,939</b>	<b>75,383,963</b>	<b>71,375,291</b>	<b>4,008,672</b>

(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, 2004**

	Budgeted Amounts <sup>2,3</sup>		Actual Amounts <sup>3</sup>	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Public Safety:</b>				
Law Enforcement				
Constable #1	721,037	715,560	703,471	12,089
Constable #2	1,043,730	1,050,624	1,036,445	14,179
Constable #3	1,233,664	1,237,596	1,203,843	33,753
Constable #4	770,447	785,678	772,571	13,107
Constable #5	2,681,187	2,690,763	2,518,934	171,829
Sheriff	23,494,995	24,160,280	23,400,960	759,320
Medical Examiner	2,080,736	2,080,736	2,006,351	74,385
Centralized Computer Systems and Services (ITS)	18,919	18,919	3,917	15,002
Centralized Rent and Utilities (Facilities)	340,866	395,327	395,184	143
Centralized Fleet Services (TNR)	1,402,361	1,746,840	1,746,828	12
Total Law Enforcement	33,997,820	35,127,502	33,810,792	1,316,710
Emergency Management Services				
Emergency Management Services		2,816,787	2,591,689	225,098
Combined Transportation, Emergency & Com Center (CJP)	230,300	218,227	(31,855)	250,082
Centralized Rent and Utilities (Facilities)	78,993	103,768	103,767	1
Total Emergency Management Services	3,126,722	3,138,782	2,663,601	475,181
<b>Total Public Safety</b>	<b>37,124,542</b>	<b>38,266,284</b>	<b>36,474,393</b>	<b>1,791,891</b>
<b>Corrections and Rehabilitation:</b>				
Housing and Booking				
Sheriff	62,768,472	62,314,049	60,283,643	2,030,406
Centralized Computer Systems and Services (ITS)	12,600	12,600	(36)	12,636
Centralized Rent and Utilities (Facilities)	366,475	383,675	383,633	42
Centralized Fleet Services (TNR)	60,736	70,518	70,516	2
Total Housing and Booking	63,709,656	63,315,405	60,998,290	2,317,115
Supervision				
Community Supervision and Corrections	457,118	452,251	433,613	18,638
Travis County Counseling Center/SACA	1,701,967	1,701,812	1,677,429	24,383
Pre-Trial Services	2,042,743	2,048,412	1,989,546	58,866
Centralized Computer Systems and Services (ITS)	89,910	91,410	58,939	32,471
Centralized Rent and Utilities (Facilities)	1,165,372	1,150,115	1,149,815	300
Centralized Fleet Services (TNR)	8,995	33,308	33,304	4
Total Supervision	5,466,105	5,477,308	5,342,646	134,662
<b>Total Corrections and Rehabilitation</b>	<b>69,175,761</b>	<b>68,792,713</b>	<b>66,340,936</b>	<b>2,451,777</b>
<b>Health and Human Services:</b>				
Healthcare				
Emergency Service	203,738	177,617	139,142	38,475
Criminal Justice Planning	5,470	-	-	-
Health Services (HHS)	1,201,696	1,202,634	1,181,147	21,487
Emergency Medical Service	9,052,272	9,199,330	9,120,040	79,290
Centralized Rent and Utilities (Facilities)	233,918	251,616	251,565	51
Centralized Fleet Services (TNR)	9,553	11,398	11,397	1
Total Healthcare	10,706,647	10,842,595	10,703,291	139,304
Public Health				
Public Health (HHS)	854,692	829,260	805,472	23,788
Centralized Computer Systems and Services (ITS)	4,905	4,905	2,906	1,999
Centralized Rent and Utilities (Facilities)	15,782	13,782	13,720	62
Centralized Fleet Services (TNR)	16,617	20,301	20,300	1
Total Public Health	1,153,046	1,129,298	855,518	273,780

	<b>Budgeted Amounts<sup>2,3</sup></b>		<b>Actual Amounts<sup>3</sup></b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
<b>Human Services</b>				
Veteran Services	231,172	243,435	239,607	3,828
County Cooperative (Agricultural) Extension Service	655,550	615,519	591,759	23,760
Human Services (HHS)	22,159,648	23,268,483	22,468,302	800,181
Centralized Computer Systems and Services (ITS)	24,525	24,525	18,352	6,173
Centralized Rent and Utilities (Facilities)	90,735	93,035	93,003	32
Centralized Fleet Services (TNR)	10,791	13,778	13,774	4
<b>Total Human Services</b>	<b>23,176,457</b>	<b>24,278,713</b>	<b>23,437,335</b>	<b>841,378</b>
<b>Total Health and Human Services</b>	<b>35,036,150</b>	<b>36,250,606</b>	<b>34,996,144</b>	<b>1,254,462</b>
<b><u>Infrastructure and Environmental Services:</u></b>				
<b>Roads and Bridges</b>				
Transportation and Roads	2,960,168	3,221,200	2,374,110	847,090
Centralized Computer Systems and Services (ITS)	9,672	9,672	6,732	2,940
Centralized Rent and Utilities (Facilities)	42,166	46,466	46,417	49
Centralized Fleet Services (TNR)	45,823	56,348	56,341	7
<b>Total Roads and Bridges</b>	<b>3,100,054</b>	<b>3,375,911</b>	<b>2,520,655</b>	<b>855,256</b>
<b>Drainage</b>				
Transportation and Roads - Stormwater Management	694,453	704,857	504,934	199,923
Centralized Rent and Utilities (Facilities)	8,863	9,396	9,324	72
Centralized Fleet Services (TNR)	876	994	993	1
<b>Total Drainage</b>	<b>704,192</b>	<b>715,247</b>	<b>515,251</b>	<b>199,996</b>
<b>Conservation and Natural Resources</b>				
Transportation and Roads	1,663,745	1,595,577	1,520,406	75,171
Centralized Rent and Utilities (Facilities)	8,862	9,395	9,322	73
Centralized Fleet Services (TNR)	12,583	15,316	15,311	5
<b>Total Conservation and Natural Resources</b>	<b>1,685,190</b>	<b>1,620,288</b>	<b>1,545,039</b>	<b>75,249</b>
<b>Sanitation</b>				
Transportation and Roads - Onsite Sewage Facility	628,951	593,618	569,030	24,588
Centralized Rent and Utilities (Facilities)	8,861	9,395	9,322	73
Centralized Fleet Services (TNR)	8,238	10,414	10,412	2
<b>Total Sanitation</b>	<b>646,050</b>	<b>613,427</b>	<b>588,764</b>	<b>24,663</b>
<b>Total Infrastructure and Environmental Services</b>	<b>6,135,486</b>	<b>6,324,873</b>	<b>5,169,709</b>	<b>1,155,164</b>
<b><u>Community and Economic Development:</u></b>				
<b>Economic Development</b>				
Travis County Exposition Center	3,460	3,460	1,496	1,964
Centralized Rent and Utilities (Facilities)	-	1,600	1,542	58
Centralized Fleet Services (TNR)	6,299	7,665	7,662	3
<b>Total Economic Development</b>	<b>1,351,065</b>	<b>1,331,252</b>	<b>1,003,336</b>	<b>327,916</b>
<b>Parks and Recreation</b>				
Transportation and Roads	4,529,163	4,383,828	3,802,868	580,960
Centralized Fleet Services (TNR)	423,645	459,632	459,629	3
<b>Total Parks and Recreation</b>	<b>4,952,808</b>	<b>4,846,460</b>	<b>4,265,408</b>	<b>581,052</b>
<b>Culture and Education</b>				
Historical Commission	2,448	2,448	525	1,923
Centralized Rent and Utilities (Facilities)	4,948	6,598	6,539	59
<b>Total Culture and Education</b>	<b>7,396</b>	<b>9,046</b>	<b>7,064</b>	<b>1,982</b>
<b>Total Community and Economic Development</b>	<b>6,311,269</b>	<b>6,186,758</b>	<b>5,275,808</b>	<b>910,950</b>
<b>Total</b>	<b>\$ 283,398,007</b>	<b>\$ 287,078,866</b>	<b>\$ 270,078,987</b>	<b>\$ 16,999,879</b>

(concluded)



## Travis County, Texas Statistical Section



*Photo by Billy Moore, LCRA*

***Lake Travis is popular for water skiing, sailing, swimming, and other water activities.***

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**TRAVIS COUNTY, TEXAS**

**GOVERNMENT-WIDE**

**INFORMATION**

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**GW - Table 1**

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

Fiscal Period <sup>(1)</sup>	Program Revenues			General Revenues	
	Fees, Fines and Charges for Services	Operating Grants, Contributions, Shared Revenues, and Entitlements	Capital Grants, Contributions and Donated Assets	Property Taxes, ad valorem	Other Taxes
2002	\$ 60,189,470	\$ 27,129,643	\$ 26,198,687	\$ 255,247,618	\$ 3,963,302
2003	68,990,020	25,722,118	21,173,020	289,545,907	4,068,052
2004	72,881,066	24,161,047	29,773,925	296,050,880	4,376,878

Note:

- (1) In compliance with GASB Statement No. 34, government-wide financial statements were prepared beginning in fiscal period 2002.

**GW - Table 2**

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

Fiscal Period <sup>(1)</sup>	General Government	Justice System	Public Safety	Corrections and Rehabilitation	Health and Human Services
2002 <sup>(2)</sup>	\$ 66,568,720	\$ 78,332,558	\$ 32,512,054	\$ 83,293,576	\$ 35,826,633
2003 <sup>(2)</sup>	75,800,673	80,832,680	37,934,509	83,092,671	38,286,362
2004	77,881,031	78,445,879	38,719,649	80,464,846	39,343,976

Note:

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

**General Revenues**

<b>Grants and Contributions Not Restricted to Specific Programs</b>	<b>Investment Earnings</b>	<b>Insurance Premiums - Employee</b>	<b>Miscellaneous</b>	<b>Total</b>
\$ 2,775,535	\$ 9,009,612	\$ 3,375,164	\$ 3,196,594	\$ 391,085,625
1,778,784	4,990,529	4,142,736	4,089,495	424,500,661
2,130,837	4,669,265	5,547,940	4,161,627	443,753,465

<b>Infrastructure and Environmental Services</b>	<b>Community and Economic Development</b>	<b>Interest on Long-term Debt</b>	<b>Total</b>
\$ 169,129,446	\$ 4,610,862	\$ 21,629,201	\$ 491,903,050
64,712,177	5,657,458	25,358,230	411,674,760
77,209,480	5,992,029	22,721,482	420,778,372



# **TRAVIS COUNTY, TEXAS**

## **FUND INFORMATION**

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**Table 1**

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

<b>Fiscal Period</b>	<b>Taxes</b>	<b>Intergovernmental</b>	<b>Charges for Services</b>
1995	\$ 148,032,988	\$ 32,494,928	\$ 23,766,508
1996	154,577,764	35,616,307	26,543,790
1997	161,786,754	39,747,830	25,970,080
1998	172,161,747	46,886,901	26,805,435
1999	200,778,975	56,026,252	29,039,949
2000	215,734,106	53,746,696	31,173,038
2001	237,522,409	55,072,200	34,950,230
2002	259,810,920	38,986,488	54,356,255
2003	292,813,959	30,491,351	61,320,127
2004	299,227,758	45,194,797	66,224,790

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

<u>Fines and Forfeits</u>	<u>Investment Income</u>	<u>Miscellaneous</u>	<u>Total <sup>(1)</sup></u>
\$ 2,584,604	\$ 8,609,287	\$ 2,063,293	\$ 217,551,608
2,425,102	9,153,477	2,087,122	230,403,562
3,060,108	10,227,390	2,414,151	243,206,313
3,146,288	11,477,344	2,518,630	262,996,345
3,846,120	12,268,471	6,251,735	308,211,502
5,038,987	14,482,292	8,657,879	328,832,998
4,091,952	17,008,846	6,751,249	355,396,886
5,707,576	10,666,630	3,423,808	372,951,677
6,387,910	3,798,997	4,186,505	398,998,849
6,321,816	3,663,515	4,171,895	424,804,571

**Table 2**

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

<b>Fiscal Period</b>	<b>General Government</b>	<b>Justice System</b>	<b>Law Enforcement</b>	<b>Corrections and Rehabilitation</b>	<b>Juvenile Services</b>	<b>Public Health</b>	<b>Human Services</b>	<b>Transportation and Roads</b>
1995	\$ 24,385,502	\$ 25,719,812	\$ 17,096,135	\$ 50,142,539	\$ 15,017,784	\$ 9,026,749	\$ 11,071,053	\$ 12,943,666
1996	28,053,852	27,141,832	17,323,703	50,201,489	15,972,444	9,802,836	15,146,500	13,607,403
1997	29,704,655	29,801,936	18,527,450	52,525,898	17,114,803	10,594,416	16,743,618	13,702,270
1998	35,224,586	34,521,530	24,448,511	56,578,640	20,295,911	11,250,430	18,526,330	17,246,538
1999	39,207,384	38,026,760	27,625,473	60,665,028	22,302,070	12,008,474	19,578,246	19,892,453
2000	42,110,474	39,608,584	28,901,628	62,500,872	21,949,358	14,922,951	21,226,995	19,670,580
2001	50,558,051	42,305,295	33,367,455	69,085,011	22,041,988	16,421,075	18,398,206	16,681,336

**NEW FUNCTIONS ADOPTED IN FISCAL YEAR 2003**

<b>Fiscal Period</b>	<b>General Government</b>	<b>Justice System</b>	<b>Public Safety</b>	<b>Corrections and Rehabilitation</b>	<b>Health and Human Services</b>	<b>Infrastructure and Environmental Services</b>	<b>Community and Economic Development</b>
2002 <sup>(7)</sup>	\$ 46,896,192	\$ 80,522,967	\$ 32,813,028	\$ 86,745,965	\$ 35,415,060	\$ 18,311,502	\$ 4,007,942
2003 <sup>(7)</sup>	49,666,600	82,373,306	37,310,891	83,621,026	37,817,648	17,507,044	4,495,855
2004	54,077,332	82,691,555	40,149,412	85,324,250	39,380,193	19,731,737	5,007,552

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

Parks and Recreation	Capital Outlay <sup>(6)</sup>	Debt Service					Total <sup>(1-3)</sup>
		Bond Principal	Debt Issuance Costs <sup>(5)</sup>	Capital Lease and Other Debt Principal	Interest	Capitalized Interest <sup>(4)</sup>	
\$ 2,076,971	\$ 23,862,894	\$ 23,170,000	\$ -	\$ 661,588	\$ 14,676,017	\$ 64,857	\$ 229,915,567
1,907,323	19,602,301	24,370,000	-	390,676	12,766,434	146,184	236,432,977
1,818,623	23,602,365	24,385,000	-	901,506	13,162,913	355,021	252,940,474
1,898,061	53,260,793	26,585,000	-	380,512	11,393,960	635,940	312,246,742
2,037,932	83,505,056	30,700,000	-	68,485	15,785,090	1,812,059	373,214,510
2,445,584	72,542,193	32,795,000	-	73,785	13,607,774	3,457,417	375,813,195
3,137,044	47,106,717	30,661,833	-	79,495	17,472,112	2,123,010	369,438,628

Capital Outlay <sup>(6)</sup>	Bond Principal	Debt Issuance Costs <sup>(5)</sup>	Debt Service			Total <sup>(1-3)</sup>
			Capital Lease and Other Debt Principal	Interest	Capitalized Interest <sup>(4)</sup>	
\$ 153,705,260	\$ 33,653,381	\$ 1,093,679	\$ 85,647	\$ 19,833,026	\$ -	\$ 513,083,649
46,908,816	39,253,523	458,019	92,275	24,947,043	-	424,452,046
57,008,391	38,236,450	87,380	100,719	26,128,636		447,923,607

**TABLE 3**

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

<b>Fiscal Period <sup>(1)</sup></b>	<b>Real Property</b>		<b>Other Property</b>	
	<b>Assessed Value <sup>(2)</sup></b>	<b>Estimated Actual Value</b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Estimated Actual Value</b>
1995	\$ 26,019,324,948	\$ 26,019,324,948	\$ 4,879,425,520	\$ 4,879,425,520
1996	29,218,038,740	29,218,038,740	5,174,449,953	5,174,449,953
1997	32,151,006,110	32,151,006,110	5,870,885,351	5,870,885,351
1998	34,206,092,223	34,206,092,223	6,311,515,259	6,311,515,259
1999	38,796,305,011	38,796,305,011	6,661,158,356	6,661,158,356
2000	42,951,265,742	42,951,265,742	6,888,158,118	6,888,158,118
2001	52,592,954,516	52,592,954,516	7,680,551,549	7,680,551,549
2002	62,248,832,537	62,248,832,537	9,376,657,196	9,376,657,196
2003	66,863,306,587	66,863,306,587	8,279,432,312	8,279,432,312
2004	63,566,576,847	63,566,576,847	7,821,535,589	7,821,535,589

Note: (1) Includes blended component units for all years.

(2) Excludes applicable exemptions.

(3) Net of applicable exclusions.

(4) Taxes are levied on 100% of the taxable value, net of exemptions.

	<b>Totals</b>			
<b>Homestead and Other Exemptions</b>	<b>Net Taxable Assessed Value <sup>(3)</sup></b>	<b>Estimated Actual Value</b>	<b>Assessment Ratio <sup>(4)</sup></b>	
\$ 5,010,928,951	\$ 25,887,821,517	\$ 30,898,750,468	100%	
5,525,036,984	28,867,451,709	34,392,488,693	100%	
6,128,893,728	31,892,997,733	38,021,891,461	100%	
6,465,508,159	34,052,099,323	40,517,607,482	100%	
7,314,354,102	38,143,109,265	45,457,463,367	100%	
7,825,078,933	42,014,344,927	49,839,423,860	100%	
10,731,301,629	49,542,204,436	60,273,506,065	100%	
14,053,521,710	57,571,968,023	71,625,489,733	100%	
13,430,261,437	61,712,477,462	75,142,738,899	100%	
11,729,409,978	59,658,702,458	71,388,112,436	100%	

**TABLE 4**

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

<u>Fiscal Period</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
1995	\$ 143,659,154	\$ 142,010,457	98.9%	\$ 1,478,509	\$ 143,488,966
1996	149,800,934	148,226,211	98.9%	1,437,542	149,663,753
1997	157,852,081	156,089,814	98.9%	998,818	157,088,632
1998	168,088,920	165,919,934	98.7%	1,246,238	167,166,172
1999	196,160,494	193,879,389	98.8%	1,568,011	195,447,400
2000	209,687,723	207,413,209	98.9%	1,805,529	209,218,738
2001	231,415,258	228,465,413	98.7%	1,810,815	230,276,228
2002	256,710,243	252,937,044	98.5%	1,694,878	254,631,922
2003	287,478,051	283,324,477	98.6%	2,884,437	286,208,914
2004	293,345,216	289,740,129	98.8%	928,630	290,668,759

Note: Excludes blended component units.

<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
99.9%	\$ 7,454,599	5.2%
99.9%	7,561,250	5.0%
99.5%	7,972,876	5.1%
99.5%	8,599,425	5.1%
99.6%	9,087,398	4.6%
99.8%	9,360,991	4.5%
99.5%	10,170,582	4.4%
99.2%	11,797,323	4.6%
99.6%	13,139,690	4.6%
99.1%	12,614,242	4.3%



**TABLE 5**

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

**Tax Rates Per \$100 Assessed Valuation <sup>(1)</sup>**

<u>Fiscal Period</u>	<u>Maintenance &amp; Operations</u>	<u>Interest &amp; Sinking Fund</u>	<u>Total County</u>
1995	0.4107	0.1445	0.5552
1996	0.3966	0.1220	0.5186
1997	0.3869	0.1081	0.4950
1998	0.3853	0.1085	0.4938
1999	0.3865	0.1278	0.5143
2000	0.3861	0.1127	0.4988
2001	0.3760	0.0910	0.4670
2002	0.3546	0.0914	0.4460
2003	0.3627	0.1033	0.4660
2004	0.3926	0.0992	0.4918

**Tax Levies**

<u>Fiscal Period</u>	<u>Maintenance &amp; Operations</u>	<u>Interest &amp; Sinking Fund</u>	<u>Total County</u>
1995	\$ 106,269,479	\$ 37,389,675	\$ 143,659,154
1996	114,560,452	35,240,482	149,800,934
1997	123,379,738	34,472,343	157,852,081
1998	131,155,652	36,933,268	168,088,920
1999	147,415,965	48,744,529	196,160,494
2000	162,310,405	47,377,318	209,687,723
2001	186,321,493	45,093,765	231,415,258
2002	204,101,911	52,608,332	256,710,243
2003	223,751,693	63,726,358	287,478,051
2004	234,175,136	59,170,080	293,345,216

**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: (1) Table excludes blended component units.

**TABLE 6**

**TRAVIS COUNTY, TEXAS**  
**SCHEDULE OF DIRECT AND ESTIMATED OVERLAPPING DEBT**  
**September 30, 2004**  
**(Unaudited)**

	Estimated Direct Net Debt	Percentage Applicable to Travis County	Amount Applicable to Travis County
<b>Governmental Subdivision:</b>			
Travis County	\$ 452,783,518	100.00 %	\$ 452,783,518
N.W. Travis County RD No. 3	4,985,000	100.00	4,985,000
Total Travis County Including Component Units	<u>457,768,518</u>		<u>457,768,518</u>
<b>Special Districts:</b>			
Bella Vista MUD	3,955,000	100.00	3,955,000
Hurst Creek MUD	8,745,000	100.00	8,745,000
Lakeside WC & ID No. 1	2,825,000	100.00	2,825,000
Lakeway MUD	22,395,313	100.00	22,395,313
Moore's Crossing MUD	2,888,546	100.00	2,888,546
N.W. Austin MUD No. 1	11,911,028	100.00	11,911,028
Northtown MUD	10,445,000	100.00	10,445,000
River Place MUD	11,479,683	100.00	11,479,683
Senna Hills MUD	7,720,000	100.00	7,720,000
Shady Hollow MUD	375,000	100.00	375,000
Travis Co. Emergency Svcs. Dist. No. 2	3,485,000	100.00	3,485,000
Travis Co. Emergency Svcs. Dist. No. 3	3,370,000	100.00	3,370,000
Travis Co. Emergency Svcs. Dist. No. 6	3,415,000	100.00	3,415,000
Travis Co. Emergency Svcs. Dist. No. 7	2,480,000	100.00	2,480,000
Travis Co. Emergency Svcs. Dist. No. 9	1,800,000	100.00	1,800,000
Travs County MUD No. 3	8,100,000	100.00	8,100,000
Travs County MUD No. 4	1,935,000	100.00	1,935,000
Travs County MUD No. 6	1,710,000	100.00	1,710,000
Travs County MUD No. 15	1,600,000	100.00	1,600,000
Travis County WC&ID No. 10	1,815,000	100.00	1,815,000
Travis County WC&ID No. 17	465,000	100.00	465,000
Travis County WC&ID No. 17 Commanche Trail Defined Area	780,000	100.00	780,000
Travis County WC&ID No. 17 Steiner Ranch Defined Area	42,239,994	100.00	42,239,994
Travis County WC&ID No. 17 Flintrock Ranch Defined Area	1,180,000	100.00	1,180,000
Travis County WC&ID No. 18	4,835,000	100.00	4,835,000
Travis County WC&ID No. 20	5,063,483	100.00	5,063,483
Travis County WC&ID - Point Venture	2,405,000	100.00	2,405,000
Wells Branch MUD	4,300,000	100.00	4,300,000
W. Travis County MUD No. 3	1,905,000	100.00	1,905,000
W. Travis County MUD No. 5	2,590,000	100.00	2,590,000
	<u>178,213,047</u>		<u>178,213,047</u>
<b>Subtotal Special Districts</b>			
<b>County Line Special Districts:</b>			
North Austin MUD No. 1	8,764,712	16.03	1,404,983
Ranch at Cypress Creek MUD No. 1	10,925,000	47.67	5,207,948
Williamson-Travis County MUD No. 1	4,000,000	96.37	3,854,800
Williamson-Travis County MUD No. 1-D	16,593,768	28.45	4,720,927
Williamson-Travis County WC&ID No. 1-G	4,745,000	91.34	4,334,083
	<u>45,028,480</u>		<u>19,522,741</u>
<b>Subtotal County Line Special Districts</b>			

	Estimated Direct Net Debt	Percentage Applicable to Travis County	Amount Applicable to Travis County
Cities:			
Austin	\$ 960,032,467	98.32 %	\$ 943,903,922
Bee Cave, Village of	50,000	100.00	50,000
Briarcliff, Village of	2,495,000	100.00	2,495,000
Cedar Park	67,370,000	5.45	3,671,665
Jonestown	1,400,000	100.00	1,400,000
Lago Vista	22,705,000	100.00	22,705,000
Lakeway	8,830,000	100.00	8,830,000
Manor	3,241,000	100.00	3,241,000
Pflugerville	86,539,000	100.00	86,539,000
Round Rock	106,244,000	2.58	2,741,095
Sunset Valley	1,210,000	100.00	1,210,000
Subtotal Cities	<u>1,260,116,467</u>		<u>1,076,786,682</u>
School Districts:			
Austin ISD	449,399,994	100.00	449,399,994
Del Valle ISD	91,400,000	100.00	91,400,000
Eanes ISD	104,990,000	100.00	104,990,000
Lago Vista ISD	15,814,888	100.00	15,814,888
Lake Travis ISD	90,920,000	100.00	90,920,000
Manor ISD	61,149,987	100.00	61,149,987
Pflugerville ISD	242,642,086	100.00	242,642,086
Subtotal School Districts	<u>1,056,316,955</u>		<u>1,056,316,955</u>
County Line School and Community College Districts:			
Austin Community College	98,910,000	94.88	93,845,808
Dripping Springs ISD	35,549,547	1.12	398,155
Elgin ISD	42,310,000	9.50	4,019,450
Hays Cons ISD	130,205,023	0.44	572,902
Johnson City ISD	10,360,393	0.34	35,225
Leander ISD	411,123,956	55.33	227,474,885
Marble Falls ISD	23,274,593	10.31	2,399,611
Round Rock ISD	385,656,988	42.96	165,678,242
Subtotal County Line School and Community College Districts	<u>1,137,390,500</u>		<u>494,424,278</u>
Total (Estimated \$3,756.05 Per Capita, Travis County)	<u>\$ 4,134,833,967</u>		<u>\$ 3,283,032,221</u>

Source: Texas Municipal Advisory Council

**TABLE 7**

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

<b>Fiscal Period <sup>(3)</sup></b>	<b>Population <sup>(1)</sup></b>	<b>Net Taxable Assessed Value</b>	<b>Gross Bonded Debt <sup>(2)</sup></b>
1995	667,327	\$ 25,887,821,517	\$ 249,541,413
1996	697,311	28,867,451,709	257,290,417
1997	727,413	31,892,997,733	244,149,836
1998	757,484	34,052,099,323	343,779,146
1999	787,362	38,143,109,265	357,869,120
2000	812,280	42,014,344,927	353,362,873
2001	828,526	49,542,204,436	355,187,494
2002	844,263	57,571,968,023	467,144,037
2003	852,706	61,712,477,462	484,731,970
2004	874,065	59,658,702,458	457,768,518

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

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

(3) Includes blended component units for all years.

<b>Debt Service Fund Balance</b>	<b>Net Bonded Debt <sup>(2)</sup></b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
\$ 11,741,776	\$ 237,799,637	0.92%	\$ 356.35
9,659,254	247,631,163	0.86%	355.12
7,439,385	236,710,451	0.74%	325.41
7,337,672	336,441,474	0.99%	444.16
11,490,585	346,378,535	0.91%	439.92
13,016,217	340,346,656	0.81%	419.00
10,576,761	344,610,733	0.70%	415.93
11,355,913	455,788,124	0.79%	539.87
11,700,278	473,031,692	0.77%	554.74
7,157,714	450,610,804	0.76%	515.53

**TABLE 8**

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

<b>Fiscal Period <sup>(3)</sup></b>	<b>Debt Principal</b>	<b>Interest <sup>(1)</sup></b>	<b>Debt Service <sup>(2)</sup></b>	<b>Expenditures All Funds</b>	<b>Percentage of Debt Service to Total Expenditures</b>
1995	\$ 23,170,001	\$ 14,577,807	\$ 37,747,808	\$ 229,944,124	16.42%
1996	24,370,000	12,714,788	37,084,788	240,308,327	15.43%
1997	24,385,000	13,131,966	37,516,966	255,096,193	14.71%
1998	26,585,000	11,231,534	37,816,534	312,246,742	12.11%
1999	30,700,000	15,665,703	46,365,703	373,553,603	12.41%
2000	32,795,000	13,493,687	46,288,687	375,813,195	12.32%
2001	30,661,833	17,363,735	48,025,568	369,438,628	13.00%
2002	33,653,381	19,730,801	53,384,182	513,083,649	10.40%
2003	39,253,523	24,851,446	64,104,969	424,452,046	15.10%
2004	38,236,450	26,041,761	64,278,211	447,923,607	14.35%

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

1995	\$	64,857
1996		146,184
1997		355,021
1998		635,940
1999		1,812,059
2000		3,457,417
2001		2,123,010

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

(3) Includes blended component units for all years.

**TABLE 9**

**TRAVIS COUNTY, TEXAS  
STATEMENT OF LEGAL DEBT MARGIN  
BONDS ISSUED UNDER ARTICLE 3, SECTION 52  
OF THE TEXAS CONSTITUTION  
September 30, 2004  
(Unaudited)**

Assessed value of real property	\$ 63,566,576,847
Debt limit rate	<u>                  x 25 %</u>
Amount of debt limit	15,891,644,212
Unlimited Tax Bonds	<u>                  197,033,445</u>
Legal debt margin	<u><u>\$ 15,694,610,767</u></u>

Note: Includes blended component units.

**TABLE 10**

**TRAVIS COUNTY, TEXAS  
STATEMENT OF LEGAL DEBT MARGIN  
BONDS AND CERTIFICATES OF OBLIGATION ISSUED UNDER TEXAS GENERAL LAWS  
September 30, 2004  
(Unaudited)**

Assessed value of all taxable property		\$ 71,388,112,436
Debt limit rate		<u>          x    5 %</u>
Amount of debt limit		3,569,405,622
Amount of debt applicable to constitutional debt limit:		
Total general obligation debt	457,768,518	
Less amount in Debt Service Fund designated for debt service	<u>      7,157,714</u>	<u>      450,610,804</u>
Legal debt margin		<u><u>    \$ 3,118,794,818</u></u>

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

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

Note: Includes blended component units.

**TABLE 11**

**TRAVIS COUNTY, TEXAS  
PRINCIPAL TAXPAYERS  
September 30, 2004  
(Unaudited)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Fiscal Year 2004 Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation <sup>(1)</sup></u>
Freescale Semiconductor, Inc.	Electronics	\$ 636,998,955	1.07%
Applied Materials, Inc.	Electronics	480,088,380	0.80%
Dell Computer Corporation	Electronics	405,308,942	0.68%
Southwestern Bell Telephone Co.	Telephone Utility	342,622,820	0.57%
FASL LLC	Investments	283,773,408	0.48%
IBM Corporation	Manufacturing & Leasing	279,708,052	0.47%
Samsung Austin Semiconductor	Electronics	147,860,341	0.25%
Minnesota Mining & Manufacturing	Manufacturing	123,129,980	0.21%
Time Warner Entertainment	Cable Television & Internet	121,595,760	0.20%
Cisco Systems	Electronics	119,891,600	0.20%
Total		<u>\$ 2,940,978,238</u>	<u>4.93%</u>

Note: (1) Based on Net Taxable Value of \$59,658,702,458 from the Travis Central Appraisal District's certified total taxable assessed value as of October 16, 2004.

**TABLE 12**

**TRAVIS COUNTY, TEXAS**  
**SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS**  
Year Ended September 30, 2004  
(Unaudited)

<u>Official Title</u>	<u>Officer's Name</u>	<u>Salary</u>	<u>Surety Bonds</u>
County Judge	Samuel T. Biscoe	\$ 88,861	\$ 10,000
District Clerk	Amalia Rodriguez-Mendoza	79,391	100,000
County Treasurer	Dolores Ortega Carter	71,500	100,000
District Attorney	Ronald Earle	27,837 <sup>(1), (3)</sup>	5,000
County Auditor	Susan A. Spataro	123,666	50,000
County Clerk	Dana DeBeauvoir	79,573	500,000
County Attorney	David Escamilla	123,666	2,500
County Sheriff	Margo Frasier	96,634 <sup>(2)</sup>	30,000
Collector of Taxes	Nelda W. Spears	89,888	100,000
Commissioner, Precinct 1	Ron Davis	73,915	3,000
Commissioner, Precinct 2	Karen M. Sonleitner	73,915	3,000
Commissioner, Precinct 3	Gerald Daugherty	66,523	3,000
Commissioner, Precinct 4	Margaret J. Gomez	73,915	3,000

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

**TABLE 13**

**TRAVIS COUNTY, TEXAS  
ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS  
September 30, 2004  
(Unaudited)**

Geographic Information

Travis County has an area of 1,022.1 square miles, of which 989.3 square miles is land area. By way of comparison, Travis County’s land area is 95 percent the size of Rhode Island’s. The County is located in the southern part of Central Texas, approximately 80 miles northeast of San Antonio and 200 miles south of the Fort Worth/Dallas area. The largest of the municipalities is Austin, the state capital and the fourth largest city in Texas. Travis County, being on the eastern edge of the Texas "Hill Country", contains elevations ranging from 400 to 1,330 feet, but registers an elevation of 549.5 feet at the State Capitol in downtown Austin. The physical features are described by the *Texas Almanac* as “scenic hills, broken by the Colorado River and lakes”.

According to the *Texas Almanac* and the *Austin American-Statesman’s* “This is Austin” publication, Austin’s average, yearly weather statistics include:

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

Population

Travis County is by far the most heavily populated of the five counties that comprise the Austin-San Marcos Metropolitan Statistical Area (MSA) and has 883.5 persons per square (land) mile. The 2000 census reported that the median age is 30.4 years and that 23.8 percent of the population is under 18 years of age. For those persons listing themselves as “One Race” for census purposes, there are 554,058 White, 75,247 Black, and 36,286 Asian. The population for Hispanic or Latino (of any race) is 229,048.

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

	<u>Travis County</u>	<u>City of Austin*</u>
1995 .....	667,327	530,756
1996 .....	697,311	554,348
1997 .....	727,413	575,364
1998 .....	757,484	624,767
1999 .....	787,362	642,325
2000 .....	812,280	656,562
2001 .....	830,150	669,693
2002 .....	844,263	680,899
2003 .....	856,927 **	687,708
2004 .....	874,065	692,102

\*Full and Limited-Purpose Area Population

\*\*Revised

Source: U.S. Census for 2000. Population figures for years 1995-1999 were extrapolated using annual growth percentages estimated by the City of Austin, City Demographer. Population for years following 2000 was calculated by the City Demographer.

**TRAVIS COUNTY, TEXAS**

**Economic and Demographic Characteristics, continued**

Economy and Industry

Austin and Travis County have always depended heavily upon government, tourism (the Highland Lakes, the Sixth Street restoration, historic sites, and sports), and the University of Texas as the keystones of the local economy. While these are still important employers, Travis County has become known for its high tech industry and its widespread computer literacy: Dell, Freescale Semiconductor, Samsung, Advanced Micro Devices and IBM are just some of the firms with a major presence in the Travis County area. "Listings Texas" a "Tourism, Travel & Business Guide" has 5,628 internet listings for "Travis County" a 66% increase in the last year.

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

Retail Sales

Annual gross retail sales in Austin are estimated as follows:

<u>Calendar Year</u>	<u>Gross Sales (Billions)</u>
1995 .....	\$ 8.00
1996 .....	8.67
1997 .....	9.41
1998 .....	9.93
1999 .....	10.92
2000 .....	12.51
2001 .....	12.37
2002 .....	12.07 *
2003 .....	12.20
2004 (through the 2nd quarter)...	6.80

\*Revised

Source: State Comptroller of Public Accounts

Sales Tax Rebates

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

<u>Calendar Year</u>	<u>Sales Tax Rebates</u>
1995 .....	\$ 77,326,159
1996 .....	80,836,720
1997 .....	85,272,735
1998 .....	94,261,114
1999 .....	104,915,700
2000 .....	117,818,293
2001 .....	117,393,240
2002 .....	110,208,923
2003 .....	105,044,871
2004 (through November).....	103,724,523

Source: State Comptroller of Public Accounts

## TRAVIS COUNTY, TEXAS

### Economic and Demographic Characteristics, continued

#### Employment

The following table summarizes non-agricultural employment by industry sector for the Austin-San Marcos Metropolitan Statistical Area.

	September 2003 *	September 2004
Manufacturing	56,900	57,000
Mining	1,500	1,600
Construction	36,000	37,000
Trade, Transportation, & Public Utilities	113,100	114,300
Information	20,700	20,200
Financial Activities	39,600	40,800
Services	242,300	243,600
Government	143,900	144,900
Total	<u>654,000</u>	<u>659,400</u>

\* Revised

Source: Texas Workforce Commission

The ten largest employers in the Austin area in 2004 and their primary product or service are as shown in the following table:

<u>Employer</u>	<u>2004 Employment</u>	<u>Product or Service</u>
State of Texas*	45,700	Government
The University of Texas/Austin	22,000	Education, Research
Dell Computer	16,500	Electronics
City of Austin	10,944	Government
Austin Independent School Dist.	10,759	Education
HEB Grocery, Co.	7,500	Retail
Seton Healthcare Network	7,500	Health Services
Freescale Semiconductor	6,500	Electronics
IBM Corporation	6,300	Electronics
IRS/Austin Center	4,481	Government

\*Excluding the University of Texas

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

**TRAVIS COUNTY, TEXAS**

**Economic and Demographic Characteristics, continued**

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

	September 2001 *	September 2002 *	September 2003 *	September 2004
Civilian Labor Force	502,964	496,368	503,044	503,962
Total Employment	477,589	466,733	473,266	481,932
Unemployment Rate	5.0%	6.0%	5.9%	4.4%

\* Revised

Source: Texas Workforce Commission

Income

Per Capita Personal Income - 2002	\$ 35,492
Average Weekly Wage - 2003*	817.75
Total County Wages (millions) - 2003*	21,599.97

\*Federal wages included

Source: Texas Workforce Commission

Construction

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

<u>Fiscal Year</u>	<u>Site Development Permits</u>
1995	2,639
1996	3,686
1997	3,281
1998	3,241
1999	3,201
2000	3,784
2001	2,665
2002	2,638
2003	2,900
2004	3,555

Source: Travis County Transportation and Natural Resources Department

## TRAVIS COUNTY, TEXAS

### Economic and Demographic Characteristics, continued

#### Home Sales

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

<u>Year</u>	<u>No. of Sales</u>	<u>Total Volume</u>	<u>Average Prices</u>
1995	11,459	\$ 1,439,915,043	\$ 125,658
1996	12,597	1,672,441,903	132,765
1997	12,439	1,762,198,574	141,667
1998	15,583	2,334,200,698	149,791
1999	18,135	2,963,915,274	163,436
2000	18,621	3,561,039,919	191,238
2001	18,392	3,556,546,121	193,375
2002	18,716	3,695,947,381	197,475
2003	19,793	3,899,018,519	196,990
2004 (through October)	19,027	3,802,527,938	199,849

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

#### Banking

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

<u>Year</u>	<u>Deposits (Billions)</u>
1995	\$ 4.8
1996	5.2
1997	6.0
1998	6.4
1999	7.0
2000	7.6
2001	8.1
2002	8.3
2003	9.5
2004	10.5

Source: FDIC

#### Education

The Austin-San Marcos MSA is the home of five universities, one four-year college, two community colleges, and four theological schools. The largest of these is the University of Texas (UT) at Austin with a fall 2004 enrollment of 50,403 and rated number 15 on *The London Times List of the World's Top 50 Universities*. Founded in 1883, this campus is the flagship of

## TRAVIS COUNTY, TEXAS

### Economic and Demographic Characteristics, continued

the UT System comprised of nine academic universities and six health institutions. UT/Austin is a member of the Association of American Universities, an organization of 62 research universities in this country and Canada. On the UT/Austin campus are 20 libraries, museums, and research centers, holding eight million books plus recordings, artifacts, photographs, manuscripts, and natural sciences specimens. Among the special libraries on the Austin campus are the Tarlton Law Library, the Benson Latin American Collection, the Lyndon Baines Johnson Presidential Library, and the Harry Ransom Humanities Research Center, which houses the University's Gutenberg Bible. UT's J.J. Pickle Research Center includes among its units the Center for Energy and Environmental Resources and the Microelectronics and Engineering Research Center.

Public primary and secondary education in Travis County is the responsibility of seven independent school districts with 159 campuses and total enrollment of almost 119,000 students. (This does not include the Round Rock and Leander Independent School Systems, which include within their boundaries a small part of Travis County). In addition, there are, of course, many private and parochial schools providing education for the pre-college grades.

### Transportation

There are several major highways that link Travis County to the rest of Texas and the nation. U.S. Interstate 35 (IH 35) runs through Austin, directly tying Mexico and San Antonio to the south with Waco, Fort Worth/Dallas, and Oklahoma City on its way to Canada. Also in Travis County, Highway 71 and U.S. 290 run east and west, while U.S. 183 runs northwest to southeast.

The Austin-Bergstrom International Airport (ABIA) has been open for full service since June 1999. Passenger airlines serving ABIA include Southwest, American, America West, Champion Air, Delta, Frontier, Continental, United, Mesa, SkyWest, Trans States, TransMeridian and Northwest. Major air cargo carriers include Federal Express, Airborne Express, United Parcel Services, and Menlo Worldwide Forwarding (formerly Emery Worldwide).

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

<u>Calendar Year</u>	<u>Airline Passengers</u>	<u>Air Cargo Pounds</u>
1995	5,344,687	156,273,087
1996	5,691,233	184,000,000
1997	5,904,305	198,843,569
1998	6,065,973	239,780,675
1999	6,670,851	276,263,260
2000	7,658,671	357,327,469
2001	7,199,322	321,283,097
2002	6,720,668	285,896,271
2003	6,707,081	252,276,024
2004*	6,022,495	211,931,706

\*(through October)

Source: The City of Austin Department of Aviation

## TRAVIS COUNTY, TEXAS

### **Economic and Demographic Characteristics, continued**

Ample ground transportation resources are also available. Two nation-wide railroad systems operate in Travis County. Amtrak, using Union Pacific tracks, furnishes daily passenger service via the "Texas Eagle", while the Union Pacific Railroad (UPRR) provides rail freight service to and from Travis County. With 6,408 miles of track in the state, the UPRR is Texas's biggest railroad; it serves all major Texas cities and is the primary rail link to Mexico. Motor freight service is provided within Travis County by 25 trucking firms. Austin is served by Greyhound Bus Lines as well as by smaller lines. Local route service is offered by the 400 busses, trolleys, and vans of the Capital Metropolitan Transportation Authority that serves the 500-square mile area that includes Austin, seven smaller Travis County communities, part of Travis County Precinct 2, and a part of Williamson County. In addition, there are four cab companies that operate in the City of Austin.

