

Comprehensive Annual Financial Report



City of Austin, Texas

*For the year ended
September 30, 2009*

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City Council

Lee Leffingwell

Mayor

Term expires June 15, 2012

Mike Martinez

Mayor Pro Tem

Term expires June 15, 2012

Council Members

Sheryl Cole	June 15, 2012
Laura Morrison	June 25, 2011
Chris Riley	June 25, 2011
Randi Shade	June 25, 2011
Bill Spelman	June 15, 2012

Marc A. Ott

City Manager

**CITY OF AUSTIN, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2009**

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INTRODUCTION



City of Austin

City Hall 301 West 2nd St., P.O. Box 1088, Austin, Texas 78767

March 30, 2010

Honorable Mayor, Mayor Pro Tem and Councilmembers
City of Austin, Texas

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Austin, Texas for the fiscal year ended September 30, 2009. The CAFR is provided to give detailed information about the financial position and activities of the City to citizens, City Council, City staff and other readers.

City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures. We believe the data, as presented, are accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City. These financial statements have been prepared by the Financial and Administrative Services Department, Controller's Office, in accordance with generally accepted accounting principles (GAAP) for local governments.

The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants Deloitte & Touche LLP. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. Grant awards are being audited under the provisions of the Single Audit Act of 1996, as amended, and the *State of Texas Uniform Grants Management Standards*. The Single Audit reports will be issued separately.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. It provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY

This CAFR includes all funds of the City, including those organizations required to be included because the City is financially accountable for them. The City provides a full range of services, including general government, public safety, transportation, planning and sustainability, public health, public recreation and culture, urban growth management, electric, water, wastewater, airport, convention, and other enterprise services. In addition, the financial statements include these separate legal entities (and the fund where reported): Austin Housing Finance Corporation (Housing Assistance Fund), Austin Industrial Development Corporation (Austin Industrial Development Corporation Fund), and Mueller Local Government Corporation (Mueller Local Government Corporation Fund). These entities are reported as governmental activities.

AUSTIN'S GOVERNMENT, ECONOMY AND OUTLOOK

General Information

The City of Austin, chartered in 1839, has a Council-Manager form of government with a Mayor and six Councilmembers. The Mayor and Councilmembers are elected at large for three-year staggered terms with a maximum of two consecutive terms. The City Manager, appointed by the City Council, is responsible to them for the management of all City employees and the administration of all City affairs.

Austin, the capital of Texas, is the fourth largest city in the State (behind Houston, Dallas, and San Antonio), with an estimated population of more than 770,000 in 2009. Over the past ten years, Austin's population has increased by approximately 140,000 residents, or 22.5 percent. Geographically, Austin consists of approximately 302 square miles. The current estimated median household income and per capita income for the City is \$47,520 and \$38,518 respectively.

Austin is nationally recognized as a great place to live due in part to its diverse and eclectic population, as well as its promotion of a year-round outdoor active lifestyle. Austin offers a wide variety of entertainment, with music as a special element. Known as the “Live Music Capital of the World,” Austin has more than 120 live music venues and is host to the annual South by Southwest and Austin City Limits music festivals.

US News and World Report looked for affordable communities with strong economies and plenty of fun things to do and included Austin as one of the top 10 Best Places to Live in 2009. Children’s Health Magazine ranked Austin as the 11th best place to raise a family based on its criteria of a community that’s safe, nurturing, stimulating, and economically sound. Also in 2009, Forbes magazine ranked Austin as the least stressful city of the 40 largest metropolitan statistical areas examined. MSN City Guides included Austin in its list of The 10 Greenest Cities in America, citing Austin’s Climate Protection Plan and goal to make Austin the leading city in the nation in the fight against climate change. The Green Guide also included Austin in its list of Top 25 Green Cities in the U.S., citing Austin’s green builder program, smart growth initiative and commitment to solar power.

In April 2009, the City of Austin received the Large Employer of the Year award from the Disabled American Veterans, Department of Texas in recognition of the City’s programs supporting our nation’s service men and women. The City subsequently received the National Outstanding Large Employer of the Year Award this past November; Austin was the only municipality to receive this award. During 2009, the City of Austin also earned designation as one of the nation’s “Preserve America Communities”, a prestigious and significant national designation recognizing communities that protect and celebrate their heritage; use their historic assets for economic development and community revitalization; and encourage people to experience and appreciate local historic resources through education and heritage tourism programs.

In April 2009, the Austin Water Utility received the Directors Award from the Partnership for Safe Water for its ongoing safe water practices of both water treatment plant facilities. The Partnership for Safe Water is a national volunteer initiative developed by the United States Environmental Protection Agency and other water organizations representing water suppliers striving to provide their communities with drinking water quality that surpasses the required federal standards. Participation in the program includes a rigorous review of water treatment practices developed by national experts, and also includes a four-step self-assessment and peer-review process. The Albert H. Ullrich Water Treatment Plant has maintained the Directors Award for ten years, an honor achieved by only 16 other water utilities across the country. The Albert R. Davis Water Treatment Plant has maintained the Directors Award for five years, an honor achieved by only 148 other water utilities across the country. Maintaining Directors Award status for both Austin Water treatment plants demonstrates its philosophy of constant vigilance to improve water quality for the citizens of Austin.

The City of Austin is fortunate to offer a host of broad ranged educational opportunities for those individuals with a desire to learn. Austin is a highly educated city, with approximately 43 percent of adults twenty-five years or older holding a bachelor’s or advanced degree, compared to 27 percent for the U.S. as a whole. With its seven institutions of higher learning and more than 128,000 students, education is a significant aspect of life in the Austin area. The University of Texas at Austin (UT), the fifth largest public university in the nation, is known as a world-class center of education and research and was nationally ranked 15th among public universities in 2009 by US News and World Report. As of 2010, U.S. News and World Report ranked 43 UT graduate programs and specialties in the top 10 nationally, and 53 others ranked in the top 25.

Recent Economic Performance

Austin’s economy began showing improvement in 2009 and outperformed many other areas of the country in creating and sustaining jobs and economic growth. Austin ranked first on the Milken Institute and Greenstreet Real Estate Partners’ 2009 Best Performing Cities list; the first metropolitan area to ever be ranked number one twice on the index, the last time being in 2000. Four of the top five metropolitan areas on the list were located in the State of Texas. Forbes.com also recognized the Austin metropolitan area as the Best City for Recession Recovery in its list of the 10 US cities poised for a rebound from the economic slump. Since 2000, employment in Austin actually increased by more than 115,000 jobs. The Bureau of Labor Statistics reports the 2009 Austin MSA employment base at 758,200, a loss of approximately 17,600 from 2008, or a 2.3% decline; unemployment rose from 4.9 percent in 2008 to 6.9 percent at the end of 2009, which is well below both the state and national levels of 8 and 10 percent respectively.

The Texas economy outperformed the U.S. economy during 2009. According to the *Monthly Review of the Texas Economy* report for December 2009 published by The Real Estate Center at Texas A&M University, the U.S. economy lost more than 4.65 million jobs or 3.4 percent of its total nonfarm jobs between November 2008 and November 2009, while Texas experienced a 2.5 percent job loss, or 272,000 jobs, during the same period. The same report indicates the annual employment growth rate for the Austin-Round Rock metropolitan area from November 2008 to November 2009 as second in the State of Texas at -0.6 percent. According to the Bureau of Labor Statistics, Texas experienced an increase in the unemployment rate during that same time period, from 5.4 to 8 percent, while the U.S. rate rose from 6.8 percent to 10 percent. The *Southwest Economy*, published by the Federal Reserve Bank of Dallas attributes the performance of the Texas economy compared to the rest of the nation to Texas' business-friendly environment which helped keep alive firms that might have succumbed to the recession elsewhere, a slower than the national average increase in state spending, high energy prices, and Texas' reliance on sales taxes rather than income taxes. *Southwest Economy* states that income is impacted greater than consumption during economic downturns because people try to maintain their living standards while enduring temporary wage cuts or unemployment spells. So income tax revenue tends to fall further than sales tax revenue during recessions, leaving income-tax-reliant states facing deeper fiscal shortfalls.

As predicted, the national economy began a very slow recovery process this year from the recession that began in December 2007. The recession was caused by a combination of the housing market collapse, credit crunch, and financial turmoil. The Bureau of Labor Statistics reports that the national unemployment rate fluctuated between 7.7 and 10.1 percent during the year, ending the year at 10.0 percent. The Texas Consumer Price Index (CPI-U), as reported by the Texas Comptroller, shows a slight decrease of 0.3 percent from October 2008 to 2009, which compares to the decrease of 0.1 percent for the same period at the national level, as reported by the U.S. Department of Labor. For the year ending December 31, 2009, the national economy experienced a 0.1 percent increase, with a sharp rise in the index for used cars and trucks being the largest contributor to this increase.

Home sales are an important indicator of the local and national economy. Although annual home sales declined overall in the Austin market during 2009, signs of improvement were evident. The Austin Business Journal reported dramatic increases in sales volume during October and November 2009, which were presumably related to the original deadline for the first-time home buyer tax credit. But increases in sales volume beyond November seem to indicate a sustainable recovery is underway in Austin's real estate market. Data compiled by the Real Estate Research Center at Texas A&M shows Austin home sales declined 7 percent in 2009 with an ending inventory of 5.4 months compared to a 20 percent decline in 2008, also with ending inventory of 5.4 months. Texas sales also showed improvement during 2009. Annual home sales declined 7 percent in 2009 with an ending inventory of 6.3 months compared to a 20 percent decline in 2008 with an ending inventory of 6.2 months. National sales of existing homes experienced a 4.9 percent annual sales gain during 2009, the first since 2005 according to the National Association of Realtors. Sales during 2008 experienced the lowest sales volume since 1997 with a decline of 13.1 percent from 2007 sales volume. The total nationwide housing inventory at the end of 2009 was a 7.2 month supply compared to a 9.3 month supply in 2008.

Economic Outlook

The U.S. economy suffered significant job losses in 2009, bringing unemployment to 10.1 percent, a 26-year high. The Federal Reserve has predicted that the pace of recovery will be slow in 2010 and will gain momentum in 2011. One of the region's leading economists, Angelos Angelou stated in his 2010-2011 Economic Address that the significant job losses realized during 2009 could take 6 – 8 years to recoup. The Texas economy, the world's 11th largest economy, supported by sector-diversity in Houston, Dallas-Ft. Worth, San Antonio and Austin, continued to outperform the U.S. economy in 2009.

The Texas Comptroller's Office reports that despite the state's economy contracting in 2009, Texas' relative economic advantage should continue as the state and U.S. economies turn around and expand again in 2010. The Comptroller's office estimates that the Texas' Gross State Product will grow by 2.6 percent during 2010 and the U.S. economy should grow at a slower rate of 2.0 percent during the year.

Long-term financial planning

A key City financial policy requires annual preparation of a five-year financial forecast projecting revenues and expenditures for all operating funds. This forecast is used as a planning tool in developing the following year's operating budget. The City's budgeting approach emphasizes fiscal responsibility by limiting spending in a given year to projected revenue collections. Standard and Poor's recognized Austin's sound financial management when the rating agency upgraded the City's general obligation bond rating to AAA status in January 2008 and reaffirmed Austin's AAA long-term rating for the City's 2009 public improvement bonds offered for sale this past August. Standard and Poor's upgraded the Austin Water Utility's bond rating two levels from A+ to AA in December 2008.

The Fiscal Year 2009-2010 Approved General Fund budget eliminated a projected \$31 million budget shortfall while maintaining key services for Austin residents. Citizen input received during the preparation of the 2009-2010 Budget was unprecedented. Five community input forums were held to discuss budget reduction options and citizens participated in a budget reduction exercise. Over 750 citizens participated in these events and over 600 participants completed the online version of the exercise as well. Budget savings include the elimination of 105 vacant City positions, as well as no pay increases for City employees. Uniformed employees under contract during the development of the budget, Police and Emergency Medical Services, agreed to defer their pay increases in Fiscal Year 2010. The savings generated from the sacrifice of the City's employees, along with deferred pay increases for Police and EMS, allowed for a balanced budget and avoidance of significant reductions to the high quality of City services that Austin residents have come to expect. The FY 2009-2010 budget also authorizes approximately \$6.5 million of the budget stabilization reserves to address capital replacement and other critical needs. The Approved Budget projects budget reserves of \$67 million at the end of FY 2009-2010.

Austin includes several enterprise activities. A key enterprise is Austin Energy, which is the ninth largest U.S. public power utility in customers served, according to the latest available data from the American Public Power Association. The Fiscal Year 2009-2010 approved budget includes \$1.25 billion in annual revenues. Austin Energy serves over 390,000 customers with a service territory of approximately 437 square miles. The utility has a diverse generation mix that includes nuclear, coal, natural gas, and renewable energy sources. Austin Energy's capital improvements program of \$306 million funds various projects for power production and delivery of reliable energy services, including additional generation peaking capacity at the Sand Hill Energy Center, Fayette Power Plant scrubbers, and other power plant improvements.

The City enterprise activities also include the Austin Water Utility, which provides water and wastewater services. The FY 2009-2010 budget projects revenues from the sale of water and wastewater service along with miscellaneous other revenue to be \$422.8 million. This budget includes a 4.5 percent combined water and wastewater rate increase which was included in the Utility's 5-year rate plan to fund system capital improvements, including new service extensions and rehabilitation of aging infrastructure.

Other enterprise funds and their FY 2009-2010 expense budgets include Aviation (\$92.6 million), Convention Center (\$55.4 million), and Solid Waste Services (\$66.1 million).

Major Initiatives

The City of Austin's vision of being the most livable city in the country means that Austin must also be the best managed city in the country where all residents can participate in its opportunities, its vibrancy, and its richness of culture and diversity.

Austin's City Council began defining its policy priorities in the early 1990s. Adopted in April 2007 and amended in 2009, the Council established the following priorities:

- Rich Social and Cultural Community
- Vibrant Urban Fabric
- Healthy, Safe, and Family-Friendly City
- Sustainable Economic Development and Financial Health

These Council priorities serve as an organizing framework for how the City does business, providing the continuity and direction needed to develop business plans that build upon each other, year after year, to help achieve longer-ranging goals. The current status of a few key initiatives are described below:

Waller Creek Tunnel Project. This project began as an underground storm water bypass tunnel to alleviate risk of severe flooding along a stretch of Waller Creek from Waterloo Park to Lady Bird Lake. After an intense design process that included survey and geotechnical work, computer model analysis, public input, and presentations to City Council, the project has been divided into 12 smaller projects, including the tunnel itself, a boathouse, inlet, outlet, and the creek side inlets. The designs of the tunnel proper and the boathouse were both 60% complete at year-end. A multi-departmental review team, including staff from Austin Energy, Planning and Development Review, and Parks and Recreation, to name a few, was put together to examine the plans and ensure they met technical and safety requirements and adhered to the intended scope of the project. Construction of the first project, the boathouse, is expected to begin in 2010 and the entire tunnel project should be complete in 2014. The tunnel project is funded through the Waller Creek Tax Increment Financing Zone.

Zero Waste Initiative. Following the guiding principles for the delivery of solid waste services, first adopted by the City Council in 2006, a Zero Waste Strategic Plan was presented to and approved by the City Council on January 15, 2009. The plan development process began with hiring an independent consultant to develop the plan and, working with City staff, included obtaining public input, performing extensive research, and visiting peer sites. The goal of the Zero Waste Plan is to reduce the amount of waste Austinites send to the landfill by 90% by the year 2040.

Austin Climate Protection Plan. Austin City Council passed the Austin Climate Protection Plan in February 2007. The overarching goal of the Austin Climate Protection Program is to make Austin the leading city in the nation in the fight against climate change. The main objective of the plan is to reduce the amount of energy we use as a City and the greenhouse gas emissions associated with that energy use with the goal to make Austin a carbon neutral community by the year 2020. The five main components that make up the City's innovative plan include:

- Municipal Plan – Make all City of Austin facilities, vehicles, and operations carbon-neutral by 2020;
- Utility Plan – Expand conservation, energy efficiency, and renewable programs to reduce Austin Energy's carbon footprint; cap carbon dioxide emissions from existing power plants; and make any new electricity generation carbon-neutral;
- Homes and Buildings Plan – Update building codes for new buildings to be the most energy-efficient in the nation, pursue energy efficiency upgrades for existing buildings, and enhance Austin Energy's Green Building program;
- Community Plan – Engage Austin citizens, community groups, and businesses to reduce greenhouse gas emissions throughout the community; and
- "Go Neutral" Plan – Provide tools and resources for citizens, businesses, organizations, and visitors to measure and reduce their carbon footprint.

Progress made during FY 2008-2009 includes the following:

- The City of Austin completed a greenhouse gas inventory for all City departments. This inventory measures the City's carbon footprint and will allow assessment of the relative impact of various reduction measures. Tracking greenhouse gas emissions will allow the City to quantitatively monitor progress on achieving our greenhouse gas reductions goals.
- The City of Austin has put all General Fund departments on the GreenChoice® renewable energy program. Now more than 75% of the City departments are powered by clean energy.
- The City Council passed the Energy Conservation Audit and Disclosure Ordinance. This ordinance is based on the Energy Efficiency Upgrades Task Force recommendations and went into effect June 1, 2009.
- An Austin specific carbon footprint calculator has been created which allows citizens to calculate their footprint and discover ways the City is working with citizens to make Austin a more livable City.

Affordable Housing. The City manages multiple housing gap financing programs and direct housing services programs under the framework of the Housing Continuum. The S.M.A.R.T Housing™ program provides incentives for developers to provide affordable housing throughout the City. These programs operate through multiple federal, state, local, and City funding sources.

The Affordable Housing Incentives Task Force recommended a priority of “geographic dispersion” to the Austin City Council for all affordable housing funded by the City of Austin. In fiscal year 2006-07, Austin Housing Finance Corporation (AHFC) began a housing counseling program, Housing Smarts, that provides homebuyer counseling, foreclosure prevention education, and education regarding predatory lending. This program actively markets to local lenders and real estate professionals to raise awareness about the program. In fiscal year 2008-09, \$14,974,441 was leveraged through federal funding sources CDBG and HOME, and \$6,875,202 was leveraged using non-federal funding sources to provide affordable housing opportunities to Austin residents.

The Rental Housing Development Assistance (RHDA) program provides funding for non-profit and for-profit developers to acquire, rehabilitate, or construct affordable rental housing for low-income households. On November 7, 2006, Austin voters approved \$55 million in general obligation bonds to be issued for the development and retention of affordable housing, \$33 million of which is expected to be used in the RHDA Program. Of the 177 rental units completed during fiscal year 2008-2009, federal funds produced 58 units (33 percent) and nonfederal Housing Trust Funds produced 55 units (31 percent). Non-federal general obligation bond funding produced 64 units (37 percent) of affordable housing. During fiscal year 2008-09, RHDA committed a total of \$16.4 million in GO Bond funding and deployed over \$6.4 million for acquisition, new construction, and rehabilitation.

Comprehensive Plan. In the budget for Fiscal Year 2008-2009, the Austin City Council approved funds to hire a consultant to work with staff and the community to create a new Comprehensive Plan for the City, which will provide broad-level guidance on how Austin will grow and develop into the future. According to the City Charter, the Comprehensive Plan contains "the council's policies for growth, development and beautification of the land within the corporate limits and the extraterritorial jurisdiction of the city." The new plan is needed to chart Austin's near-, intermediate- and long-term future so as to preserve and enhance the community's quality of life. The plan will address key themes currently at the center of civic debate such as growth and development, sustainability and climate change, environmental protection, neighborhood preservation, affordable housing, economic development, and local and regional mobility. Additional key themes may also emerge through the public participation process.

CityWorks Academy. During the summer of 2009, the City launched another forum for citizen involvement by seeking applications from residents interested in an inside look into City operations. CityWorks is a 10 week program created with the idea of providing Austin residents a unique opportunity to learn about the City's governmental processes, its procedures, the services it provides, and the people who deliver those services. The program is designed to teach participants about the A to Z of City operations, from aviation to zoning, to help them to be informed about City issues, and to join others who help keep our community strong by actively participating in City affairs. Twenty-eight Austin residents were honored in December for graduating with the inaugural class which began on September 8, 2009.

OTHER

American Recovery and Reinvestment Act

During 2009, the City established a Recovery Office to coordinate its efforts in applying for and reporting on funding received through the American Recovery and Reinvestment Act. As of March 2010, the City has been awarded nearly \$72 million in stimulus funds across eleven federal government programs.

In February of 2010, Austin Water broke ground on green infrastructure improvements at the Hornsby Bend Biosolids Management Plant with \$31.8 million of Recovery Act funding. The project will create approximately 560 local jobs and reduce the environmental impact of the plant, contributing significantly towards improving the sustainability of Austin's wastewater operations.

The City was also able to take advantage of Recovery Act funding during its August 2009 bond sale; the Recovery Act includes the Build America Bond program, which helps governments pursue capital projects at lower borrowing costs. The City's financial advisor, Public Financial Management, Inc, estimated savings of \$7.5 million over the life of the Build America bonds versus traditional public improvement bonds that would have otherwise been issued. Other approved Recovery Act funded projects include road, traffic signal and sidewalk improvements, financial assistance for new homeowners, and homeless prevention.

Financial Policies

To help ensure that the City's financial resources are managed in a prudent manner, the City has adopted a comprehensive set of Financial Policies. These policies are reviewed as part of the annual budget process and are published in the Approved Budget.

Internal Controls

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that City assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The annual operating budget is proposed by the City Manager and approved by the City Council after public discussion. Annual updates to the Capital Improvements Program budgets follow a similar process. Primary responsibility for fiscal analysis of budget to actual expense or revenue and overall program fiscal standing rests with the department operating the program. As demonstrated by the statements and schedules included in the City's 2009 CAFR, the City continues to meet its responsibility for sound financial management.

Cash Management

The City's investment policy is to minimize credit and market risk while maintaining a competitive portfolio yield. Cash balances of all City funds are invested in consideration of the following five prioritized factors: safety, term, liquidity, market exposure, and rate of return. Cash balances of most funds, except for debt service and other legally restricted funds, are pooled for investment purposes. The City's investments are made in accordance with the Texas Public Funds Investment Act and the City of Austin Investment Policy. During 2009, the City's cash resources were invested in local government investment pools and U.S. Treasury and Agency issues.

Risk Management

The City maintains internal service funds to account for its risk of loss associated with torts and employee and workers' compensation benefits. In addition, the City continues to be self-insured for liabilities for most health benefits, third-party claims, and workers' compensation.

Pensions

The City participates in three contributory, defined benefit retirement plans for City employees. The plans are authorized by State Legislation, which governs the benefit and contribution provisions.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes a Comprehensive Annual Financial Report that meets the GFOA program standards. GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its 2008 CAFR. A Certificate of Achievement is valid for a period of one year only. City management believes that this 2009 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Controller's Office of the Financial and Administrative Services Department. Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report: the Budget Office of the Financial and Administrative Services Department, the Office of the City Auditor, the financial staff at Austin Energy and other financial staff throughout the City. We would like to express our appreciation to all who assisted in this effort.

We acknowledge the thorough, professional, and timely manner in which our independent auditor, Deloitte & Touche LLP, conducted the audit.

Finally, we acknowledge the Mayor and Councilmembers who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.



Marc A. Ott
City Manager



Leslie Browder, CPA
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Austin
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Austin, Texas for its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2008.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. City management believes that this 2009 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council,
City of Austin, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Austin, Texas (the "City"), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the City restated the beginning net assets of Austin Energy Fund and Business-Type Activities to correct the regulatory assets.

Management's Discussion and Analysis, the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual-Budget Basis, the Retirement Plans – Trend Information, and the Other Post Employment Benefits – Trend Information as described in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This supplementary information is the responsibility of the City's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introduction, combining and individual fund financial statements and schedules, and the statistical section listed in the table of contents are

presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of the City's management. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introduction, supplemental schedules and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Deloitte & Touche LLP

March 30, 2010

The Management's Discussion and Analysis (MD&A) section of the City of Austin's (the City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The City has implemented GASB Statements No. 1 through No. 50, No. 52, No. 55 and No. 56.

FINANCIAL HIGHLIGHTS

Government-wide financial statements

The assets of the City exceeded its liabilities at the end of the fiscal year 2009, resulting in \$4.5 billion of net assets. Net assets associated with governmental activities are approximately \$1.6 billion, or 36% of the total net assets of the City. Net assets associated with business-type activities are approximately \$2.9 billion, or 64% of the total net assets of the City. The largest portion of net assets consists of investment in capital assets, net of related debt, which is \$3.4 billion, or 76% of total net assets.

Unrestricted net assets, which may be used to meet the City's future obligations, are \$438.3 million, or 10% of the City's total net assets. Unrestricted net assets for governmental activities are a deficit of \$56.9 million, while unrestricted net assets for business-type activities are approximately \$495.3 million, or 17% of total business-type net assets. The deficit in governmental unrestricted net assets is largely due to the recognition of \$54.9 million in other post employment benefit expense for governmental activities in accordance with GASB Statement No. 45.

During fiscal year 2009, total net assets for the City of Austin increased \$62.2 million or 1.4% before a restatement of Electric Fund deferred costs and expenses (see Note 2). Of this amount, governmental activities decreased \$20.6 million, or 1.3% from the previous year and business-type activities increased \$82.9 million, or 2.9% from the previous year.

Total revenues for the City decreased \$57.3 million; revenues for governmental activities decreased \$9.3 million; revenues for business-type activities decreased \$48.0 million. Total expenses for the City increased \$34.9 million; expenses for governmental activities decreased \$2.8 million; expenses for business-type activities increased \$37.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, consisting of three components:

- government-wide financial statements,
- fund financial statements, and
- notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements, including information on individual funds.

a -- Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner comparable to a private-sector business. The two government-wide financial statements are, as follows:

- The **Statement of Net Assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Austin is improving or deteriorating.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

- The **Statement of Activities** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues for uncollected taxes and expenses for future general obligation debt payments. The statement includes the annual depreciation for infrastructure and governmental assets.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; transportation, planning and sustainability; public health; public recreation and culture; and urban growth management. The business-type activities include electric, water, wastewater, airport, convention, environmental and health services, public recreation, and urban growth management.

The government-wide financial statements include the City as well as blended component units: the Austin Housing Finance Corporation (AHFC), the Austin Industrial Development Corporation (AIDC), and the Mueller Local Government Corporation (MLGC). The operations of AHFC, AIDC, and MLGC are included within the governmental activities of the government-wide financial statements. AHFC is reported as the Housing Assistance Fund. Although legally separate from the City, these component units are blended with the City because of their governance or financial relationships to the City.

b -- Fund financial statements

The fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental, proprietary, and fiduciary funds. Within the governmental and proprietary categories, the emphasis is on the major funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. These funds focus on current sources and uses of liquid resources and on the balances of available resources at the end of the fiscal year. This information may be useful in determining what financial resources are available in the near term to finance the City's future obligations. Other governmental funds are referred to as nonmajor governmental funds and are presented as aggregated data.

Because the focus of governmental fund level statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide statements. In addition to the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance, separate statements are provided that reconcile between the government-wide and fund level financial statements.

The City's General Fund is reported as a major fund and information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. In addition, the City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects, and permanent funds). Data from these governmental funds are combined into a single column labeled nonmajor governmental funds. Individual fund data for the funds is provided in the form of combining statements in the supplementary section of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units or departments of the City. Proprietary fund statements provide the same type of information shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of three of the City's major funds, Electric, Water and Wastewater and Austin-Bergstrom International Airport (Airport), as well as the nonmajor enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

- Internal Service funds are used to report activities that provide supplies and services for many City programs and activities. The City's internal service funds include: Capital Projects Management; Combined Transportation, Emergency and Communications Center; Employee Benefits; Fleet Maintenance; Information Systems; Liability Reserve; Support Services; Wireless Communication, and Workers' Compensation. Because these services predominantly benefit governmental operations rather than business-type functions, they have been included in governmental activities in the government-wide financial statements.

The nonmajor enterprise funds and the internal service funds are combined into separately aggregated presentations in the proprietary fund financial statements. Individual fund data for the funds are provided in the form of combining statements in the supplementary section of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside City government. Since the resources of fiduciary funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting policies applied to fiduciary funds are much like those used for proprietary funds.

Comparison of government-wide and fund financial components. The following chart compares how the City's funds are included in the government-wide and fund financial statements:

Fund Types / Other	Government- wide	Fund Financials
General Fund	Governmental	Governmental - Major
Special revenue funds	Governmental	Governmental - Nonmajor
Debt service funds	Governmental	Governmental - Nonmajor
Capital project funds	Governmental	Governmental - Nonmajor
Permanent funds	Governmental	Governmental - Nonmajor
Internal service funds	Governmental	Proprietary
Governmental capital assets, including infrastructure assets	Governmental	Excluded
Governmental liabilities not expected to be liquidated with available expendable financial resources	Governmental	Excluded
Electric	Business-type	Proprietary - Major
Water and wastewater	Business-type	Proprietary - Major
Airport	Business-type	Proprietary - Major
Convention	Business-type	Proprietary - Nonmajor
Environmental and health services	Business-type	Proprietary - Nonmajor
Public recreation	Business-type	Proprietary - Nonmajor
Urban growth management	Business-type	Proprietary - Nonmajor
Fiduciary funds	Excluded	Fiduciary

Basis of reporting - The government-wide statements and fund-level proprietary statements are reported using the flow of economic resources measurement focus and the full 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.

c -- Notes to the financial statements

The notes to the financial statements provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements.

d -- Other information

The Required Supplementary Information (RSI) section immediately follows the basic financial statements and related notes section of this report. The City adopts an annual appropriated budget for the General Fund. The RSI provides a comparison of revenues, expenditures and other financing sources and uses to budget and demonstrates budgetary compliance. In addition, trend information related to the City's retirement and other post employment benefits plans is presented in RSI. Following the RSI are other statements and schedules, including the combining statements for nonmajor governmental and enterprise funds, internal service funds, and fiduciary funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

a -- Net assets

The following table reflects a summary statement of net assets compared to prior year (in thousands):

	Condensed Statement of Net Assets					
	as of September 30					
	(in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current assets	\$ 674,926	544,656	1,463,251	1,395,559	2,138,177	1,940,215
Capital assets	2,303,263	2,258,850	6,339,459	6,038,226	8,642,722	8,297,076
Other noncurrent assets	5,669	3,993	507,636	553,101	513,305	557,094
Total assets	<u>2,983,858</u>	<u>2,807,499</u>	<u>8,310,346</u>	<u>7,986,886</u>	<u>11,294,204</u>	<u>10,794,385</u>
Current liabilities	272,454	251,312	479,524	482,405	751,978	733,717
Noncurrent liabilities	1,127,518	951,675	4,944,693	4,622,330	6,072,211	5,574,005
Total liabilities	<u>1,399,972</u>	<u>1,202,987</u>	<u>5,424,217</u>	<u>5,104,735</u>	<u>6,824,189</u>	<u>6,307,722</u>
Net assets:						
Invested in capital assets, net of related debt	1,545,216	1,526,481	1,902,398	1,825,599	3,447,614	3,352,080
Restricted	95,641	76,478	488,413	497,927	584,054	574,405
Unrestricted (deficit)	(56,971)	1,553	495,318	558,625	438,347	560,178
Total net assets	<u>\$ 1,583,886</u>	<u>1,604,512</u>	<u>2,886,129</u>	<u>2,882,151</u>	<u>4,470,015</u>	<u>4,486,663</u>

In the current fiscal year, total assets of the City increased by \$500 million before restatement (see Note 2). Total liabilities increased by \$516 million. Governmental-type total assets increased by \$176 million and business-type increased \$402 million, while governmental-type liabilities increased by \$197 million and business-type increased \$319 million.

Significant factors in the increase of governmental total assets include an increase in pooled investments and cash of \$146.4 million and an increase in capital assets of \$44.4 million. Factors in the increase of governmental-type liabilities include an increase in current liabilities of \$21.1 million, consisting of increases to the current portion of general obligation bonds payable of \$12.1 million, and to claims payable of \$4.0 million. Noncurrent liabilities increased \$176 million, consisting primarily of an increase to general obligation bonds payable of \$110.6 million, pension obligation payable of \$6.2 million, accrued compensated absences of \$5.6 million and other post employment benefits of \$54.9 million.

Significant factors in the increase of business-type total assets include an increase in capital assets of \$301.2 million and an increase in pooled investments and cash of \$47.5 million. Total liabilities increased by \$319.5 million; significant increases include commercial paper notes payable of \$126.8 million, deferred credits and other liabilities of \$131.1 million, other post employment benefits payable of \$32.7 million, and pension obligation of \$9.3 million. Significant decreases include capital appreciation bond interest payable of \$31.2 million, accounts payable of \$26.4 million, and revenue bonds payable from restricted assets of \$13.5 million.

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$4.5 billion at the end of the current fiscal year. However, the largest portion of the City's net assets are invested in capital assets, net of related debt (e.g. land, building, and equipment), which are \$3.4 billion, or 76% of the total amount of the City's net assets. The City uses these capital assets to provide services to citizens. Capital assets are generally not highly liquid; consequently, they are not considered future available resources. Although the City'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 liquidated for these liabilities.

An additional portion, \$584.1 million of the City's net assets, represents resources that are subject to external restrictions on how they may be used in the future. The remaining balance, \$438.3 million of unrestricted net assets, may be used to meet the government's future obligations. Unrestricted net assets decreased \$42.9 million in the current fiscal year. A significant portion of the decrease in unrestricted net assets is due to the recognition of \$87.6 million in other post employment benefit expense in accordance with GASB Statement No. 45.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for the government as a whole, as well as for business-type activities; however unrestricted net assets for governmental activities are a deficit of \$56.9 million.

b -- Changes in net assets

Total net assets of the City increased by \$62.2 million in the current fiscal year. Governmental net assets decreased \$20.6 million. The decrease is attributable to expenses exceeding revenues by \$103.3 million net of transfers from other funds of \$82.7 million. Business-type net assets increased by \$82.9 million due to revenues exceeding expenses by \$165.6 million, net of transfers to other funds of \$82.7 million.

	Changes in Net Assets September 30 (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program revenues:						
Charges for services	\$ 140,989	149,694	1,833,856	1,845,678	1,974,845	1,995,372
Operating grants and contributions	54,022	65,782	--	--	54,022	65,782
Capital grants and contributions	85,085	3,652	71,819	76,881	156,904	80,533
General revenues:						
Property tax	309,888	268,802	--	--	309,888	268,802
Sales tax	139,795	154,445	--	--	139,795	154,445
Franchise fees and gross receipts tax	85,183	93,236	--	--	85,183	93,236
Grants and contributions not restricted to specific programs	--	80,178	--	--	--	80,178
Interest and other	20,827	29,287	27,938	59,028	48,765	88,315
Total revenues	<u>835,789</u>	<u>845,076</u>	<u>1,933,613</u>	<u>1,981,587</u>	<u>2,769,402</u>	<u>2,826,663</u>
Program expenses:						
General government	80,819	97,945	--	--	80,819	97,945
Public safety	442,690	440,345	--	--	442,690	440,345
Transportation, planning and sustainability	79,840	49,426	--	--	79,840	49,426
Public health	81,773	102,188	--	--	81,773	102,188
Public recreation and culture	90,307	87,975	--	--	90,307	87,975
Urban growth management	121,237	123,115	--	--	121,237	123,115
Interest on debt	42,435	40,954	--	--	42,435	40,954
Electric	--	--	1,089,632	1,070,999	1,089,632	1,070,999
Water	--	--	200,162	202,900	200,162	202,900
Wastewater	--	--	160,962	147,059	160,962	147,059
Airport	--	--	98,403	91,557	98,403	91,557
Convention	--	--	52,219	52,911	52,219	52,911
Environmental and health services	--	--	67,097	69,805	67,097	69,805
Public recreation	--	--	10,274	10,169	10,274	10,169
Urban growth management	--	--	89,306	84,886	89,306	84,886
Total expenses	<u>939,101</u>	<u>941,948</u>	<u>1,768,055</u>	<u>1,730,286</u>	<u>2,707,156</u>	<u>2,672,234</u>
Excess (deficiency) before transfers	(103,312)	(96,872)	165,558	251,301	62,246	154,429
Transfers	82,686	73,163	(82,686)	(73,163)	--	--
Increase (decrease) in net assets	<u>(20,626)</u>	<u>(23,709)</u>	<u>82,872</u>	<u>178,138</u>	<u>62,246</u>	<u>154,429</u>
Beginning net assets, as previously reported	1,604,512	1,628,221	2,882,151	2,704,013	4,486,663	4,332,234
Restatement adjustment	--	--	(78,894)	--	(78,894)	--
Beginning net assets, as restated	<u>1,604,512</u>	<u>1,628,221</u>	<u>2,803,257</u>	<u>2,704,013</u>	<u>4,407,769</u>	<u>4,332,234</u>
Ending net assets	<u>\$1,583,886</u>	<u>1,604,512</u>	<u>2,886,129</u>	<u>2,882,151</u>	<u>4,470,015</u>	<u>4,486,663</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

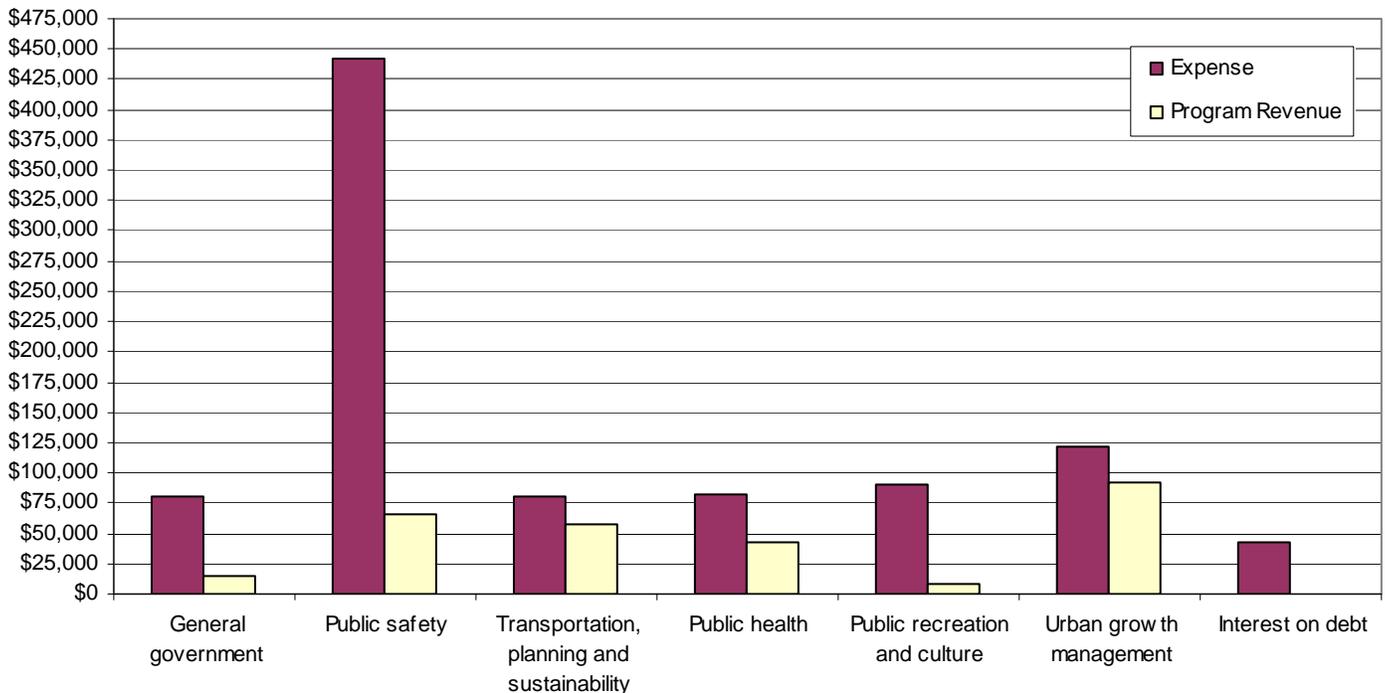
c -- Program revenues and expenses -- governmental activities

Governmental activities decreased the City's net assets by \$20.6 million in fiscal year 2009, a 1.3% decrease of governmental net assets from the previous year. Key factors for the change from fiscal year 2008 to 2009 are as follows:

- The City's property tax revenue increased by \$41.1 million from the previous year, despite a decrease in the City's tax rate from 40.3 cents to 40.1 per \$100 valuation, as a result of an increase in assessed property values.
- Franchise fees and gross receipts taxes decreased \$8.1 million, largely due to a \$5.2 million decrease in hotel occupancy tax collections and a \$2.2 million decrease in gas and cable franchise fees. Sales tax collections for fiscal year 2009 were \$14.7 million less than fiscal year 2008.
- General government expenses decreased \$17.1 million due to reduced support services charges while public health expenses decreased \$20.4 million due to the transfer of hospital district activities to Travis County. Transportation, planning and sustainability expenses increased \$30.4 million largely due to an increase in right of way acquisition costs for the benefit of other governments.

The chart below illustrates the City's governmental expense and revenues by function: general government; public safety; transportation, planning and sustainability; public health; public recreation and culture; urban growth management and interest on debt.

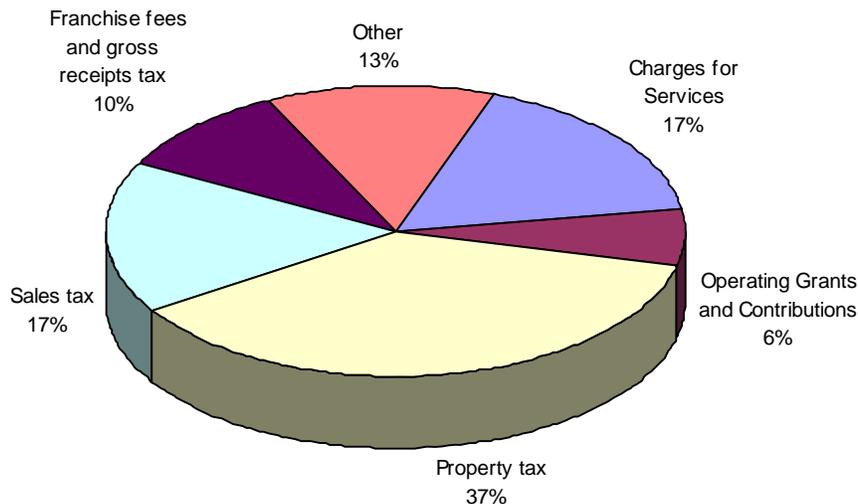
**Government-wide Program Expenses and Revenues – Governmental Activities
(in thousands)**



FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

General revenues such as property taxes, sales taxes, and franchise fees are not shown by program, but are used to support all governmental activities. Property taxes are the largest source of governmental revenues, followed by sales taxes and charges for goods and services.

Government-wide Revenues by Source -- Governmental Activities



d -- Program revenues and expenses -- business-type activities

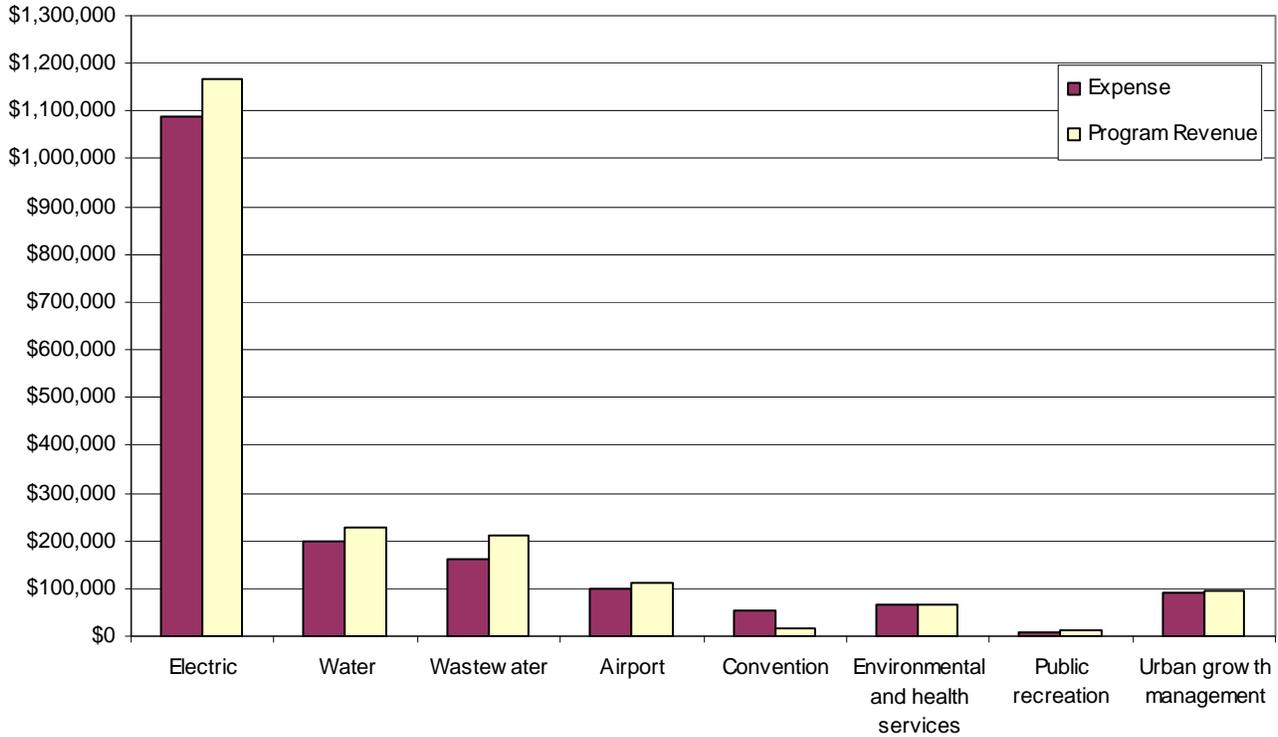
Business-type activities increased the City's net assets by approximately \$82.9 million, accounting for a 1.9% increase in the City's total net assets. Key factors include:

- Electric net assets increased approximately \$1 million. Revenues decreased 4.6% largely due to lower fuel costs, which are passed through as fuel revenue. Expenses increased 1.3% as lower fuel costs were offset by an increase in other operating expenses.
- Water and Wastewater net assets increased approximately \$47.1 million. This increase is due primarily to increased rates and water consumption due to weather conditions. Water revenue for 2009 increased by approximately 7.7% and Wastewater revenue increased 7% from the prior year.
- Airport net assets increased approximately \$18.6 million. Although revenues decreased 4.6% due to reduced air travel and expenses increased due to an increase in operations and maintenance costs, net assets showed positive growth due to capital contributions.
- Convention net assets increased approximately \$2.1 million. Revenues and transfers from the Hotel Occupancy Tax Fund decreased 7.6% due primarily to lower Hotel Occupancy Tax collections. Expenses increased due to increases in operations and maintenance costs.
- Environmental and health services activities are comprised of nonmajor enterprise funds that include the Solid Waste Services Fund, Primary Care Fund, and Hospital Fund. Net assets decreased by approximately \$0.7 million. This decrease is primarily attributed to inadequate revenues to cover expenses in solid waste services operations.
- Public recreation activities are comprised of nonmajor enterprise funds that include the Golf Fund and Recreation Program Fund. Net assets increased by \$1.2 million. Golf Fund operating revenues increased 6% primarily due to increased fees. Golf Fund operating expenses increased by 8.9% primarily due to increases in operations and maintenance costs.
- Urban growth management activities are comprised of nonmajor enterprise funds that include the Drainage Fund and Transportation Fund. Net assets increased by approximately \$13.6 million. Drainage revenues increased 3.6% primarily due to an increase in the customer base, while Drainage expenses increased 4.6% due to increased operating costs.

As shown in the following chart, the electric utility, with expenses of \$1.09 billion, is the City's largest business-type activity, followed by water (\$200 million), wastewater (\$161 million), airport (\$98 million), urban growth management (\$89 million), environmental and health services (\$67 million), convention (\$52 million), and public recreation (\$10 million). For the fiscal year, operating revenues exceeded operating expenses for all business-type activities except convention and environmental and health services.

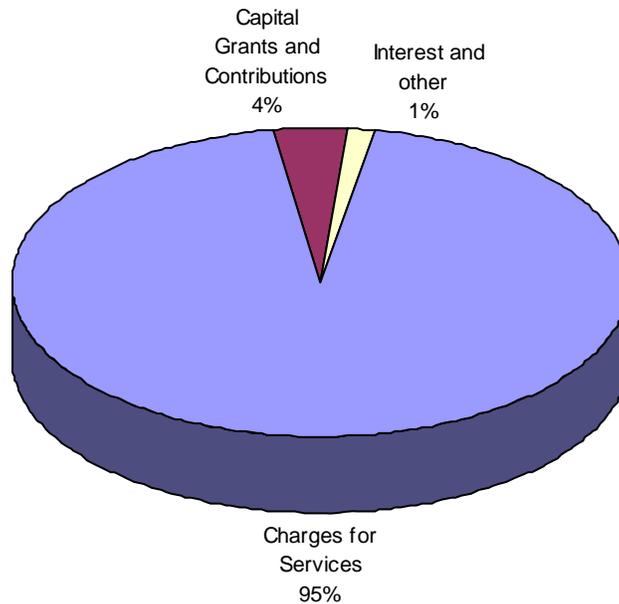
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

**Government-wide Expenses and Program Revenues -- Business-type Activities
 (Excludes General Revenues and Transfers)
 (in thousands)**



For all business-type activities, charges for services provide the largest percentage of revenues (95%), followed by capital grants and contributions (4%) and interest and other revenues (1%).

Government-wide Revenue by Source – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

In comparison to the government-wide statements, the fund-level statements focus on the key funds of the City. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

a -- Governmental funds

The City reports the following types of governmental funds: the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

At the end of the fiscal year, the City of Austin's governmental funds reported combined ending fund balances of \$451.9 million, an increase of \$122.5 million from the previous year. Approximately \$313.2 million represents unreserved ending balance, which is available for future use. The remainder of fund balance is reserved and only available for commitments for the purchase of goods and services, receivables, property held for resale, legally restricted permanent fund resources, and certain debt service amounts. Reserved fund balance increased \$28.7 million in comparison to the prior year, primarily due to an increase in the reservation for encumbrances of \$33.9 million.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$87.7 million, while total fund balance was \$92.2 million. 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. Unreserved fund balance represents 15.4% of total General Fund expenditures of \$570.8 million, and total fund balance represents 16.1% of expenditures. The City's financial policies provide that surplus fund balance be designated for budget stabilization. This amount is a component of unreserved fund balance. The fund balance designated for budget stabilization was \$40.8 million. The balance designated for budget stabilization may be appropriated to fund capital or other one-time expenditures in the subsequent fiscal year, but such appropriation will not normally exceed one-third of the total designated amount, with the other two-thirds designated for budget stabilization in future years.

The General Fund fund balance increased \$3.5 million during the fiscal year, while unreserved fund balance increased \$2.5 million. Significant differences from the previous year include:

- Property tax revenues increased \$22.6 million due to an increase in assessed property values. The City's property tax rate decreased from 40.3 cents to 40.1 cents per \$100 valuation.
- Sales tax revenues decreased \$14.7 million, while licenses, permits and inspections decreased \$3.7 million.
- General fund expenditures decreased \$4.7 million, due primarily to an increase in public safety expenditures of \$9.7 million, and a decrease in general government expenditures of \$15.3 million.

b -- Proprietary funds

The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Overall, net assets of the City's enterprise funds increased by \$83.3 million before consolidation of the internal service funds activities.

Factors that contributed to the increase in net assets are discussed in the business-type activities section of the government-wide section.

OTHER INFORMATION

a -- General Fund budgetary highlights

The original expenditure budget of the General Fund was amended during fiscal year 2009 to reallocate public safety costs due to the elimination of the Public Safety and Emergency Management department. Total General Fund budgeted requirements were unchanged as a result of the elimination of the Public Safety and Emergency Management department.

During the year, revenues were \$26.6 million less than budgeted. Sales tax collections were \$21.1 million less than budgeted, while licenses, permits and inspections revenue was \$3.9 million less than budgeted.

Actual General Fund budget-basis expenditures were \$27.6 million less than budgeted. Transportation, planning and sustainability expenditures exceeded budget by \$40 thousand; while all other General Fund departments were under budget. The total budget-basis fund balance at year-end was \$84.6 million.

b -- Capital assets

The City's capital assets for governmental and business-type activities as of September 30, 2009, total \$8.6 billion (net of accumulated depreciation). Capital assets include land, buildings and improvements, equipment, vehicles, infrastructure, construction in progress, nuclear fuel, plant held for future use, and intangible assets. The total increase in the City's capital assets for the current fiscal year was \$346 million (4.2%), with an increase of 2.0% for governmental activities and an increase of 5.0% for business-type activities. Additional information on capital assets can be found in Note 7. Capital asset balances are as follows:

**Capital Assets, Net of Accumulated Depreciation
September 30
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and improvements	\$ 324	302	449	442	773	744
Other assets not depreciated	20	19	1	1	21	20
Building and improvements	450	426	1,393	1,419	1,843	1,845
Equipment	73	79	3,555	3,367	3,628	3,446
Vehicles	36	36	58	58	94	94
Infrastructure	1,255	1,194	--	--	1,255	1,194
Construction in progress	145	203	747	612	892	815
Nuclear fuel, net of amortization	--	--	33	33	33	33
Plant held for future use	--	--	28	28	28	28
Intangible assets, net of amortization	--	--	75	78	75	78
Total net capital assets	<u>\$ 2,303</u>	<u>2,259</u>	<u>6,339</u>	<u>6,038</u>	<u>8,642</u>	<u>8,297</u>

Major capital asset events during the current fiscal year include the following:

- Governmental capital assets increased \$44 million primarily due to infrastructure additions, land acquisitions, and facility and system improvements.
- Business-type activities purchased or completed construction on capital assets of \$302 million. The increase was largely due to Water and Wastewater Fund facility improvements, and wastewater projects associated with the Austin Clean Water Program, Electric Fund expenditures for general infrastructure improvements, Airport, Drainage, and Transportation land acquisitions, and Convention, Drainage, and Transportation machinery and equipment.

OTHER INFORMATION, continued

c -- Debt administration

At the end of the current fiscal year, the City reported \$4.9 billion in outstanding debt. The table below reflects the outstanding debt at September 30. Additional information can be found in Note 10.

**Outstanding Debt
General Obligation and Revenue Debt
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds and other tax supported debt, net	\$ 953	830	131	96	1,084	926
Commercial paper notes, net	--	--	340	213	340	213
Revenue notes	--	--	28	28	28	28
Revenue bonds, net	--	--	3,443	3,409	3,443	3,409
Capital lease obligations	--	--	2	2	2	2
Total	<u>\$ 953</u>	<u>830</u>	<u>3,944</u>	<u>3,748</u>	<u>4,897</u>	<u>4,578</u>

During fiscal year 2009, the City's total outstanding debt increased by \$319 million. The City issued new debt and refinanced portions of existing debt to achieve lower borrowing costs. Debt issues include the following:

- Bond debt for governmental activities increased \$123 million. Issuance of new debt will be used primarily for street improvements, public safety facilities, cultural facilities, parks and recreation facilities and affordable housing projects.
- Outstanding debt for business-type functions increased \$196 million. The City issued Water and Wastewater Fund separate lien revenue refunding bonds to refund commercial paper and existing debt.

During the current year the City's prior lien and subordinate lien utility revenue bonds and the Water and Wastewater Utility revenue bonds received favorable bond rating upgrades from Standard & Poor's; the Convention Center revenue bonds, that previously had no underlying rating from Moody's Investors Service, Inc., received an A2 rating from that agency; and, all other bond ratings were unchanged. Ratings at September 30, 2009 of the City's obligations for various debt instruments are as follows:

Debt	Moody's Investors Service, Inc		Standard & Poor's		Fitch, Inc.	
	2009	2008	2009	2008	2009	2008
General obligation bonds and other tax supported debt	Aa1	Aa1	AAA	AAA	AA+	AA+
Commercial paper notes	P-1	P-1	A-1+	A-1+	F1+	F1+
Commercial paper notes - taxable	P-1	P-1	A-1+	A-1+	F1+	F1+
Utility revenue bonds - prior lien	A1	A1	AA	AA-	AA-	AA-
Utility revenue bonds - subordinate lien	A1	A1	AA	A+	AA-	AA-
Utility revenue bonds - separate lien:						
Electric	A1	A1	A+	A+	AA-	AA-
Water and Wastewater	Aa3	Aa3	AA	A+	AA-	AA-
Airport system revenue bonds	NUR(1)	NUR(1)	A-	A-	NUR(1)	NUR(1)
Airport variable rate bonds	NUR(1)	NUR(1)	A-	A-	NUR(1)	NUR(1)
Convention Center revenue bonds	A2	NUR(1)	A-	A-	NUR(1)	NUR(1)

(1) No underlying rating

OTHER INFORMATION, continued

d -- Economic factors and next year's budget and rates

The local economy remained resilient in 2009 despite sales tax revenues decreasing by 9.5% and a declining real estate market. Job loss in the Austin area was minimal in 2009 with year-end unemployment rates less than that of both the state and the nation. Austin's diverse economic base and national reputation as a great place to live continues to attract talented individuals and new employment opportunities. Job growth in the area is increasing, with mild growth forecasted in 2010.

The City's 2010 budget was prepared with emphasis on closing a \$31 million revenue shortfall while maintaining key services for Austin's residents. Citizen input played a major role in identifying budget reductions and providing input to the City Manager for presenting a balanced budget for the City Council's review. The Austin City Council has adopted a comprehensive set of financial policies to provide the foundation for long-range financial sustainability. These financial policies are directly aligned with the City Council's priority of budget stability while at the same time maintaining affordability, investment in future economic development, infrastructure needs, and quality of life. These policies are also crucial in maintaining the City's favorable bond ratings. City management will continue to monitor the economy and take corrective actions to help mitigate any unfavorable economic events.

The assessed taxable property values within the City increased by 6.23% for 2009. The property tax rate for fiscal year 2010 is 42.09 cents per \$100 valuation. The tax rate consists of 29.50 cents for the General Fund and 12.59 cents for debt service. Each 1 cent of the property tax rate is equivalent to \$8,153,320 of tax levy, as compared to \$7,675,201 in the previous year. Rate increases for the Water and Wastewater Fund are: 5.7% for Water and 3.3% for Wastewater for a combined increase of 4.5%.

e -- Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Financial and Administrative Services Department of the City of Austin, P.O. Box 2920, Austin, Texas 78768, or (512) 974-2600 or on the web at <http://www.ci.austin.tx.us/controller/>.



**BASIC FINANCIAL
STATEMENTS**



Statement of Net Assets
September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit A-1

	Governmental Activities	Business-type Activities	2009 Total (†)
ASSETS			
Current assets:			
Cash	\$ 89	63	152
Pooled investments and cash	537,949	386,037	923,986
Pooled investments and cash - restricted	--	356,662	356,662
Total pooled investments and cash	537,949	742,699	1,280,648
Investments, at fair value	18,734	6,481	25,215
Investments, at fair value - restricted	--	340,474	340,474
Cash held by trustee - restricted	2,366	42,818	45,184
Working capital advances	--	3,393	3,393
Property taxes receivable	12,849	--	12,849
Less allowance for uncollectible taxes	(4,001)	--	(4,001)
Net property taxes receivable	8,848	--	8,848
Accounts and other receivables	161,639	206,250	367,889
Less allowance for doubtful accounts	(87,510)	(3,748)	(91,258)
Net accounts receivable	74,129	202,502	276,631
Receivables from other governments	13,522	--	13,522
Notes receivable, net of allowance of \$18,968	10,699	--	10,699
Internal balances	(2,177)	2,177	--
Internal balances - restricted	(259)	259	--
Inventories, at cost	2,988	92,528	95,516
Real property held for resale	5,671	--	5,671
Prepaid items	1,061	3,898	4,959
Other assets	1,306	6,046	7,352
Other receivables	--	3,404	3,404
Deferred costs and expenses, net of amortization	--	16,509	16,509
Total current assets	674,926	1,463,251	2,138,177
Noncurrent assets:			
Investments held by trustee - restricted	--	113,831	113,831
Interest receivable - restricted	--	1,328	1,328
Capital assets			
Land and other nondepreciable assets	344,339	450,087	794,426
Property, plant, and equipment in service	2,810,615	8,175,113	10,985,728
Less accumulated depreciation	(996,297)	(3,168,939)	(4,165,236)
Net property, plant, and equipment in service	1,814,318	5,006,174	6,820,492
Construction in progress	144,606	747,298	891,904
Nuclear fuel, net of amortization	--	33,117	33,117
Plant held for future use	--	27,783	27,783
Intangible assets, net of amortization	--	75,000	75,000
Total capital assets	2,303,263	6,339,459	8,642,722
Other long-term assets	--	66	66
Deferred costs and expenses, net of amortization	5,669	392,411	398,080
Total noncurrent assets	2,308,932	6,847,095	9,156,027
Total assets	\$ 2,983,858	8,310,346	11,294,204

(†) After internal receivables and payables have been eliminated.

(Continued)

The accompanying notes are an integral part of the financial statements.

Statement of Net Assets
September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit A-1
(Continued)

	Governmental	Business-type	2009
	Activities	Activities	Total (†)
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 32,122	67,972	100,094
Accounts and retainage payable from restricted assets	--	39,023	39,023
Accrued payroll	28,311	16,078	44,389
Accrued compensated absences	46,111	21,883	67,994
Claims payable	17,570	--	17,570
Accrued interest payable from restricted assets	--	90,952	90,952
Interest payable on other debt	3,443	687	4,130
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	69,444	10,690	80,134
General obligation bonds payable and other tax supported debt payable from restricted assets, net of discount and inclusive of premium	--	4,282	4,282
Revenue bonds payable	--	914	914
Revenue bonds payable payable from restricted assets	--	141,361	141,361
Capital lease obligations payable	152	523	675
Customer and escrow deposits payable from restricted assets	--	34,442	34,442
Accrued landfill closure and postclosure costs	--	10,494	10,494
Deferred credits and other liabilities	75,301	40,223	115,524
Total current liabilities	272,454	479,524	751,978
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	63,349	2,845	66,194
Claims payable	12,707	--	12,707
Capital appreciation bond interest payable	--	194,448	194,448
Commercial paper notes payable, net of discount	--	339,999	339,999
Revenue notes payable	--	28,000	28,000
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	883,278	116,260	999,538
Revenue bonds payable, net of discount and inclusive of premium	--	3,300,981	3,300,981
Pension obligation payable	43,052	39,958	83,010
Other post employment benefits payable	109,851	65,300	175,151
Capital lease obligations payable	316	1,458	1,774
Accrued landfill closure and postclosure costs	--	7,718	7,718
Decommissioning liability payable from restricted assets	--	167,001	167,001
Deferred credits and other liabilities	14,965	680,292	695,257
Other liabilities payable from restricted assets	--	433	433
Total noncurrent liabilities	1,127,518	4,944,693	6,072,211
Total liabilities	1,399,972	5,424,217	6,824,189
NET ASSETS			
Invested in capital assets, net of related debt	1,545,216	1,902,398	3,447,614
Restricted for:			
Debt service	14,946	90,456	105,402
Strategic reserve	--	161,446	161,446
Capital projects	61,205	190,565	251,770
Renewal and replacement	--	12,836	12,836
Passenger facility charges	--	21,956	21,956
Operating reserve	--	11,154	11,154
Perpetual Care:			
Expendable	819	--	819
Nonexpendable	1,040	--	1,040
Other purposes	17,631	--	17,631
Unrestricted (deficit)	(56,971)	495,318	438,347
Total net assets	\$ 1,583,886	2,886,129	4,470,015

(†) After internal receivables and payables have been eliminated.

The accompanying notes are an integral part of the financial statements.

Statement of Activities
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit A-2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	2009 Total
Governmental activities							
General government	\$ 80,819	11,319	194	4,011	(65,295)	--	(65,295)
Public safety	442,690	51,710	10,765	2,522	(377,693)	--	(377,693)
Transportation, planning, and sustainability	79,840	3,960	--	53,218	(22,662)	--	(22,662)
Public health	81,773	25,181	17,460	109	(39,023)	--	(39,023)
Public recreation and culture	90,307	3,819	1,290	2,737	(82,461)	--	(82,461)
Urban growth management	121,237	45,000	24,313	22,488	(29,436)	--	(29,436)
Interest on debt	42,435	--	--	--	(42,435)	--	(42,435)
Total governmental activities	939,101	140,989	54,022	85,085	(659,005)	--	(659,005)
Business-type activities							
Electric	1,089,632	1,162,286	--	5,956	--	78,610	78,610
Water	200,162	195,480	--	30,401	--	25,719	25,719
Wastewater	160,962	196,416	--	14,664	--	50,118	50,118
Airport	98,403	96,618	--	16,186	--	14,401	14,401
Convention	52,219	16,258	--	--	--	(35,961)	(35,961)
Environmental and health services	67,097	65,940	--	652	--	(505)	(505)
Public recreation	10,274	10,119	--	1,149	--	994	994
Urban growth management	89,306	90,739	--	2,811	--	4,244	4,244
Total business-type activities	1,768,055	1,833,856	--	71,819	--	137,620	137,620
Total	\$ 2,707,156	1,974,845	54,022	156,904	(659,005)	137,620	(521,385)
General revenues:							
Property tax					309,888	--	309,888
Sales tax					139,795	--	139,795
Franchise fees and gross receipts tax					85,183	--	85,183
Interest and other					20,827	27,938	48,765
Transfers-internal activities					82,686	(82,686)	--
Total general revenues and transfers					638,379	(54,748)	583,631
Change in net assets					(20,626)	82,872	62,246
Beginning net assets, as restated (see Note 2)					1,604,512	2,803,257	4,407,769
Ending net assets					\$ 1,583,886	2,886,129	4,470,015

The accompanying notes are an integral part of the financial statements.



**Governmental Funds
Balance Sheet
September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit B-1**

	2009		
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 69	5	74
Pooled investments and cash	80,608	365,758	446,366
Investments, at fair value	--	18,734	18,734
Cash held by trustee-restricted	--	1,767	1,767
Property taxes receivable	7,992	4,857	12,849
Less allowance for uncollectible taxes	(2,565)	(1,436)	(4,001)
Net property taxes receivable	5,427	3,421	8,848
Accounts and other receivables	132,850	21,997	154,847
Less allowance for doubtful accounts	(81,033)	(6,255)	(87,288)
Net accounts receivable	51,817	15,742	67,559
Receivables from other governments	--	13,522	13,522
Notes receivable, net of allowance	--	10,699	10,699
Due from other funds	217	20,571	20,788
Advances to other funds	--	5,561	5,561
Inventories, at cost	1,774	--	1,774
Real property held for resale	--	5,671	5,671
Prepaid items	85	438	523
Other assets	60	1,246	1,306
Total assets	<u>140,057</u>	<u>463,135</u>	<u>603,192</u>
LIABILITIES AND FUND BALANCES			
Accounts payable	3,830	21,605	25,435
Accrued payroll	23,056	145	23,201
Accrued compensated absences	739	--	739
Due to other funds	--	20,799	20,799
Deferred revenue	17,570	9,156	26,726
Advances from other funds	--	411	411
Deposits and other liabilities	2,701	51,293	53,994
Total liabilities	<u>47,896</u>	<u>103,409</u>	<u>151,305</u>
Fund balances			
Reserved:			
Encumbrances	2,651	92,396	95,047
Inventories and prepaid items	1,859	438	2,297
Notes receivable	--	10,699	10,699
Advances receivable	--	5,561	5,561
Real property held for resale	--	5,671	5,671
Debt service	--	18,389	18,389
Permanent funds	--	1,040	1,040
Unreserved, designated:			
Emergencies	40,000	--	40,000
Contingencies	5,958	--	5,958
Future use	845	--	845
Budget stabilization	40,848	--	40,848
Unreserved, undesignated:			
Special revenue	--	56,385	56,385
Capital projects	--	168,328	168,328
Permanent funds	--	819	819
Total fund balances	<u>92,161</u>	<u>359,726</u>	<u>451,887</u>
Total liabilities and fund balances	<u>\$ 140,057</u>	<u>463,135</u>	<u>603,192</u>

The accompanying notes are an integral part of the financial statements.

Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit B-1.1

Total fund balances - Governmental funds		\$ 451,887
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.		
Governmental capital assets	3,225,704	
Less: accumulated depreciation	<u>(964,322)</u>	2,261,382
Other long-term assets are not available as current-period resources and are not reported in the funds.		
Accounts and other taxes receivable	16,698	
Deferred revenue - property taxes and interest	4,797	
Deferred costs and expenses	<u>5,665</u>	27,160
Long-term liabilities are not payable in the current period and are not reported in the funds.		
Bonds and other tax supported debt payable, net	(947,220)	
Pension obligation payable	(43,052)	
Other post employment benefits payable	(109,851)	
Capital lease obligations payable	(468)	
Compensated absences	(101,362)	
Interest payable	(3,421)	
Deferred credits and other liabilities	<u>(21,851)</u>	(1,227,225)
Internal service funds are used by management to charge the costs of capital project management, combined emergency communication center, employee benefits, fleet maintenance, information systems, liability reserve, support services, wireless communication, and workers' compensation to individual funds.		
Certain assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		70,682
Total net assets - Governmental activities		<u><u>\$1,583,886</u></u>

The accompanying notes are an integral part of the financial statements.

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit B-2

	2009		
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 210,618	97,674	308,292
Sales taxes	139,795	--	139,795
Franchise fees and other taxes	38,927	46,256	85,183
Fines, forfeitures and penalties	19,100	6,280	25,380
Licenses, permits and inspections	20,531	--	20,531
Charges for services/goods	33,655	51,250	84,905
Intergovernmental	--	62,802	62,802
Property owners' participation and contributions	--	12,161	12,161
Interest and other	10,456	20,731	31,187
Total revenues	473,082	297,154	770,236
EXPENDITURES			
Current:			
General government	46,618	6,382	53,000
Public safety	404,016	5,563	409,579
Transportation, planning and sustainability	894	6,781	7,675
Public health	37,498	33,264	70,762
Public recreation and culture	60,961	13,516	74,477
Urban growth management	20,862	85,287	106,149
Debt service:			
Principal	--	69,809	69,809
Interest	--	42,170	42,170
Fees and commissions	--	8	8
Capital outlay-capital project funds	--	96,342	96,342
Total expenditures	570,849	359,122	929,971
Excess (deficiency) of revenues over expenditures	(97,767)	(61,968)	(159,735)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	--	191,310	191,310
Bond premiums	--	1,897	1,897
Transfers in	121,936	53,314	175,250
Transfers out	(20,698)	(65,547)	(86,245)
Total other financing sources (uses)	101,238	180,974	282,212
Net change in fund balances	3,471	119,006	122,477
Fund balances at beginning of year	88,690	240,720	329,410
Fund balances at end of year	\$ 92,161	359,726	451,887

The accompanying notes are an integral part of the financial statements.

Governmental Funds
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit B-2.1

Net change in fund balances - Governmental funds \$ 122,477

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 capital outlays exceeded depreciation in the current period.

Capital outlay	105,211	
Depreciation expense	(91,766)	
Loss on disposal of capital assets	<u>(33,226)</u>	(19,781)

Revenues in the statement of activities that do not provide current available financial resources are not reported as revenues in the funds.

Property taxes	1,596	
Charges for services	4,530	
Interest and other	(1,439)	
Capital assets contribution	<u>67,282</u>	71,969

The issuance of long-term debt (e.g., bonds, leases) 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, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of long-term debt	(193,207)	
Principal repayment on long-term debt	<u>69,809</u>	(123,398)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(6,597)	
Pension obligation	(6,240)	
Other post employment benefits	(54,968)	
Interest and other	<u>2,427</u>	(65,378)

Internal services. A portion of the net revenue (expense) of the internal service funds is reported with the governmental activities. (6,515)

Change in net assets - Governmental activities \$ (20,626)

The accompanying notes are an integral part of the financial statements.

Proprietary Funds
Statement of Net Assets
September 30, 2009
(In thousands)

	Business-Type Activities		
	Electric	Water and Wastewater	Airport
ASSETS			
Current assets:			
Cash	\$ 18	10	8
Pooled investments and cash	211,298	42,980	452
Pooled investments and cash - restricted	127,368	23,199	153,210
Total pooled investments and cash	<u>338,666</u>	<u>66,179</u>	<u>153,662</u>
Investments, at fair value	--	--	--
Investments, at fair value - restricted	235,286	80,022	14,567
Cash held by trustee - restricted	42,501	317	--
Working capital advances	3,393	--	--
Accounts receivable	134,006	52,814	5,375
Less allowance for doubtful accounts	(2,215)	(715)	(527)
Net accounts receivable	<u>131,791</u>	<u>52,099</u>	<u>4,848</u>
Due from other funds	430	--	--
Due from other funds - restricted	--	27	--
Inventories, at cost	88,704	1,784	1,610
Prepaid expenses	3,710	13	28
Other assets	6,046	--	--
Other receivables - restricted	2,055	439	907
Deferred costs and expenses, net of amortization	--	16,509	--
Total current assets	<u>852,600</u>	<u>217,399</u>	<u>175,630</u>
Noncurrent assets:			
Advances to other funds	2,672	--	--
Advances to other funds - restricted	--	27	117
Investments held by trustee - restricted	113,831	--	--
Interest receivable - restricted	1,328	--	--
Capital assets			
Land and other nondepreciable assets	64,007	205,569	94,977
Property, plant, and equipment in service	3,791,872	3,196,404	678,669
Less accumulated depreciation	(1,797,981)	(1,040,921)	(173,988)
Net property, plant, and equipment in service	<u>1,993,891</u>	<u>2,155,483</u>	<u>504,681</u>
Construction in progress	385,600	288,694	27,054
Nuclear fuel, net of amortization	33,117	--	--
Plant held for future use	27,783	--	--
Intangible assets, net of amortization	--	75,000	--
Total capital assets	<u>2,504,398</u>	<u>2,724,746</u>	<u>626,712</u>
Other long-term assets	66	--	--
Deferred costs and expenses, net of amortization	189,621	195,082	3,158
Total noncurrent assets	<u>2,811,916</u>	<u>2,919,855</u>	<u>629,987</u>
Total assets	\$ 3,664,516	3,137,254	805,617

The accompanying notes are an integral part of the financial statements.

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	2009 Total	
ASSETS			
Current assets:			
Cash	27	63	15
Pooled investments and cash	131,307	386,037	91,583
Pooled investments and cash - restricted	52,885	356,662	--
Total pooled investments and cash	184,192	742,699	91,583
Investments, at fair value	6,481	6,481	--
Investments, at fair value - restricted	10,599	340,474	--
Cash held by trustee - restricted	--	42,818	599
Working capital advances	--	3,393	--
Accounts receivable	14,055	206,250	2,147
Less allowance for doubtful accounts	(291)	(3,748)	(222)
Net accounts receivable	13,764	202,502	1,925
Due from other funds	794	1,224	11
Due from other funds - restricted	--	27	--
Inventories, at cost	430	92,528	1,214
Prepaid expenses	147	3,898	538
Other assets	--	6,046	--
Other receivables - restricted	3	3,404	--
Deferred costs and expenses, net of amortization	--	16,509	--
Total current assets	216,437	1,462,066	95,885
Noncurrent assets:			
Advances to other funds	23	2,695	45
Advances to other funds - restricted	88	232	--
Investments held by trustee - restricted	--	113,831	--
Interest receivable - restricted	--	1,328	--
Capital assets			
Land and other nondepreciable assets	85,534	450,087	761
Property, plant, and equipment in service	508,168	8,175,113	72,035
Less accumulated depreciation	(156,049)	(3,168,939)	(31,975)
Net property, plant, and equipment in service	352,119	5,006,174	40,060
Construction in progress	45,950	747,298	1,060
Nuclear fuel, net of amortization	--	33,117	--
Plant held for future use	--	27,783	--
Intangible assets, net of amortization	--	75,000	--
Total capital assets	483,603	6,339,459	41,881
Other long-term assets	--	66	--
Deferred costs and expenses, net of amortization	4,550	392,411	4
Total noncurrent assets	488,264	6,850,022	41,930
Total assets	704,701	8,312,088	137,815

The accompanying notes are an integral part of the financial statements.

(Continued)

Proprietary Funds
Statement of Net Assets
September 30, 2009
(In thousands)

	Business-Type Activities		
	Electric	Water and Wastewater	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 58,011	3,079	2,138
Accounts and retainage payable from restricted assets	12,898	20,438	1,799
Accrued payroll	7,227	3,633	1,032
Accrued compensated absences	9,905	5,056	1,386
Claims payable	--	--	--
Due to other funds	--	--	--
Accrued interest payable from restricted assets	46,912	39,925	1,912
Interest payable on other debt	21	86	1
General obligation bonds payable and other tax supported debt	--	--	25
General obligation bonds payable and other tax supported debt payable from restricted assets	214	4,068	--
Revenue bonds payable	--	914	--
Revenue bonds payable from restricted assets	65,823	54,413	12,910
Capital lease obligations payable	37	--	486
Customer and escrow deposits payable from restricted assets	21,646	9,232	439
Accrued landfill closure and postclosure costs	--	--	--
Deferred credits and other liabilities	32,439	7,224	225
Total current liabilities	255,133	148,068	22,353
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	1,739	645	186
Claims payable	--	--	--
Advances from other funds	--	3,885	--
Capital appreciation bond interest payable	78,452	115,996	--
Commercial paper notes payable, net of discount	140,707	199,292	--
Revenue notes payable	--	--	28,000
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	1,203	19,576	264
Revenue bonds payable, net of discount and inclusive of premium	1,170,317	1,627,769	294,455
Pension obligation payable	17,824	8,980	2,736
Other post employment benefits payable	26,633	16,459	4,848
Capital lease obligations payable	1,127	--	331
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	167,001	--	--
Deferred credits and other liabilities	177,484	498,586	--
Other liabilities payable from restricted assets	--	351	82
Total noncurrent liabilities	1,782,487	2,491,539	330,902
Total liabilities	2,037,620	2,639,607	353,255
NET ASSETS			
Invested in capital assets, net of related debt	1,059,709	357,159	293,395
Restricted for:			
Debt service	46,199	27,665	14,491
Strategic reserve	142,191	12,431	--
Capital projects	75,835	--	102,317
Renewal and replacement	2,066	--	10,000
Passenger facility charges	--	--	21,956
Operating reserve	--	--	8,991
Unrestricted	300,896	100,392	1,212
Total net assets	\$ 1,626,896	497,647	452,362
Reconciliation to government-wide Statement of Net Assets			
Adjustment to consolidate internal service activities	3,166	1,424	769
Total net assets - Business-type activities	\$ 1,630,062	499,071	453,131

The accompanying notes are an integral part of the financial statements.

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	2009 Total	
LIABILITIES			
Current liabilities:			
Accounts payable	4,744	67,972	6,687
Accounts and retainage payable from restricted assets	3,888	39,023	--
Accrued payroll	4,186	16,078	5,110
Accrued compensated absences	5,536	21,883	6,945
Claims payable	--	--	17,570
Due to other funds	1,093	1,093	158
Accrued interest payable from restricted assets	2,203	90,952	--
Interest payable on other debt	579	687	22
General obligation bonds payable and other tax supported debt	10,665	10,690	428
General obligation bonds payable and other tax supported debt payable from restricted assets	--	4,282	--
Revenue bonds payable	--	914	--
Revenue bonds payable from restricted assets	8,215	141,361	--
Capital lease obligations payable	--	523	--
Customer and escrow deposits payable from restricted assets	3,125	34,442	--
Accrued landfill closure and postclosure costs	10,494	10,494	--
Deferred credits and other liabilities	335	40,223	4,545
Total current liabilities	55,063	480,617	41,465
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	275	2,845	414
Claims payable	--	--	12,707
Advances from other funds	3,493	7,378	744
Capital appreciation bond interest payable	--	194,448	--
Commercial paper notes payable, net of discount	--	339,999	--
Revenue notes payable	--	28,000	--
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	95,217	116,260	5,074
Revenue bonds payable, net of discount and inclusive of premium	208,440	3,300,981	--
Pension obligation payable	10,418	39,958	--
Other post employment benefits payable	17,360	65,300	--
Capital lease obligations payable	--	1,458	--
Accrued landfill closure and postclosure costs	7,718	7,718	--
Decommissioning liability payable from restricted assets	--	167,001	--
Deferred credits and other liabilities	4,222	680,292	--
Other liabilities payable from restricted assets	--	433	--
Total noncurrent liabilities	347,143	4,952,071	18,939
Total liabilities	402,206	5,432,688	60,404
NET ASSETS			
Invested in capital assets, net of related debt	192,135	1,902,398	36,383
Restricted for:			
Debt service	2,101	90,456	--
Strategic reserve	6,824	161,446	--
Capital projects	12,413	190,565	2,232
Renewal and replacement	770	12,836	--
Passenger facility charges	--	21,956	--
Operating reserve	2,163	11,154	--
Unrestricted	86,089	488,589	38,796
Total net assets	302,495	2,879,400	77,411
Reconciliation to government-wide Statement of Net Assets			
Adjustment to consolidate internal service activities	1,370	6,729	
Total net assets - Business-type activities	303,865	2,886,129	

The accompanying notes are an integral part of the financial statements.

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the year ended September 30, 2009
(In thousands)

	Business-Type Activities		
	Electric	Water and Wastewater	Airport
OPERATING REVENUES			
Utility services	\$ 1,162,286	391,896	--
User fees and rentals	--	--	80,890
Billings to departments	--	--	--
Employee contributions	--	--	--
Operating revenues from other governments	--	--	--
Other operating revenues	--	--	--
Total operating revenues	1,162,286	391,896	80,890
OPERATING EXPENSES			
Operating expenses before depreciation	869,247	172,438	57,296
Depreciation and amortization	114,172	81,031	18,708
Total operating expenses	983,419	253,469	76,004
Operating income (loss)	178,867	138,427	4,886
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	17,402	1,875	4,180
Interest on revenue bonds and other debt	(86,530)	(95,369)	(22,878)
Interest capitalized during construction	--	--	1,196
Passenger facility charges	--	--	15,728
Amortization of bond issue cost	(700)	(717)	(229)
Cost (recovered) to be recovered in future years	(9,973)	7,278	--
Other nonoperating expense	(8,126)	(18,506)	(287)
Total nonoperating revenues (expenses)	(87,927)	(105,439)	(2,290)
Income (loss) before contributions and transfers	90,940	32,988	2,596
Capital contributions	5,956	45,065	16,186
Transfers in	--	--	--
Transfers out	(95,000)	(30,606)	--
Change in net assets	1,896	47,447	18,782
Total net assets - beginning, as restated (See Note 2)	1,625,000	450,200	433,580
Total net assets - ending	\$ 1,626,896	497,647	452,362
Reconciliation to government-wide Statement of Activities			
Change in net assets	1,896	47,447	18,782
Adjustment to consolidate internal service activities	(884)	(341)	(201)
Change in net assets - Business-type activities	\$ 1,012	47,106	18,581

The accompanying notes are an integral part of the financial statements.

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	2009 Total	
OPERATING REVENUES			
Utility services	--	1,554,182	--
User fees and rentals	183,056	263,946	--
Billings to departments	--	--	275,191
Employee contributions	--	--	36,057
Operating revenues from other governments	--	--	3,488
Other operating revenues	--	--	4,623
Total operating revenues	183,056	1,818,128	319,359
OPERATING EXPENSES			
Operating expenses before depreciation	185,186	1,284,167	301,259
Depreciation and amortization	20,816	234,727	9,380
Total operating expenses	206,002	1,518,894	310,639
Operating income (loss)	(22,946)	299,234	8,720
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	4,481	27,938	734
Interest on revenue bonds and other debt	(15,327)	(220,104)	(290)
Interest capitalized during construction	2,114	3,310	--
Passenger facility charges	--	15,728	--
Amortization of bond issue cost	(258)	(1,904)	4
Cost (recovered) to be recovered in future years	--	(2,695)	--
Other nonoperating expense	(461)	(27,380)	(7,528)
Total nonoperating revenues (expenses)	(9,451)	(205,107)	(7,080)
Income (loss) before contributions and transfers	(32,397)	94,127	1,640
Capital contributions	4,612	71,819	(2,223)
Transfers in	45,621	45,621	--
Transfers out	(2,701)	(128,307)	(6,319)
Change in net assets	15,135	83,260	(6,902)
Total net assets - beginning, as restated (See Note 2)	287,360	2,796,140	84,313
Total net assets - ending	302,495	2,879,400	77,411
Reconciliation to government-wide Statement of Activities			
Change in net assets	15,135	83,260	
Adjustment to consolidate internal service activities	1,038	(388)	
Change in net assets - Business-type activities	16,173	82,872	

The accompanying notes are an integral part of the financial statements.

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Business-Type Activities		
	Electric	Water and Wastewater	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,227,397	395,415	79,706
Cash payments to suppliers for goods and services	(655,952)	(90,613)	(34,253)
Cash payments to employees for services	(146,662)	(74,072)	(20,354)
Cash payments to claimants/beneficiaries	--	--	--
Taxes collected and remitted to other governments	(35,575)	--	--
Net cash provided (used) by operating activities	389,208	230,730	25,099
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	--	--	--
Transfers out	(95,000)	(30,606)	--
Interest paid on revenue notes and other debt	(17)	--	--
Increase in deferred assets	1,119	--	--
Loans to other funds	(230)	--	--
Loan repayments to other funds	--	(448)	--
Loan repayments from other funds	429	27	6
Net cash provided (used) by noncapital financing activities	(93,699)	(31,027)	6
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	105,774	193,850	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	6,317	--
Principal paid on long-term debt	(78,964)	(62,919)	(12,835)
Purchased interest received	--	437	--
Interest paid on revenue bonds and other debt	(93,993)	(90,872)	(22,552)
Passenger facility charges	--	--	15,728
Acquisition and construction of capital assets	(249,906)	(202,872)	(26,655)
Contributions from municipality	--	--	--
Contributions from state and federal governments	--	--	1,345
Contributions in aid of construction	5,956	9,737	16,186
Bond issuance costs	--	(524)	--
Bond discounts	--	(995)	--
Bond premiums	--	6,150	--
Bonds issued for advanced refundings of debt	--	175,000	--
Cash paid for bond refunding escrow	--	(179,536)	--
Cash paid for nuclear fuel inventory	(13,907)	--	--
Net cash provided (used) by capital and related financing activities	\$ (325,040)	(146,227)	(28,783)

The accompanying notes are an integral part of the financial statements.

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	2009 Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	180,680	1,883,198	319,400
Cash payments to suppliers for goods and services	(83,035)	(863,853)	(107,807)
Cash payments to employees for services	(90,755)	(331,843)	(109,192)
Cash payments to claimants/beneficiaries	--	--	(85,078)
Taxes collected and remitted to other governments	--	(35,575)	--
Net cash provided (used) by operating activities	6,890	651,927	17,323
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	45,621	45,621	--
Transfers out	(2,701)	(128,307)	(6,319)
Interest paid on revenue notes and other debt	--	(17)	--
Increase in deferred assets	--	1,119	--
Loans to other funds	--	(230)	--
Loan repayments to other funds	(756)	(1,204)	(213)
Loan repayments from other funds	177	639	--
Net cash provided (used) by noncapital financing activities	42,341	(82,379)	(6,532)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	--	299,624	--
Proceeds from the sale of general obligation bonds and other tax supported debt	41,498	47,815	--
Principal paid on long-term debt	(13,134)	(167,852)	(412)
Purchased interest received	101	538	--
Interest paid on revenue bonds and other debt	(15,175)	(222,592)	(328)
Passenger facility charges	--	15,728	--
Acquisition and construction of capital assets	(43,991)	(523,424)	(7,598)
Contributions from municipality	(103)	(103)	(8,469)
Contributions from state and federal governments	--	1,345	--
Contributions in aid of construction	5,406	37,285	--
Bond issuance costs	(300)	(824)	--
Bond discounts	--	(995)	--
Bond premiums	710	6,860	--
Bonds issued for advanced refundings of debt	--	175,000	--
Cash paid for bond refunding escrow	--	(179,536)	--
Cash paid for nuclear fuel inventory	--	(13,907)	--
Net cash provided (used) by capital and related financing activities	(24,988)	(525,038)	(16,807)

The accompanying notes are an integral part of the financial statements.

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Business-Type Activities		
	Electric	Water and Wastewater	Airport
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ (350,765)	(262,235)	(37,539)
Proceeds from sale and maturities of investment securities	355,044	251,872	37,129
Interest on investments	12,990	1,787	4,180
Net cash provided (used) by investing activities	17,269	(8,576)	3,770
Net increase (decrease) in cash and cash equivalents	(12,262)	44,900	92
Cash and cash equivalents, October 1	393,447	21,606	153,578
Cash and cash equivalents, September 30	381,185	66,506	153,670
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	178,867	138,427	4,886
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	114,172	78,531	18,708
Amortization	--	2,500	--
Change in assets and liabilities:			
Increase in working capital advances	4,318	--	--
(Increase) decrease in accounts receivable	3,567	2,944	(1,075)
Increase (decrease) in allowance for doubtful accounts	73	95	(146)
Decrease in due from other funds	--	--	--
(Increase) decrease in inventory	(5,520)	(518)	(45)
Decrease in prepaid expenses and other assets	15,857	440	(17)
(Increase) decrease in deferred costs and other expenses	41,021	(956)	--
(Increase) decrease in other long-term assets	5	--	--
Increase (decrease) in accounts payable	(15,979)	(1,195)	(238)
Increase in accrued payroll and compensated absences	1,420	615	148
Decrease in claims payable	--	--	--
Increase in advances from other funds	--	--	--
Increase in pension obligations payable	4,184	2,085	615
Increase in other post employment benefits payable	13,327	8,236	2,426
Increase (decrease) in deferred credits and other liabilities	32,815	(954)	(53)
Increase (decrease) in customer deposits	1,081	480	(110)
Total adjustments	210,341	92,303	20,213
Net cash provided (used) by operating activities	\$ 389,208	230,730	25,099

The accompanying notes are an integral part of the financial statements.

(Continued)

	<u>Business-Type Activities</u>		<u>Governmental Activities- Internal Service Funds</u>
	<u>Nonmajor Enterprise Funds</u>	<u>2009 Total</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(19,676)	(670,215)	--
Proceeds from sale and maturities of investment securities	17,121	661,166	--
Interest on investments	4,370	23,327	734
Net cash provided (used) by investing activities	<u>1,815</u>	<u>14,278</u>	<u>734</u>
Net increase (decrease) in cash and cash equivalents	26,058	58,788	(5,282)
Cash and cash equivalents, October 1	158,161	726,792	97,479
Cash and cash equivalents, September 30	<u>184,219</u>	<u>785,580</u>	<u>92,197</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(22,946)	299,234	8,720
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	20,816	232,227	9,380
Amortization	--	2,500	--
Change in assets and liabilities:			
Increase in working capital advances	--	4,318	--
(Increase) decrease in accounts receivable	(2,633)	2,803	138
Increase (decrease) in allowance for doubtful accounts	65	87	--
Decrease in due from other funds	--	--	11
(Increase) decrease in inventory	(66)	(6,149)	232
Decrease in prepaid expenses and other assets	(69)	16,211	(510)
(Increase) decrease in deferred costs and other expenses	--	40,065	(3)
(Increase) decrease in other long-term assets	--	5	1
Increase (decrease) in accounts payable	(1,000)	(18,412)	(4,809)
Increase in accrued payroll and compensated absences	(843)	1,340	380
Decrease in claims payable	--	--	3,815
Increase in advances from other funds	(11)	(11)	--
Increase in pension obligations payable	2,437	9,321	--
Increase in other post employment benefits payable	8,686	32,675	--
Increase (decrease) in deferred credits and other liabilities	2,246	34,054	(32)
Increase (decrease) in customer deposits	208	1,659	--
Total adjustments	<u>29,836</u>	<u>352,693</u>	<u>8,603</u>
Net cash provided (used) by operating activities	<u>6,890</u>	<u>651,927</u>	<u>17,323</u>

The accompanying notes are an integral part of the financial statements.

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Business-Type Activities		
	Electric	Water and Wastewater	Airport
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
(Increase) decrease in deferred assets/expenses	(20,059)	30,243	--
Increase (decrease) in capital appreciation bond interest payable	(23,996)	(7,171)	--
Capital assets contributed from (to) other funds	--	--	(63)
Increase in contributed facilities	--	36,454	--
Increase in the fair value of investments	6,427	596	566
Amortization of bond issue costs	(659)	(717)	(229)
Amortization of bond discounts and premiums	(3,667)	(3,518)	(267)
Amortization of deferred loss on refundings	9,883	5,884	1,085
Loss on disposal of assets	(8,126)	(18,506)	(287)
Deferred costs (recovered) to be recovered	(9,973)	7,278	--
Increase in deferred credits and other liabilities	87,413	22,983	--
Capital lease obligations	--	--	817
Debt obligations transferred to other funds	--	--	--

The accompanying notes are an integral part of the financial statements.

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	2009 Total	
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
(Increase) decrease in deferred assets/expenses	(373)	9,811	--
Increase (decrease) in capital appreciation bond interest payable	--	(31,167)	--
Capital assets contributed from (to) other funds	97	34	14,544
Increase in contributed facilities	--	36,454	--
Increase in the fair value of investments	645	8,234	--
Amortization of bond issue costs	(242)	(1,847)	4
Amortization of bond discounts and premiums	(710)	(8,162)	--
Amortization of deferred loss on refundings	808	17,660	--
Loss on disposal of assets	(445)	(27,364)	(1,225)
Deferred costs (recovered) to be recovered	--	(2,695)	--
Increase in deferred credits and other liabilities	--	110,396	(94)
Capital lease obligations	--	817	--
Debt obligations transferred to other funds	--	--	(10,065)

The accompanying notes are an integral part of the financial statements.

Fiduciary Funds
Statement of Fiduciary Net Assets
September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit D-1

	<u>Private-purpose</u> <u>Trust</u>	<u>Agency</u>
ASSETS		
Pooled investments and cash	\$ 1,340	3,685
Other assets	121	--
Total assets	<u>1,461</u>	<u>3,685</u>
LIABILITIES		
Accounts payable	--	92
Due to other governments	--	2,722
Deposits and other liabilities	647	871
Total liabilities	<u>647</u>	<u>3,685</u>
NET ASSETS		
Held in trust	814	
Total net assets	<u>\$ 814</u>	

The accompanying notes are an integral part of the financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit D-2

	<u>Private-purpose</u> <u>Trust</u>
ADDITIONS	
Contributions	\$ 449
Interest and other	28
Total additions	<u>477</u>
DEDUCTIONS	
Benefit payments	<u>402</u>
Total deductions	<u>402</u>
Net additions (deductions) before transfers	<u>75</u>
Total net assets - beginning	739
Total net assets - ending	<u>\$ 814</u>

The accompanying notes are an integral part of the financial statements.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Austin, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government. The City Council is composed of a Mayor and six Councilmembers, all of whom are elected at large for three-year staggered terms and may serve a maximum of two consecutive terms. A petition signed by 5% of the registered voters waives the term limit for a Councilmember.

The City's major activities or programs include general government; public safety; transportation, planning, and sustainability; public health; public recreation and culture; and urban growth management. In addition, the City owns and operates certain major enterprise activities including an electric utility, water and wastewater utility, airport, and non-major enterprise activities including convention, environmental and health services, public recreation, and urban growth management activities. These activities are included in the accompanying financial statements.

The City of Austin's charter requires an annual audit by an independent certified public accountant. These financial statements have been prepared in accordance with GAAP for local governments as prescribed by the GASB. The City has implemented GASB Statements No. 1 through No. 50, No. 52, No. 55 and No. 56. In fiscal year 2009, the City implemented GASB Statement No. 49 entitled "Accounting and Financial Reporting for Pollution Control Obligations", GASB Statement No. 52 entitled "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55 entitled "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" and GASB Statement No. 56 entitled "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards". Implementation of these standards did not have a significant impact on the City's financial statements. The more significant accounting and reporting policies and practices used by the City are described below.

As a local government, the City is not subject to federal income taxes, under the Internal Revenue Code Section 115. Furthermore, it is not subject to state sales tax.

a -- Reporting Entity

As required by GAAP, these financial statements present the City's primary government, its component units, and other entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations; therefore, data from these units are combined with data of the City.

Blended Component Units -- The Austin Housing Finance Corporation (AHFC) and Austin Industrial Development Corporation (AIDC) are legally separate entities from the City. AHFC and AIDC serve all the citizens of Austin and are governed by a board composed of the City Councilmembers. The activities are reported in the Housing Assistance Fund and Austin Industrial Development Corporation Fund, which are nonmajor special revenue funds.

The Mueller Local Government Corporation (MLGC) is a non-profit local government corporation created by the City under Subchapter D of Chapter 431 of the Texas Transportation Code. MLGC was created for the purpose of financing infrastructure projects required for the development of the former site of Mueller Airport. The Austin City Council acts as the board of directors of the corporation; and members of the City staff serve as officers of the corporation. The entity is reported as a nonmajor special revenue fund in the City's financial statements.

Related Organizations -- The City Council appoints board members, but the City has no significant financial accountability for the following related organizations:

- Capital Metropolitan Transit Authority (Capital Metro) - The City's accountability for this organization does not extend beyond appointing board members.
- Austin-Bergstrom International Airport (ABIA) Development Corporation - City Councilmembers appoint themselves as members of the board, but their function on the board is ministerial rather than substantive.
- Austin-Bergstrom Landhost Enterprises, Inc. and Austin Convention Enterprises, Inc. - City Councilmembers appoint members of these boards. Debt issues by these entities do not constitute a debt or pledge of the faith and credit of the City.
- Austin Travis County Mental Health Retardation Center - The nine board members are appointed by the City, Travis County, and the Austin Independent School District.
- Urban Renewal Agency - The Mayor, with consent of the City Council, appoints the board of commissioners for this agency, whose primary responsibility is to oversee the implementation and compliance of urban renewal plans adopted by the City Council.
- Austin Housing Authority - The Mayor appoints the persons to serve as commissioners of this organization.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

a -- Reporting Entity, continued

- Travis County Hospital District - City Councilmembers appoint four board managers, Travis County appoints four board managers, and the City and County mutually appoint one board manager. Travis County reports the Hospital District as a component unit on their financial statements.

All of these entities are separate from the operating activities of the City. Related organizations are not included in the City's reporting entity.

The City of Austin retirement plans (described in Note 8) and the City of Austin Deferred Compensation Plan are not included in the City's reporting entity since the City does not exercise substantial control over these plans.

b -- Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all governmental and business-type activities of the primary government and its component units. Fiduciary activities are not included in the government-wide statements. Internal service fund asset and liability balances that are not eliminated in the statement of net assets are reported in the governmental activities column on the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

The accounts of the City are organized on the basis of funds. The fund level statements focus on the governmental, proprietary, and fiduciary funds. Each fund was established to account for specific activities in accordance with applicable regulations, restrictions, or limitations. Major funds are determined by criteria specified by GASB Statement No. 34; the City has elected to present the Airport Fund as a major fund even though it does not meet the minimum criteria. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other funds are aggregated into nonmajor governmental, nonmajor enterprise, or internal service fund groupings.

The City's fiduciary funds are presented in the fund financial statements by type (private-purpose and agency). By definition, fiduciary fund assets are held for the benefit of a third party and cannot be used to address activities or obligations of the primary government; therefore, they are not included in the government-wide statements. Reconciliation of the fund financial statements to the government-wide financial statements is provided in the financial statements to explain the differences created by the integrated approach of GASB Statement No. 34.

c -- Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

c -- Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e. both measurable and available). Revenues, other than grants, are considered available when they are collectible within the current period or soon enough thereafter to liquidate liabilities of the current period (defined by the City as collected within 60 days of the end of the fiscal year). Revenues billed under a contractual agreement with another governmental entity, including federal and state grants, are recognized when billed or when all eligibility requirements of the provider have been met, and they are considered to be available if expected to be collected within one year. Expenditures generally are recorded when a liability is due. However, expenditures related to compensated absences and arbitrage are recorded when payment is due. Debt service expenditures are recognized when payment is due. The reported fund balance of governmental funds is considered a measure of available spendable resources.

Property taxes, sales taxes, franchise taxes, hotel occupancy taxes, vehicle rental taxes, municipal court fines, development permits and inspections, building safety permits and inspections, public health charges, emergency medical service charges, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available in the fiscal period the City receives cash.

Governmental Funds: Consist of the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

The City reports the following major governmental fund:

General Fund: The primary operating fund of the City. It is used to account for all financial resources that are not required to be accounted for in another fund. It includes the following activities: general government; public safety; transportation, planning, and sustainability; public health; public recreation and culture; and urban growth management.

In addition, the City reports the following nonmajor governmental funds:

Special Revenue Funds: Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, including grant funds.

Debt Service Funds: Account for the accumulation of resources for, and the payment of, general long-term debt and HUD Section 108 loan principal, interest, and related costs.

Capital Projects Funds: Account for financial resources for the acquisition or construction of major capital facilities (other than those reported within proprietary funds and private-purpose funds); they are funded primarily by general obligation debt, other tax supported debt, interest income, and other intergovernmental revenues. A 1981 ordinance requires the establishment of a separate fund for each bond proposition approved in each bond election.

Permanent Funds: Account for resources that are legally restricted to the extent that only earnings (not principal) may be used for purposes that support the City's programs. Permanent funds account for the public recreation and culture activity.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, such as providing electric or water-wastewater services. Other revenues or expenses are nonoperating items.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

c -- Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Proprietary Funds: Consist of enterprise funds and internal service funds.

Enterprise Funds: Account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges. In accordance with GASB Statement No. 20, the City has elected to follow GASB for statements issued after November 30, 1989.

The City reports the following major enterprise funds:

Electric Fund: Accounts for the activities of the City-owned electric utility, doing business as Austin Energy™.

Water and Wastewater Fund: Accounts for the activities of the City-owned water and wastewater utility, doing business as Austin Water™.

Airport Fund: Accounts for the operations of the Austin-Bergstrom International Airport (ABIA).

The City reports the following nonmajor business-type activities in Exhibit A-2:

Convention: Accounts for convention center and public events activities.

Environmental and health services: Accounts for hospital, primary care, and solid waste services activities.

Public recreation: Accounts for golf and parks and recreation activities.

Urban growth: Accounts for drainage and transportation activities.

Internal Service Funds: Account for the financing of goods or services provided by one city department or agency to other city departments or to other governmental units on a cost-reimbursement basis. These activities include, but are not limited to, capital projects management, combined emergency center operations, employee health benefits, fleet services, information services, liability reserve (city-wide self insurance) services, support services, wireless communication services, and workers' compensation coverage.

Fiduciary Funds: Account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, or other governments:

Private-purpose Trust Funds: Account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. Private-purpose trust funds account for various purposes: general government, transportation, public recreation and culture, and urban growth management.

Agency Funds: Account for resources held by the City in a custodial capacity for permit fees; campaign financing donations and fees; Municipal Court service fees; and escrow deposits and payments to loan recipients.

d -- Budget

The City Manager is required by the City Charter to present a proposed operating and capital budget to the City Council no later than thirty days before the beginning of the new fiscal year. The final budget shall be adopted no later than the twenty-seventh day of the last month of the preceding fiscal year. During the final adoption process, the City Council passes an appropriation ordinance and a tax-levying ordinance.

Annual budgets are legally adopted for the General Fund, certain special revenue funds, and debt service funds. Additional information related to special revenue funds with legally adopted budgets can be found in Exhibit E-13. Annual budgets are also adopted for enterprise and internal service funds, although they are not legally required. Multi-year budgets are adopted for capital projects and grant funds, where appropriations remain authorized for the life of the project, irrespective of fiscal year. Expenditures are appropriated on a modified accrual basis, except that commitments related to purchase orders are treated as expenditures in the year of commitment. Certain payroll accruals, employee training and other fund-level expenditures are budgeted as general city responsibilities.

Formal budgetary control is employed during the year at the fund and department level as a management control device for annually budgeted funds.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
d -- Budget, continued

Budgets are modified throughout the year. The City Manager is authorized to transfer appropriation balances within a fund and department of the City. The City Council approves amendments to the budget and transfers of appropriations from one fund and department to another. The original and final budgets for the General Fund are reported in the required supplementary information. Unencumbered appropriations for annual budgets lapse at fiscal year end.

e -- Financial Statement Elements

Pooled Investments and Cash -- Cash balances of all city funds (except for certain funds shown in Note 5 as having non-pooled investments) are pooled and invested. Investments purchased with pooled cash, consisting primarily of U.S. government obligations and U.S. agency obligations, are stated at fair value. Interest earned on investments purchased with pooled cash is allocated monthly to each participating fund based upon the fund's average daily balance. Funds that incur a negative balance in pooled cash and investments are not allocated interest earnings nor charged interest expense.

Investments -- Certain investments are required to be reported at fair value, based on quoted market prices. Realized gains or losses resulting from the sale of investments are determined by the specific cost of the securities sold. The City carries all of its investments in U.S. government and agency debt securities and money market mutual funds at fair value as of September 30, 2009. Investments in local government investment pools are carried at amortized cost, which approximates fair value.

Accounts Receivable -- Balances of accounts receivable, reported on the government-wide statement of net assets, are aggregations of different components such as charges for services, fines, and balances due from taxpayers or other governments. In order to assist the reader, the following information has been provided regarding significant components of receivable balances as of September 30, 2009 (in thousands):

	Charges for Services	Fines	Taxes	Other Govern- ments	Other	Total
Governmental activities						
General Fund	\$ 79,908	25,081	32,506	--	--	137,495
Nonmajor governmental funds	844	16	10,616	9,627	894	21,997
Internal service funds	2,147	--	--	--	--	2,147
Allowance for doubtful accounts	(70,782)	(10,473)	--	(6,255)	--	(87,510)
Total	\$ 12,117	14,624	43,122	3,372	894	74,129

Receivables reported in business-type activities are primarily comprised of charges for services.

Elimination of Internal Activities -- The elimination of internal service fund activity is needed in order to eliminate duplicate activity in making the transition from the fund level financial statements to the government-wide financial statements. In addition, the elimination of internal service fund activity requires the City to “look back” and adjust the internal service funds’ internal charges. A positive change in net assets derived from internal service fund activity results in a pro-rata reduction in the charges made to the participatory funds. A deficit change in net assets of internal service funds requires a pro-rata increase in the amounts charged to the participatory funds.

Internal Balances -- In the government-wide statement of net assets, internal balances are the receivables and payables between the governmental and business-type activities.

Interfund Receivables and Payables -- During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund-level statements when they are expected to be liquidated within one year. If receivables or payables are not expected to be liquidated within one year, they are classified as “advances to other funds” or “advances from other funds.”

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
e -- Financial Statement Elements, continued

Inventories -- Inventories are valued at cost, which is determined as follows:

Fund	Inventory Valuation Method
General Fund	Average cost; postage first-in, first-out
Electric:	
Fuel oil and coal	Last-in, first-out
Other inventories	Average cost
All others	Average cost

Inventories for all funds are accounted for using the consumption method and expenditures are recorded when issued. Inventories reported in the General Fund and certain special revenue funds are offset by a fund balance reserve, which indicates that they do not represent "available spendable resources."

Restricted assets -- Restricted assets are assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Since the Electric Fund and Water and Wastewater Fund report in accordance with accounting for regulated operations (formerly FASB Statement No. 71), enabling legislation also includes restrictions on asset use established by its governing board which is the City Council.

The balance of restricted assets in the enterprise funds are as follows (in thousands):

	Electric	Water and Wastewater	Airport	Nonmajor Enterprise	Total Restricted Assets
Strategic reserve	\$ 142,191	--	--	--	142,191
Capital projects	88,735	12,230	112,017	42,587	255,569
Customer and escrow deposits	21,646	11,476	439	3,125	36,686
Debt service	93,111	80,022	14,491	10,686	198,310
Federal grants	--	303	907	--	1,210
Plant decommissioning	174,620	--	--	--	174,620
Operating reserve account	--	--	8,991	5,985	14,976
Passenger facility charge account	--	--	21,956	--	21,956
Renewal and replacement account	2,066	--	10,000	1,192	13,258
	<u>\$ 522,369</u>	<u>104,031</u>	<u>168,801</u>	<u>63,575</u>	<u>858,776</u>

Capital assets -- Capital assets, which primarily include land and improvements, buildings and improvements, plant and equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns of the government-wide statement of net assets; related depreciation is allocated to programs in the statement of activities. Capital assets are defined as assets with an initial individual cost of \$1,000 or more and an estimated useful life of greater than one year. Assets purchased or constructed are capitalized at historical cost. Contributed or annexed capital assets are recorded at estimated fair value at the time received. Capital outlay is recorded as an expenditure in the General Fund and other governmental funds and as an asset in the government-wide financial statements and proprietary funds. Maintenance and repairs are charged to operations as incurred. Improvements and betterments that extend the useful lives of capital assets are capitalized in the government-wide and proprietary statement of net assets and expended in governmental funds.

The City obtains public domain capital assets (infrastructure) through capital improvement projects (CIP) construction or through annexation or developer contribution. Infrastructure assets include streets and roads, bridges, pedestrian facilities, drainage systems, and traffic signal systems acquired after September 30, 1980.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
e -- Financial Statement Elements, continued

Interest is not capitalized on governmental capital assets. Enterprise funds, with the exception of the Electric Fund and Water and Wastewater Fund, capitalize interest paid on long-term debt when it can be attributed to a specific project and when it materially exceeds the interest revenue generated by the bond proceeds issued to fund the project. Interest is not capitalized on Electric Fund and Water and Wastewater Fund assets in accordance with accounting for regulated operations.

Capital assets are depreciated using the straight-line method over the following estimated useful lives (in years):

Assets	Governmental Activities (1)	Business-type Activities			
		Electric	Water and Wastewater	Airport	Nonmajor Enterprise
Buildings	5-40	15-50	15-50	15-40	12-40
Equipment	5-50	6-40	5-60	4-50	5-40
Vehicles	3-20	3-40	3-20	3-20	3-30
Communication equipment	7-15	7-18	7	7	7
Furniture and fixtures	7-12	12-40	12	10-12	7-12
Computers and EDP equipment	3-7	3-7	3-7	3-7	3-7
Infrastructure					
Streets and roads	30	--	--	--	--
Bridges	50	--	--	--	--
Drainage systems	50	--	--	--	--
Pedestrian facilities	20	--	--	--	--
Traffic signals	25	--	--	--	--

(1) Includes internal service funds

Depreciation of assets is classified by functional component. The City considers land, arts and treasures, and library collections to be inexhaustible; therefore, these assets are reported as nondepreciable. The true value of arts, treasures, and library collections is expected to be maintained over time and, thus, is not depreciated.

In the government-wide and proprietary fund statements, the City recognizes a gain or loss on the disposal of assets when it retires or otherwise disposes of capital assets (other than debt-financed assets of the Electric Fund and Water and Wastewater Fund, where the gain or loss is deferred in accordance with accounting for regulated operations).

Intangible assets include the amortized cost of a \$100 million contract, net of accumulated amortization of \$25 million between the City and the Lower Colorado River Authority (LCRA) for a fifty-year assured water supply agreement, with an option to extend another fifty years. The City and LCRA entered into the contract in 1999. The asset amortization period is 40 years.

Deferred Expenses or Credits -- In accordance with accounting for regulated operations, certain utility expenses that do not currently require funding are deferred to future periods in which they are intended to be recovered by rates. Likewise, certain credits to income are deferred to periods in which they are matched with related costs. These expenses or credits include changes in fair value of investments, contributions, and gain or loss on disposition of debt-financed assets. Deferred expenses will be recovered in these future periods by setting rates sufficient to provide funds for the related debt service requirements. If deferred expenses are not recoverable in future rates, the deferred expenses will be subject to write off. Retail deregulation of electric rates in the future may affect the City's current accounting treatment of its electric utility revenues, expenses, and deferred amounts.

In addition to items related to accounting for regulated operations above, deferred expenses include debt issuance costs net of amortization.

Compensated Absences -- The amounts owed to employees for unpaid vacation and sick leave liabilities, including the City's share of employment-related taxes, are reported on the accrual basis of accounting in the applicable governmental or business-type activity columns of the government-wide statements and in the proprietary activities of the fund financial statements. The liabilities and expenditures are reported on the modified accrual basis in the governmental fund financial statements; the estimated liability for governmental funds is the amount of sick and vacation paid at termination within 60 days of fiscal year-end.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
e -- Financial Statement Elements, continued

Accumulated leave payouts are limited to the lower of actual accumulated hours or the hours listed below:

	Work-week	Non-Civil Service Employees (1)	Civil Service Police (2)	Civil Service Fire (3)
Vacation	0-40	240	240	240
	42	270	N/A	N/A
	48	309	N/A	N/A
	53	N/A	N/A	360
	56	360	N/A	N/A
Sick leave	0-40	720	1400	720
	42	756	N/A	N/A
	48	926	N/A	N/A
	53	N/A	N/A	1080
	56	1080	N/A	N/A

- (1) Non-civil service employees are eligible for accumulated sick leave payout if hired before October 1, 1986.
- (2) Civil service police employees with 10 years of actual service are eligible for accumulated sick leave payout.
- (3) Civil service fire employees are eligible for accumulated sick leave payout regardless of hire date.

Other Post Employment Benefits -- The City provides certain health care benefits for its retired employees and their families as more fully described in Note 15. The City implemented GASB Statement No. 45 and reports the actuarially determined cost of these post-employment benefits, other than pensions. At September 30, 2009, the City's total actuarial accrued liability for these retiree benefits was approximately \$1.0 billion. The City funds the costs of these benefits on a pay-as-you-go basis.

Long-Term Debt -- The debt service for general obligation bonds and other general obligation debt (including loans), issued to fund general government capital projects, is paid from tax revenues, interfund transfers, and intergovernmental revenues. Such general obligation debt is reported in the government-wide statements under governmental activities.

The debt service for general obligation bonds and other general obligation debt issued to finance proprietary fund capital projects is normally paid from net revenues of the applicable proprietary fund, although such debt will be repaid from tax revenues if necessary. Such general obligation debt is shown as a specific liability of the applicable proprietary fund, which is appropriate under generally accepted accounting principles and in view of the expectation that the proprietary fund will provide resources to service the debt.

Revenue bonds issued to finance capital projects of certain enterprise funds are to be repaid from net revenues of these funds. The corresponding debt is recorded in the applicable fund. Operating revenues and interest income that are used as security for revenue bonds are reported separately from other revenues.

The City has certain contractual commitments with several municipal utility districts (MUDs) for the construction of additions and improvements to the City's water and wastewater system that serve the MUDs and surrounding areas. These additions and improvements are funded by contract revenue bonds, whose principal and interest are payable primarily from the net revenues of the Water and Wastewater Fund.

The City defers and amortizes gains or losses realized by proprietary funds on refundings of debt and for governmental activities in the government-wide financial statements, and reports both the new debt liability and the related deferred amount on the statement of net assets. The Electric Fund and Water and Wastewater Fund recognize gains or losses on debt defeasance in accordance with accounting for regulated operations.

Other Long-Term Liabilities -- Capital appreciation bonds are recorded at net accreted value. Annual accretion of the bonds is recorded as interest expense during the life of the bonds. The cumulative accretion of capital appreciation bonds, net of interest payments on the bonds, is recorded as capital appreciation bond interest payable.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
e -- Financial Statement Elements, continued

Landfill Closure and Postclosure Care Costs -- Municipal solid waste landfill costs are reported in accordance with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs". The liability for landfill closure and postclosure costs is reported in the Solid Waste Services Fund, a nonmajor enterprise fund.

Operating Revenues -- Revenues are recorded net of allowances, including bad debt, in the government-wide and proprietary fund-level statements. The funds listed below reduced revenues by bad debt expense, as follows (in thousands):

Electric	\$	3,649
Water and Wastewater		1,215
Airport		146
Nonmajor Enterprise		1,217

Electric, water, and wastewater revenue is recorded when earned. Customers' electric and water meters are read and bills are rendered on a cycle basis by billing district. Electric rate schedules include fuel cost adjustment clauses that permit recovery of fuel costs in the month incurred or in future months. The City reported fuel costs on the same basis as it recognized revenue in 2009 and prior years. Unbilled revenue was recorded in the Electric Fund by estimating the daily power generation and allocating by each billing district meter read dates as of September 30, 2009. The amount of unbilled revenue recorded, as of September 30, 2009, for the Electric Fund was \$41.4 million. The Water and Wastewater Fund recorded unbilled revenue as earned based upon the percentage of October's billing that represented water usage through September 30, 2009. The amount of unbilled revenue recorded as of September 30, 2009 was \$10.1 million for water and \$11.5 million for wastewater.

Interfund Revenues, Expenses, and Transfers -- Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved, such as billing for utility services. Transactions between funds that constitute reimbursements for expenditures or expenses are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. Transfers between funds are reported in the operations of governmental and proprietary funds. In the government-wide statement of activities, the effect of interfund activity has generally been removed from the statements. Exceptions include the chargeback of services, such as utilities or vehicle maintenance, and charges for central administrative costs. Elimination of these charges would distort the direct costs and program revenues of the various functions reported. The City recovers indirect costs that are incurred in the Support Services Fund, which is reported as an internal service fund. Indirect costs are calculated in a citywide cost allocation plan or through indirect cost rates, which are based on the cost allocation plan.

Intergovernmental Revenues, Receivables, and Liabilities -- Intergovernmental revenues and related receivables arise primarily through funding received from Federal and State grants. Revenues and receivables are earned through expenditure of money for grant purposes. Intergovernmental liabilities arise primarily from funds held in an agency capacity for other local governmental units.

Federal and State Grants, Entitlements, and Shared Revenues -- Grants, entitlements, and shared revenues may be accounted for within any city fund. The purpose and requirements of each grant, entitlement, or shared revenue are analyzed to determine the appropriate fund statement and revenue category in which to report the related transactions. Grants, entitlements, and shared revenues received for activities normally recorded in a particular fund may be accounted for in that fund, provided that applicable legal restrictions can be satisfied.

Revenues received for activities normally accounted for within the nonmajor governmental fund groupings include: Federal grant funds, State grant funds, and other special revenue grant funds. Capital grants restricted for capital acquisitions or construction, other than those associated with proprietary type funds, are accounted for in the applicable capital projects funds. Revenues received for operating activities of proprietary funds or revenues that may be used for either operations or capital expenditures are recognized in the applicable proprietary fund.

Restricted Resources -- If both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and unrestricted resources as needed.

Reservations of Fund Equity -- Reservation of fund balances of the governmental funds indicate the portion of fund equity that is not available for appropriation for expenditure or is legally restricted by outside parties for use for a specific purpose. Designations of fund balance are the representations of management for the utilization of resources in future periods.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

e -- Financial Statement Elements, continued

Cash and Cash Equivalents -- For purposes of the statement of cash flows, the City considers cash and cash equivalents to be currency on hand, cash held by trustee, demand deposits with banks, and all amounts included in pooled investments and cash accounts. The City considers the investment pool to be highly liquid, similar to a mutual fund.

Pension Costs -- State law governs pension contribution requirements and benefits. Pension costs are composed of normal cost and, where applicable, amortization of unfunded actuarial accrued liability and of unfunded prior service cost (see Note 8).

Risk Management -- The City is exposed to employee-related risks for health benefits and workers' compensation, as well as to various risks of loss related to torts; theft of, damage to, or destruction of assets; fraud; and natural disasters. The City is self-insured for legal liabilities, workers' compensation claims, and employee health benefits.

The City does not participate in a risk pool but purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bonds, airport operations, and contractors working at selected capital improvement project sites. It complies with GASB Statement No. 10, "Accounting and Reporting for Risk Financing and Related Insurance Issues" (see Note 14).

Austin Energy has established an energy risk management program. This program was authorized by City Council and led by the risk oversight committee. Under this program, Austin Energy enters into futures contracts, options, and swaps to reduce exposure to natural gas and energy price fluctuations. For additional details see Note 14.

f -- Comparative Data

Governments are required to present comparative data only in connection with Management's Discussion and Analysis (MD&A). Comparative data has been utilized within the MD&A to more fully understand the City's financial statements for the current period.

g -- Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2 – RESTATEMENT

After the issuance of the September 30, 2008 basic financial statements, the City became aware of an error in the calculation methodology of the amount to be recovered related to the calculation of deferred depreciation made in accordance with accounting for regulated operations (previously FASB 71). This error was a result of incorrect methodology applied since 1989, the year the City implemented FASB 71. In addition, the City had not previously deferred the net pension obligation. The City has restated the beginning net assets in 2009 for the Electric Fund and Business-type activities to correct these errors as follows:

	<u>Exhibit A-2</u>	<u>Exhibit C-2</u>	
	<u>Business-Type</u>		<u>Business-Type</u>
	<u>Activities</u>	<u>Electric</u>	<u>Activities</u>
Net assets at September 30, 2008, as previously reported	\$ 2,882,151	1,703,894	2,875,034
Adjustments to properly record:			
Amounts to be recovered related to deferred depreciation	(100,538)	(100,538)	(100,538)
Deferral of net pension obligation	21,644	21,644	21,644
Net assets at September 30, 2008, as restated	<u>\$ 2,803,257</u>	<u>1,625,000</u>	<u>2,796,140</u>

3 – DEFICITS IN FUND BALANCES AND NET ASSETS

At September 30, 2009, the following funds reported deficits in fund balances (in thousands). Management intends to recover these deficits through future operating revenues, transfers, or debt issues.

<u>Nonmajor Governmental</u>	<u>Deficit</u>
Special Revenue Funds:	
Austin Transportation Study	\$ 3
CCSD Operations-Travis County Hospital District	1,626
Medicaid Administrative Claims	696
Senior Nutrition	10
Performance Contracting Fund	154
City Hall Fund	123
Mueller Tax Increment Financing	213
RMMA Reimbursement	18
Rutherford Lane Facility Fund	642
Tourism and Promotion	333
Capital Projects Funds:	
Street & traffic signals	1
Parks and recreation facilities	288
Libraries	17
Radio Trunking	24
Build Austin	281
COMTA Mobility	642
Capital reserve	30
Watershed Protection	663
City Hall, plaza, parking garage	7,090
Conservation Land	15

There were no deficits in net assets reported in the proprietary fund financial statements for the current fiscal year.

4 – POOLED INVESTMENTS AND CASH

The following summarizes the amounts of pooled investments and cash by fund at September 30, 2009 (in thousands):

	<u>Pooled Investments and Cash</u>	
	<u>Unrestricted</u>	<u>Restricted</u>
General Fund	\$ 80,608	--
Nonmajor governmental funds	365,758	--
Electric	211,298	127,368
Water and Wastewater	42,980	23,199
Airport	452	153,210
Nonmajor enterprise funds	131,307	52,885
Internal service funds	91,583	--
Fiduciary funds	5,025	--
Subtotal pooled investments and cash	<u>929,011</u>	<u>356,662</u>
Total pooled investments and cash	<u>\$ 1,285,673</u>	

5 – INVESTMENTS AND DEPOSITS

a -- Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the City to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity; addresses investment diversification, yield, and maturity; and addresses the quality and capability of investment personnel. The investment policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under chapter 2256 of the Texas Government Code.

The City's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the City Council. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity of any individual investment, and the maximum average dollar weighted maturity allowed for pooled fund groups. In addition, it includes an "Investment Strategy Statement" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation, and safety of principal, liquidity, marketability, diversification, and yield. Additionally, the soundness of financial institutions in which the City will deposit funds is addressed.

The City Treasurer submits an investment report each quarter to the investment committee and City Council. The report details the investment position of the City and the compliance of the investment portfolio as it relates to both the adopted investment strategy statements and Texas state law.

The City is authorized to invest in the following investment instruments if they meet the guidelines of the investment policy:

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas;
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities;
4. Obligations of other states, cities, counties or other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent;
5. Bankers' acceptances so long as each such acceptance has a stated maturity of 270 days or less from the date of its issuance, will be liquidated in full at maturity, is eligible collateral for borrowing from a Federal Reserve Bank and is accepted by a domestic bank whose short-term obligations are rated at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency or which is the largest subsidiary of a bank holding company whose short-term obligations are so rated;
6. Commercial paper with a stated maturity of 270 days or less from the date of its issuance that is either rated not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies or is rated at least A-1, P-1 or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof;
7. Collateralized repurchase agreements having a defined termination date and described in more detail in the Investment Policy;
8. Certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or as further described in the Investment Policy;
9. Certificates of deposit issued by savings banks domiciled in Texas;
10. Share certificates issued by a state or federal credit unions domiciled in Texas;
11. Money market mutual funds; and
12. Local government investment pools (LGIPs).

The City participates in three local government investment pools: TexPool, TexasDAILY, and TexStar. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. Although there is no regulatory oversight over TexasDAILY, an advisory board consisting of participants or their designees maintains oversight responsibility for TexasDAILY. PFM Asset Management LLC manages the daily operations of the pool under a contract with the advisory board. JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexStar under an agreement with the TexStar board of directors.

5 – INVESTMENTS AND DEPOSITS, continued

a -- Investments, continued

The City invests in TexPool, TexasDAILY, and TexStar to provide its liquidity needs. TexPool, TexasDAILY, and TexStar are local government investment pools that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. TexPool, TexasDAILY, and TexStar are 2(a)7-like funds, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool, TexasDAILY, and TexStar are rated AAAM and must maintain a dollar weighted average maturity not to exceed a 60-day limit. At September 30, 2009, TexPool, TexasDAILY, and TexStar had a weighted average maturity of 44 days, 57 days and 46 days, respectively. The City considers the holdings in these funds to have a weighted average maturity of one day, due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The City did not participate in any reverse repurchase agreements or security lending agreements during fiscal year 2009.

All city investments are insured, registered, or held by an agent in the City's name; therefore, the City is not exposed to custodial credit risk.

The following table includes the portfolio balances of all non-pooled and pooled investments of the City at September 30, 2009 (in thousands):

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Non-pooled investments:				
Local Government Investment Pools	\$ 18,734	211,975	--	230,709
Money Market Funds	--	42,501	--	42,501
US Treasury Notes	--	121,386	--	121,386
US Agency Bonds	--	127,424	--	127,424
Total non-pooled investments	<u>18,734</u>	<u>503,286</u>	<u>--</u>	<u>522,020</u>
Pooled investments:				
Local Government Investment Pools	198,085	273,512	1,831	473,428
US Treasury Notes	8,510	11,749	79	20,338
US Agency Bonds	333,396	460,291	3,115	796,802
Total pooled investments (1)	<u>539,991</u>	<u>745,552</u>	<u>5,025</u>	<u>1,290,568</u>
Total investments	<u>\$ 558,725</u>	<u>1,248,838</u>	<u>5,025</u>	<u>1,812,588</u>

(1) A difference of \$4.9 million exists between the investment portfolio balance and book balance, primarily due to deposits in transit offset by outstanding checks.

At September 30, 2009, the City of Austin was exposed to concentration of credit risk since it held investments with more than five percent of the total investment portfolio balances of the City in securities of the following issuers (in millions): Federal Farm Credit Bank (\$168.3 or 9%), Federal Home Loan Bank (\$390.2 or 22%), Federal Home Loan Mortgage Corporation (\$209.0 or 12%), and Federal National Mortgage Association (\$156.7 or 9%).

b -- Investment categories

The risk exposures for governmental and business-type activities, individual major funds, nonmajor funds in the aggregate, and fiduciary fund types of the City are not significantly greater than the deposit and investment risk of the primary government. The Investment Policy segregates the portfolios into strategic categories including:

1. Operating funds excluding a special project fund;
2. Debt service funds;
3. Special project fund;
4. Special purpose funds.

5 – INVESTMENTS AND DEPOSITS, continued

b -- Investment categories, continued

Complying with the City's Investment Policy, which includes qualification of the brokers and financial institutions with whom the City will transact, sufficient collateralization, portfolio diversification, and maturity limitations, controls the City's credit risk.

Operating Funds

As of September 30, 2009, the City operating funds had the following investments:

Investment Type	Fair Value (in thousands)				Weighted Average Maturity (days)
	Governmental Activities	Business-type Activities	Fiduciary Funds	Total	
Local Government Investment Pools	\$ 198,085	273,512	1,831	473,428	1
US Treasury Notes	8,510	11,749	79	20,338	204
US Agency Bonds	333,396	460,291	3,115	796,802	552
Total	\$ 539,991	745,552	5,025	1,290,568	343

Credit Risk

Approximately 2% of the portfolio consists of direct obligations of the US government. As of September 30, 2009, Standard and Poor's issued the following ratings for other investments:

Local Government Investment Pools	36%	AAAm
US Agencies	62%	AAA

At September 30, 2009, the operating funds held investments with more than 5 percent of the total in securities of the following issuers (in millions): Federal Farm Credit Bank (\$133.3 or 10%), Federal Home Loan Bank (\$356.2 or 28%), Federal National Mortgage Association (\$146.6 or 11%), Federal Home Loan Mortgage Corporation (\$160.6 or 12%).

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities will not exceed the lesser of a dollar weighted average maturity of 365 days or the anticipated cash flow requirements of the funds. Quality short-to-medium term securities should be purchased, which complement each other in a structured manner that minimizes risk and meets the City's cash flow requirements. Three years is the maximum period before maturity.

At September 30, 2009, slightly more than a third of the Investment Pool was invested in AAAm rated local government investment pools (2(a) 7-like pools), with the remainder invested in short-to-medium term US Agency and Treasury obligations. Term limits on individual maturities did not exceed three years from the purchase date. The dollar weighted average maturity for all securities was 343 days, which was less than the threshold of 365 days.

Debt Service Funds

As of September 30, 2009, the City's debt service funds had the following investments:

Investment Type	Fair Value (in thousands)		Final Maturity
	Governmental Activities	Business-type Activities	
General Obligation Debt Service			
Local Government Investment Pools	\$ 18,734	--	N/A
Enterprise-Utility (1)			
Local Government Investment Pools	--	173,133	N/A
Enterprise-Airport			
Local Government Investment Pools	--	14,491	N/A
Nonmajor Enterprise-Convention Center			
Local Government Investment Pools	--	17,080	N/A
Total	\$ 18,734	204,704	

(1) Includes combined pledge debt service

5 – INVESTMENTS AND DEPOSITS, continued
b -- Investment categories, continued

Credit Risk

As of September 30, 2009, Standard and Poor's rated TexPool AAAm.

Interest Rate Risk

Investment strategies for debt service funds have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. As a means of minimizing risk of loss due to interest rate fluctuations, securities purchased cannot have a stated final maturity date which exceeds the debt service payment date.

At September 30, 2009, portfolios in this category held investments in overnight securities (local government investment pools).

Special Project Fund

As of September 30, 2009, the City's special project fund had the following investments:

<u>Investment Type</u>	<u>Fair Value</u> <u>(in thousands)</u>	
	<u>Business-type</u> <u>Activities</u>	<u>Final</u> <u>Maturity</u>
Airport Construction		
Local Government Investment Pools	\$ 76	N/A
Total	\$ 76	

Credit Risk

As of September 30, 2009, Standard and Poor's rated TexPool AAAm.

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities in this category not exceed the anticipated cash flow requirements of the funds.

At September 30, 2009, the portfolio in this category held investments in overnight securities (local government investment pools).

Special Purpose Funds

Austin Energy Strategic Reserve Fund

As of September 30, 2009, the City's Special Purpose Fund (Austin Energy Strategic Reserve Fund) had the following investments:

<u>Investment Type</u>	<u>Fair Value</u> <u>(in thousands)</u>	<u>Weighted Average</u> <u>Maturity (days)</u>
Local Government Investment Pools	\$ 7,195	1
US Treasury Notes	52,672	855
US Agency Bonds	82,307	1,240
Total	\$ 142,174	1,036

Credit Risk

At September 30, 2009, the Austin Energy Strategic Reserve Fund held an investment in TexPool, an LGIP rated AAAm by Standard and Poor's, with the remainder invested in short-to-medium term US Agency and Treasury obligations. Standard and Poor's rated the US Agency Bonds AAA. The remaining securities are direct obligations of the US government.

At September 30, 2009, the Austin Energy Strategic Reserve Fund held investments with more than 5 percent of the total in securities of the following issuers (in millions): Federal Home Loan Bank (\$16.5 or 12%), and Federal National Mortgage Association (\$10.0 or 7%), Federal Home Loan Mortgage Corporation (\$40.4 or 28%), and Federal Farm Credit Bank (\$15.5 or 11%).

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities in this category not exceed the anticipated cash flow requirements of the funds.

5 – INVESTMENTS AND DEPOSITS, continued

b -- Investment categories, continued

At September 30, 2009, the portfolios held investments in TexPool (AAAm rated LGIP), US Treasuries, and US Agencies with maturities that will meet anticipated cash flow requirements and an overall dollar weighted average maturity of 1,036 days (2.84 years).

Austin Energy Nuclear Decommissioning Trust Funds

As of September 30, 2009, the City's Special Purpose Fund (Nuclear Decommissioning Trust Funds, NDTF) had the following investments:

<u>Investment Type</u>	<u>Fair Value (in thousands)</u>	<u>Weighted Average Maturity (years)</u>
US Treasury Notes	\$ 68,714	3.39
US Agency Bonds	45,117	3.72
Money Market Funds	42,501	1 day
Total	<u>\$ 156,332</u>	<u>2.52</u>

Credit Risk

As of September 30, 2009, Standard and Poor's rated the US Agency Bonds AAA and the Money Market Fund AAAm. The remaining securities are direct obligations of the US government.

At September 30, 2009, the NDTF held investments with more than 5 percent of the total in securities of the following issuers (in millions): Federal Home Loan Bank (\$17.5 or 11%), Federal Home Loan Mortgage Corporation (\$8.1 or 5%), and Federal Farm Credit Bank (\$19.5 or 13%).

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy for the Nuclear Decommissioning Trust Funds portfolios requires that the dollar weighted average maturity, using final stated maturity dates, shall not exceed seven years, although the portfolio's weighted average maturity may be substantially shorter if market conditions so dictate. At September 30, 2009, the dollar weighted average maturity was 2.52 years.

c -- Investments and Deposits

Investments and deposits portfolio balances at September 30, 2009, are as follows (in thousands):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Non-pooled investments and cash	\$ 21,189	503,666	--	524,855
Pooled investments and cash	544,442	751,696	5,025	1,301,163
Total investments and cash	<u>565,631</u>	<u>1,255,362</u>	<u>5,025</u>	<u>1,826,018</u>
Unrestricted cash	2,455	63	--	2,518
Restricted cash	--	42,818	--	42,818
Pooled investments and cash	544,442	751,696	5,025	1,301,163
Investments	18,734	460,785	--	479,519
Total investments and cash	<u>\$ 565,631</u>	<u>1,255,362</u>	<u>5,025</u>	<u>1,826,018</u>

A difference of \$15.5 million exists between portfolio balance and book balance, primarily due to deposits in transit offset by outstanding checks.

5 – INVESTMENTS AND DEPOSITS, continued
c -- Investments and Deposits, continued

Deposits

The September 30, 2009, carrying amount of deposits is as follows (in thousands):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash			
Unrestricted	\$ 89	63	152
Cash held by trustee			
Unrestricted	2,366	--	2,366
Restricted	--	42,818	42,818
Pooled cash	4,451	6,144	10,595
Total deposits	<u>\$ 6,906</u>	<u>49,025</u>	<u>55,931</u>

All bank accounts were either insured or collateralized with securities held by the City or its agents in the City's name at September 30, 2009.

6 – PROPERTY TAXES

The City's property tax is levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. The adjusted assessed value for the roll as of January 1, 2008, upon which the 2009 levy was based, was \$76,752,007,737.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2009, 99.03% of the current tax levy (October 1, 2008) was collected. The statutory lien date is January 1.

The methods of property assessment and tax collection are determined by Texas statutes. The statutes provide for a property tax code, countywide appraisal districts, a State property tax board, and certain exemptions from taxation, such as intangible personal property, household goods, and family-owned automobiles.

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District and the Williamson County Appraisal District. The appraisal districts are required under the Property Tax Code to assess all real and personal property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every two years; however, the City may require more frequent reviews of appraised values at its own expense. The Travis Central Appraisal District has chosen to review the value of property every two years, while the Williamson County Appraisal District has chosen to review the value of property on an annual basis. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The City is authorized to set tax rates on property within the city limits. However, if the effective tax rate, excluding tax rates for bonds, certificates of obligation, and other contractual obligations, as adjusted for new improvements and revaluation, exceeds the rate for the previous year by more than 8%, State statute allows qualified voters of the City to petition for an election to determine whether to limit the tax rate increase to no more than 8%.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. Under the city charter, a limit on taxes levied for general governmental services, exclusive of payments of principal and interest on general obligation long-term debt, has been established at \$1.00 per \$100 assessed valuation. A practical limitation on taxes levied for debt service of \$1.50 per \$100 of assessed valuation is established by state statute and city charter limitations. Through contractual arrangements, Travis and Williamson Counties bill and collect property taxes for the City.

6 – PROPERTY TAXES, continued

The tax rate to finance general governmental functions, other than the payment of principal and interest on general obligation long-term debt, for the year ended September 30, 2009, was \$.2749 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$.7251 per \$100 assessed valuation, and could levy approximately \$556,528,808 in additional taxes from the assessed valuation of \$76,752,007,737 before the legislative limit is reached.

The City has reserved a portion of the taxes collected for lawsuits filed by certain taxpayers against the appraisal districts challenging assessed values in the government-wide financial statements.

7 – CAPITAL ASSETS AND INFRASTRUCTURE

The City has recorded capitalized interest for fiscal year 2009 in the following funds related to the construction of various enterprise fund capital improvement projects (in thousands):

<u>Enterprise Funds</u>	
Major fund:	
Airport	\$ 1,196
Nonmajor enterprise funds:	
Convention Center	933
Drainage	834
Golf	3
Solid Waste Services	295
Transportation	49

Interest is not capitalized on governmental capital assets. In accordance with accounting for regulated operations, interest is also not capitalized on electric and water and wastewater capital assets.

7 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Governmental Activities

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Capital assets not depreciated				
Land and improvements	\$ 302,462	22,676	(592)	324,546
Arts and treasures	5,362	362	--	5,724
Library collections	13,813	256	--	14,069
Total	<u>321,637</u>	<u>23,294</u>	<u>(592)</u>	<u>344,339</u>
Depreciable property, plant, and equipment in service				
Building and improvements	588,894	46,370	(2,117)	633,147
Plant and equipment	164,461	18,872	(29,992)	153,341
Vehicles	91,112	8,468	(5,563)	94,017
Infrastructure	1,813,499	116,611	--	1,930,110
Total	<u>2,657,966</u>	<u>190,321</u>	<u>(37,672)</u>	<u>2,810,615</u>
Less accumulated depreciation for				
Building and improvements	(162,808)	(20,909)	73	(183,644)
Plant and equipment	(85,729)	(18,126)	23,562	(80,293)
Vehicles	(55,010)	(7,807)	5,295	(57,522)
Infrastructure	(620,534)	(54,304)	--	(674,838)
Total	<u>(924,081)</u>	<u>(101,146)</u> (2)	<u>28,930</u>	<u>(996,297)</u>
Net property, plant, and equipment in service	<u>1,733,885</u>	<u>89,175</u>	<u>(8,742)</u>	<u>1,814,318</u>
Other capital assets not depreciated				
Construction in progress	203,328	101,416	(160,138)	144,606
Total capital assets	<u>\$ 2,258,850</u>	<u>213,885</u>	<u>(169,472)</u>	<u>2,303,263</u>

(1) Increases and decreases do not include transfers (at net book value) between Governmental Activities.

(2) Depreciation expense was charged to functions as follows (in thousands):

Governmental activities:

General government	\$ 6,505
Public safety	12,424
Transportation, planning, and sustainability	46,646
Public health	1,545
Public recreation and culture	9,336
Urban growth management	15,310
Internal service funds	9,380
Total increases in accumulated depreciation	<u>\$ 101,146</u>

7 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Electric Fund

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not depreciated				
Land and improvements	\$ 62,395	3,135	(1,523)	64,007
Total	62,395	3,135	(1,523)	64,007
Depreciable property, plant, and equipment in service				
Building and improvements	653,904	112	(1,622)	652,394
Plant and equipment	3,005,263	138,402	(32,377)	3,111,288
Vehicles	27,341	3,735	(2,886)	28,190
Total	3,686,508	142,249	(36,885)	3,791,872
Less accumulated depreciation for				
Building and improvements	(327,827)	(16,362)	901	(343,288)
Plant and equipment	(1,360,589)	(95,694)	17,975	(1,438,308)
Vehicles	(17,102)	(2,116)	2,833	(16,385)
Total	(1,705,518)	(114,172) (1)	21,709	(1,797,981)
Net property, plant, and equipment in service	1,980,990	28,077	(15,176)	1,993,891
Other capital assets not depreciated				
Construction in progress	275,143	254,243	(143,786)	385,600
Nuclear fuel, net of amortization	32,730	13,907	(13,520)	33,117
Plant held for future use	27,783	--	--	27,783
Total capital assets	\$ 2,379,041	299,362	(174,005)	2,504,398
(1) Components of accumulated depreciation increases:				
Current year depreciation	\$ 114,172			

7 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Water and Wastewater Fund

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Capital assets not depreciated				
Land and improvements	\$ 204,908	710	(49)	205,569
Total	<u>204,908</u>	<u>710</u>	<u>(49)</u>	<u>205,569</u>
Depreciable property, plant, and equipment in service				
Building and improvements	526,727	9,701	--	536,428
Plant and equipment	2,427,224	202,501	(672)	2,629,053
Vehicles	30,054	3,236	(2,367)	30,923
Total	<u>2,984,005</u>	<u>215,438</u>	<u>(3,039)</u>	<u>3,196,404</u>
Less accumulated depreciation for				
Building and improvements	(162,914)	(11,790)	--	(174,704)
Plant and equipment	(784,669)	(64,120)	451	(848,338)
Vehicles	(17,020)	(2,621)	1,762	(17,879)
Total	<u>(964,603)</u>	<u>(78,531)</u> (2)	<u>2,213</u>	<u>(1,040,921)</u>
Net property, plant, and equipment in service	<u>2,019,402</u>	<u>136,907</u>	<u>(826)</u>	<u>2,155,483</u>
Other capital assets not depreciated				
Construction in progress	279,536	206,284	(197,126)	288,694
Intangible assets, net of amortization	77,602	--	(2,602)	75,000
Total capital assets	<u>\$ 2,581,448</u>	<u>343,901</u>	<u>(200,603)</u>	<u>2,724,746</u>

(1) Increases and decreases do not include transfers (at net book value) between Water and Wastewater activities.

(2) Components of accumulated depreciation increases:

Current year depreciation	
Water	\$ 33,992
Wastewater	44,539
Total increases in accumulated depreciation	<u>\$ 78,531</u>

7 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Airport Fund

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not depreciated				
Land and improvements	\$ 91,948	2,207	--	94,155
Arts and treasures	822	--	--	822
Total	<u>92,770</u>	<u>2,207</u>	<u>--</u>	<u>94,977</u>
Depreciable property, plant, and equipment in service				
Building and improvements	651,569	11,671	(13,590)	649,650
Plant and equipment	21,729	2,743	(1,131)	23,341
Vehicles	5,747	180	(249)	5,678
Total	<u>679,045</u>	<u>14,594</u>	<u>(14,970)</u>	<u>678,669</u>
Less accumulated depreciation for				
Building and improvements	(157,495)	(16,815)	13,590	(160,720)
Plant and equipment	(8,713)	(1,497)	50	(10,160)
Vehicles	(2,938)	(396)	226	(3,108)
Total	<u>(169,146)</u>	<u>(18,708) (1)</u>	<u>13,866</u>	<u>(173,988)</u>
Net property, plant, and equipment in service	<u>509,899</u>	<u>(4,114)</u>	<u>(1,104)</u>	<u>504,681</u>
Other capital assets not depreciated				
Construction in progress	15,008	26,235	(14,189)	27,054
Total capital assets	<u>\$ 617,677</u>	<u>24,328</u>	<u>(15,293)</u>	<u>626,712</u>
(1) Components of accumulated depreciation increases:				
Current year depreciation	<u>\$ 18,708</u>			

7 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Nonmajor Enterprise Funds

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Increases	(1) Decreases	(1) Ending Balance
Capital assets not depreciated				
Land and improvements	\$ 82,763	2,160	(1)	84,922
Arts and treasures	612	--	--	612
Total	<u>83,375</u>	<u>2,160</u>	<u>(1)</u>	<u>85,534</u>
Depreciable property, plant, and equipment in service				
Building and improvements	314,012	6,795	(30)	320,777
Plant and equipment	95,775	26,371	(437)	121,709
Vehicles	61,724	5,211	(1,253)	65,682
Total	<u>471,511</u>	<u>38,377</u>	<u>(1,720)</u>	<u>508,168</u>
Less accumulated depreciation for				
Building and improvements	(78,776)	(9,282)	--	(88,058)
Plant and equipment	(28,575)	(4,870)	294	(33,151)
Vehicles	(29,435)	(6,664)	1,259	(34,840)
Total	<u>(136,786)</u>	<u>(20,816)</u>	<u>(2) 1,553</u>	<u>(156,049)</u>
Net property, plant, and equipment in service	<u>334,725</u>	<u>17,561</u>	<u>(167)</u>	<u>352,119</u>
Other capital assets not depreciated				
Construction in progress	41,960	41,479	(37,489)	45,950
Total capital assets	<u>\$ 460,060</u>	<u>61,200</u>	<u>(37,657)</u>	<u>483,603</u>

(1) Increases and decreases do not include transfers (at net book value) between nonmajor enterprise funds.

(2) Components of accumulated depreciation increases:

Current year depreciation	
Convention Center	\$ 8,227
Environmental and health services	5,884
Public recreation	648
Urban growth management	6,057
Total increases in accumulated depreciation	<u>\$ 20,816</u>

7 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Total

Capital asset activity for the year ended September 30, 2009, was as follows (in thousands):

	Beginning Balance	Increases	(1) Decreases	(1) Ending Balance
Capital assets not depreciated				
Land and improvements	\$ 442,014	8,212	(1,573)	448,653
Arts and treasures	1,434	--	--	1,434
Total	<u>443,448</u>	<u>8,212</u>	<u>(1,573)</u>	<u>450,087</u>
Depreciable property, plant, and equipment in service				
Building and improvements	2,146,212	28,279	(15,242)	2,159,249
Plant and equipment	5,549,991	370,010	(34,610)	5,885,391
Vehicles	124,866	12,219	(6,612)	130,473
Total	<u>7,821,069</u>	<u>410,508</u>	<u>(56,464)</u>	<u>8,175,113</u>
Less accumulated depreciation for				
Building and improvements	(727,012)	(54,249)	14,491	(766,770)
Plant and equipment	(2,182,546)	(166,181)	18,770	(2,329,957)
Vehicles	(66,495)	(11,797)	6,080	(72,212)
Total	<u>(2,976,053)</u>	<u>(232,227) (2)</u>	<u>39,341</u>	<u>(3,168,939)</u>
Net property, plant, and equipment in service	<u>4,845,016</u>	<u>178,281</u>	<u>(17,123)</u>	<u>5,006,174</u>
Other capital assets not depreciated				
Construction in progress	611,647	528,241	(392,590)	747,298
Nuclear fuel, net of amortization	32,730	13,907	(13,520)	33,117
Plant held for future use	27,783	--	--	27,783
Intangible assets, net of amortization	77,602	--	(2,602)	75,000
Total capital assets	<u>\$6,038,226</u>	<u>728,641</u>	<u>(427,408)</u>	<u>6,339,459</u>

(1) Increases and decreases do not include transfers (at net book value) between business-type activities.

(2) Depreciation expense was charged to functions as follows (in thousands):

Business-type activities:

Electric	\$ 114,172
Water	33,992
Wastewater	44,539
Airport	18,708
Convention Center	8,227
Environmental and health services	5,884
Public recreation	648
Urban growth management	6,057
Total increases in accumulated depreciation	<u>\$ 232,227</u>

8 – RETIREMENT PLANS
a -- Description

The City participates in funding three contributory, defined benefit retirement plans: City of Austin Employees' Retirement and Pension Fund, City of Austin Police Officers' Retirement and Pension Fund, and Fire Fighters' Relief and Retirement Fund of Austin, Texas. An independent board of trustees administers each plan. These plans are Citywide single employer funded plans that cover substantially all full-time employees. The fiscal year of each pension fund ends December 31. The most recently available financial statements of the pension funds are for the year ended December 31, 2008. Membership in the plans at December 31, 2008, is as follows:

	<u>City</u> <u>Employees</u>	<u>Police</u> <u>Officers</u>	<u>Fire</u> <u>Fighters</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	4,705	488	482	5,675
Current employees	8,643	1,629	1,029	11,301
Total	<u>13,348</u>	<u>2,117</u>	<u>1,511</u>	<u>16,976</u>

Each plan provides service retirement, death, disability, and withdrawal benefits. State law governs benefit and contribution provisions. Amendments may be made by the Legislature of the State of Texas.

Financial reports that include financial statements and supplementary information for each plan are publicly available at the locations shown below.

Plan	Address	Telephone
Employees' Retirement and Pension Fund	418 E. Highland Mall Blvd. Austin, Texas 78752 www.coaers.org	(512)458-2551
Police Officers' Retirement and Pension Fund	2520 S. IH 35, Ste. 205 Austin, Texas 78704 www.ausprs.org	(512)416-7672
Fire Fighters' Relief and Retirement Fund	4101 Parkstone Heights Dr., Ste. 270 Austin, Texas 78746 www.afrs.org	(512)454-9567

8 – RETIREMENT PLANS, continued
b -- Funding Policy

	<u>City of Austin Employees' Retirement and Pension Fund</u>	<u>City of Austin Police Officers' Retirement and Pension Fund</u>	<u>Fire Fighters' Relief and Retirement Fund</u>
Authority establishing contributions obligation	State Legislation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly	Biweekly
Employee's contribution (percent of earnings)	8.0%	13.0%	15.7%
City's contribution (percent of earnings)	9.25% (1)	18.0%	18.05%

(1) The City contributes two-thirds of the cost of prior service benefit payments.

While the contribution requirements are not actuarially determined, state law requires that a qualified actuary approve each plan of benefits adopted. Contributions for fiscal year ended September 30, 2009, are as follows (in thousands):

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
City	\$ 43,319	21,422	13,615	78,356
Employees	34,427	15,318	11,842	61,587
Total contributions	<u>\$ 77,746</u>	<u>36,740</u>	<u>25,457</u>	<u>139,943</u>

c -- Annual Pension Cost and Net Pension Obligation

The City's annual pension cost of \$89,078,000 for fiscal year ended September 30, 2009, was \$10,722,000 more than the City's actual contributions. Three-year trend information is as follows (in thousands):

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
City's Annual Pension Cost (APC):				
2007	\$ 49,818	18,047	11,737	79,602
2008	56,848	19,872	14,835	91,555
2009	59,067	19,909	10,102	89,078
Percentage of APC contributed:				
2007	63%	100%	106%	N/A
2008	65%	100%	87%	N/A
2009	69%	97%	135%	N/A
Net Pension Obligation:				
2007	\$ 43,334	--	1,737	45,071
2008	63,740	--	3,709	67,449
2009	82,146	646	218	83,010

8 – RETIREMENT PLANS, continued
c -- Annual Pension Cost and Net Pension Obligation, continued

The Net Pension Obligation associated with the City Employees' Retirement and Pension Fund, the Police Officers' Retirement and Pension Fund, and the Fire Fighters' Relief and Retirement Fund is as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total
Annual required contribution	\$ 57,937	19,889	10,031	87,857
Interest in net pension obligation	4,940	64	288	5,292
Adjustment to annual required contribution	(3,810)	(44)	(217)	(4,071)
Annual pension cost	59,067	19,909	10,102	89,078
Employer contributions	(40,661)	(19,263)	(13,593)	(73,517)
Change in net pension obligation	18,406	646	(3,491)	15,561
Beginning net pension obligation	63,740	--	3,709	67,449
Net pension obligation	<u>\$ 82,146</u>	<u>646</u>	<u>218</u>	<u>83,010</u>

The latest actuarial valuations for the City Employees' Retirement and Pension Fund and the Police Officers' Retirement and Pension Fund were completed as of December 31, 2008, while the Austin Fire Fighters' Relief and Retirement Fund was completed as of December 31, 2007. The actuarial cost method and significant assumptions underlying the actuarial calculations are as follows:

	City Employees	Police Officers	Fire Fighters
Actuarial Cost Method	Entry Age Normal	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Basis	5-year smoothed market	5-year smoothed market	20% of market value plus 80% of expected actuarial value
Inflation Rate	3.25%	4%	3.5%
Projected Annual Salary Increases	5% to 6%	6.8% average	4.5 % to 16.6%
Post retirement benefit increase	None	None	None
Assumed Rate of Return on Investments	7.75%	8%	7.75%
Amortization method	Level percent of projected pay, open	Level percent of projected payroll, open	Level percent of projected pay, open
Remaining Amortization Period	30 years	35.4 years (1)	30 years

(1) The City's annual required contributions to the plans for the year ended September 30, 2009 were based on the actuarial valuations completed as of December 31, 2007. The remaining amortization period for Police Officers plan in the December 31, 2007 actuarial valuation was 23.8 years.

8 – RETIREMENT PLANS, continued
d -- Schedule of funding progress

Information pertaining to the schedule of funding progress for each plan is as follows (in thousands):

Valuation Date, December 31st	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
City Employees 2008	\$ 1,481,377	2,246,903	765,526	65.9%	448,740	170.6%
Police Officers 2008	464,230	693,202	228,972	67.0%	122,735	186.6%
Fire Fighters (2) 2007	584,420	586,802	2,382	99.6%	76,556	3.1%

(1) UAAL – Unfunded Actuarial Accrued Liability

(2) The actuarial study for the Fire Fighters’ plan is performed biannually.

The schedule of funding progress, presented as RSI, presents multiyear trend information regarding the ratio of the actuarial value of assets and actuarial accrued liabilities.

As of December 31, 2008, the City's three pension funds incurred significant decreases in total net plan assets primarily as a result of the financial market turmoil during the year. The City Employees incurred a reduction of \$463.7 million, Police Officers incurred a reduction of \$127.9 million, and the Fire Fighters incurred a reduction of \$139.6 million. Management expects a portion of the reductions to be offset in 2009 due to the recovery of the financial markets. In addition, the Police Officers and Fire Fighters have entered into labor bargaining agreements that will increase the City's contributions in the future.

9 – SELECTED REVENUES
a -- Major enterprise funds

Electric and Water and Wastewater

The Texas Public Utility Commission (PUC) has jurisdiction over electric utility wholesale transmission rates. On June 9, 2006, the PUC approved the City’s most recent wholesale transmission rate of \$1.002466/kW. Transmission revenues totaled approximately \$57 million in 2009. The City Council has jurisdiction over all other electric utility rates and over all water and wastewater utility rates and other services. The Council determines electric utility and water and wastewater utility rates based on the cost of operations and a debt service coverage approach.

Under a bill passed by the Texas Legislature in 1999, municipally-owned electric utilities such as the City's utility system have the option of offering retail competition after January 1, 2002. As of September 30, City management has elected not to enter the retail market, as allowed by State law.

Electric rates include a fixed rate and a fuel recovery cost-adjustment factor that allows recovery of coal, gas, purchased power, and other fuel costs. If actual fuel costs differ from amounts billed to customers, deferred or unbilled revenues are recorded by the electric utility. Any over- or under-collections are applied to the cost-adjustment factor. The fuel factor is reviewed annually on a calendar year basis or when over- or under-recovery is more than 10% of expected fuel costs.

Airport

The City has entered into certain lease agreements as lessor for concessions at the Airport. These lease agreements qualify as operating leases for accounting purposes. In fiscal year 2009, the Airport Fund revenues included minimum concession guarantees of \$8,333,631.

9 – SELECTED REVENUES, continued
a -- Major enterprise funds, continued

The following is a schedule by year of minimum future rentals on noncancelable operating leases for terms of up to thirty years for the Airport Fund as of September 30, 2009 (in thousands):

Fiscal Year Ended September 30	Enterprise Airport Lease Receipts
2010	\$ 10,567
2011	10,016
2012	9,684
2013	9,057
2014	5,602
2015-2019	442
2020-2024	287
Totals	<u>\$ 45,655</u>

Projection of minimum future rentals for the Austin-Bergstrom Landhost Enterprises, Inc. is based on the current adjusted minimum rent for the period May 1, 2009, through April 30, 2014. The minimum rent is adjusted every five years commensurate with the percentage increase in the Consumer Price Index – Urban Wage Earners and Clerical Workers, U.S. Owner Average, (CPI) published by the U.S. Department of Labor Bureau of Labor Statistics over the five-year period.

10 – DEBT AND NON-DEBT LIABILITIES
a -- Long-Term Liabilities

Payments on bonds for governmental activities will be made from the general obligation debt service funds. Accrued compensated absences that pertain to governmental activities will be liquidated by the General Fund, special revenue funds, and internal service funds. Claims payable will be liquidated by internal service funds. Deferred revenue and other liabilities that pertain to governmental activities will be liquidated by the General Fund, special revenue funds, general governmental capital improvement projects funds, and internal service funds.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all limitations and restrictions.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included in governmental activities.

10 – DEBT AND NON-DEBT LIABILITIES, continued
a -- Long-Term Liabilities, continued

The following is a summary of changes in long-term obligations. Certain long-term obligations provide financing to both governmental and business-type activities. Balances at September 30, 2009 (in thousands):

Description	September 30, 2008	Increases	Decreases	September 30, 2009	Amounts Due Within One Year
Governmental activities					
General obligation bonds, net	\$ 726,678	178,166	(59,103)	845,741	56,717
Certificates of obligation, net	71,925	13,314	(6,714)	78,525	7,314
Contractual obligations, net	31,413	2,745	(5,702)	28,456	5,413
General obligation bonds and other tax supported debt total	830,016	194,225	(71,519)	952,722	69,444
Capital lease obligations	482	--	(14)	468	152
Debt service requirements total	830,498	194,225	(71,533)	953,190	69,596
Other long-term obligations					
Accrued compensated absences	102,555	53,365	(46,460)	109,460	46,111
Claims payable	26,462	15,982	(12,167)	30,277	17,570
Pension obligation payable	36,812	6,240	--	43,052	--
Other post employment benefits	54,882	54,969	--	109,851	--
Other liabilities	91,842	14,532	(16,108)	90,266	75,301
Governmental activities total	1,143,051	339,313	(146,268)	1,336,096	208,578
Business-type activities:					
Electric activities					
General obligation bonds, net	1,210	--	(24)	1,186	62
Contractual obligations	377	--	(146)	231	152
General obligation bonds and other tax supported debt total	1,587	--	(170)	1,417	214
Commercial paper notes, net	35,148	105,559	--	140,707	--
Revenue bonds, net	1,308,142	6,771	(78,773)	1,236,140	65,823
Capital lease obligations	1,212	--	(48)	1,164	37
Debt service requirements total	1,346,089	112,330	(78,991)	1,379,428	66,074
Other long-term obligations					
Accrued compensated absences	11,103	541	--	11,644	9,905
Decommissioning expense payable	158,996	8,005	--	167,001	--
Pension obligation payable	13,640	4,184	--	17,824	--
Other post employment benefits	13,306	13,327	--	26,633	--
Deferred credits and other liabilities	120,260	112,051	(742)	231,569	54,085
Electric activities total	1,663,394	250,438	(79,733)	1,834,099	130,064
Water and Wastewater activities					
General obligation bonds, net	2,065	86	(469)	1,682	594
Contractual obligations, net	11,279	6,453	(2,420)	15,312	2,910
Other tax supported debt, net	7,178	5	(533)	6,650	564
General obligation bonds and other tax supported debt total	20,522	6,544	(3,422)	23,644	4,068
Commercial paper notes, net	178,052	193,850	(172,610)	199,292	--
Revenue bonds, net	1,558,869	182,332	(59,019)	1,682,182	54,413
Contract revenue bonds, net	1,683	12	(781)	914	914
Capital lease obligations	4	--	(4)	--	--
Debt service requirements total	1,759,130	382,738	(235,836)	1,906,032	59,395
Other long-term obligations					
Accrued compensated absences	5,505	380	(184)	5,701	5,056
Pension obligation payable	6,895	2,085	--	8,980	--
Other post employment benefits	8,223	8,236	--	16,459	--
Deferred credits and other liabilities	493,199	23,491	(1,297)	515,393	16,456
Water and Wastewater activities total	2,272,952	416,930	(237,317)	2,452,565	80,907

10 – DEBT AND NON-DEBT LIABILITIES, continued

a -- Long-Term Liabilities, continued

Business-type activities (continued):

Description	September 30, 2008	Increases	Decreases	September 30, 2009	Amounts Due Within One Year
Airport activities					
General obligation bonds, net	307	--	(18)	289	25
General obligation bonds and other tax supported debt total	<u>307</u>	<u>--</u>	<u>(18)</u>	<u>289</u>	<u>25</u>
Revenue notes	28,000	--	--	28,000	--
Revenue bonds, net	318,869	821	(12,325)	307,365	12,910
Capital lease obligations	1,562	--	(745)	817	486
Debt service requirements total	<u>348,738</u>	<u>821</u>	<u>(13,088)</u>	<u>336,471</u>	<u>13,421</u>
Other long-term obligations					
Accrued compensated absences	1,497	125	(50)	1,572	1,386
Pension obligation payable	2,121	615	--	2,736	--
Other post employment benefits	2,422	2,426	--	4,848	--
Deferred credits and other liabilities	909	--	(163)	746	664
Airport activities total	<u>355,687</u>	<u>3,987</u>	<u>(13,301)</u>	<u>346,373</u>	<u>15,471</u>
Nonmajor activities					
General obligation bonds, net	20,788	--	(2,435)	18,353	1,602
Certificates of obligation, net	34,971	10,030	(2,124)	42,877	2,249
Contractual obligations	17,555	32,134	(5,037)	44,652	6,814
General obligation bonds and other tax supported debt total	<u>73,314</u>	<u>42,164</u>	<u>(9,596)</u>	<u>105,882</u>	<u>10,665</u>
Revenue bonds, net	221,017	358	(4,720)	216,655	8,215
Capital lease obligations	4	--	(4)	--	--
Debt service requirements total	<u>294,335</u>	<u>42,522</u>	<u>(14,320)</u>	<u>322,537</u>	<u>18,880</u>
Other long-term obligations					
Accrued compensated absences	6,683	404	(1,276)	5,811	5,536
Accrued landfill closure and postclosure costs	15,788	2,424	--	18,212	10,494
Pension obligation payable	7,981	2,437	--	10,418	--
Other post employment benefits	8,674	8,686	--	17,360	--
Deferred credits and other liabilities	7,763	336	(417)	7,682	3,460
Nonmajor activities total	<u>341,224</u>	<u>56,809</u>	<u>(16,013)</u>	<u>382,020</u>	<u>38,370</u>
Total business-type activities					
General obligation bonds, net	24,370	86	(2,946)	21,510	2,283
Certificates of obligation, net	34,971	10,030	(2,124)	42,877	2,249
Contractual obligations, net	29,211	38,587	(7,603)	60,195	9,876
Other tax supported debt, net	7,178	5	(533)	6,650	564
General obligation bonds and other tax supported debt total	<u>95,730</u>	<u>48,708</u>	<u>(13,206)</u>	<u>131,232</u>	<u>14,972</u>
Commercial paper notes, net	213,200	299,409	(172,610)	339,999	--
Revenue notes	28,000	--	--	28,000	--
Revenue bonds, net	3,406,897	190,282	(154,837)	3,442,342	141,361
Contract revenue bonds, net	1,683	12	(781)	914	914
Capital lease obligations	2,782	--	(801)	1,981	523
Debt service requirements total	<u>3,748,292</u>	<u>538,411</u>	<u>(342,235)</u>	<u>3,944,468</u>	<u>157,770</u>
Other long-term obligations					
Accrued compensated absences	24,788	1,450	(1,510)	24,728	21,883
Accrued landfill closure and postclosure costs	15,788	2,424	--	18,212	10,494
Decommissioning expense payable	158,996	8,005	--	167,001	--
Pension obligation payable	30,637	9,321	--	39,958	--
Other post employment benefits	32,625	32,675	--	65,300	--
Deferred credits and other liabilities	622,131	135,878	(2,619)	755,390	74,665
Business-type activities total	<u>4,633,257</u>	<u>728,164</u>	<u>(346,364)</u>	<u>5,015,057</u>	<u>264,812</u>
Total liabilities (1)	<u>\$ 5,776,308</u>	<u>1,067,477</u>	<u>(492,632)</u>	<u>6,351,153</u>	<u>473,390</u>

(1) This schedule excludes select short-term liabilities of \$63,877 for governmental activities and \$225,598 for business-type activities and capital appreciation bond interest payable of \$194,448 for business-type activities.

10 – DEBT AND NON-DEBT LIABILITIES, continued
b -- Governmental Activities Long-Term Liabilities

General Obligation Bonds -- General obligation debt is collateralized by the full faith and credit of the City. The City intends to retire its general obligation debt, plus interest, from future ad valorem tax levies, and is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. General obligation debt issued to finance capital assets of enterprise funds is reported as an obligation of these enterprise funds, although the funds are not obligated by the applicable bond indentures to repay any portion of principal and interest on outstanding general obligation debt. However, the City intends for the enterprise funds to meet the debt service requirements from program revenues.

The following table summarizes significant facts about general obligation bonds, certificates of obligation, contractual obligations, and assumed municipal utility district (MUD) bonds outstanding at September 30, 2009, including those reported in certain proprietary funds (in thousands):

Series	Date Issued	Original	Principal Outstanding	Aggregate Interest	Interest Rates	Maturity Dates of Serial Debt
		Amount Issue		Requirements Outstanding	of Debt Outstanding	
Assumed MUD Debt	December 1997	\$ 14,040	7,395	2,011 (3)(4)	4.45 - 5.85%	9/01/2010-2018
Series 2000	September 2000	52,930	1,800	108 (1)	6.00%	9/1/2010
Series 2000	September 2000	6,060	570	43 (1)	5.00%	9/1/2010-2011
Series 2001	June 2001	123,445	22,970	4,459 (1)	4.75 - 5.50%	9/1/2010-2022
Series 2001	August 2001	79,650	12,290	1,243 (1)	4.00 - 5.25%	9/1/2010-2012
Series 2001	August 2001	65,335	23,480	5,556 (1)	4.38 - 5.00%	9/1/2010-2021
Series 2002	June 2002	12,190	10,910	2,022 (1)	4.00 - 5.00%	9/1/2010-2017
Series 2002	August 2002	99,615	66,300	22,840 (1)	3.50 - 5.00%	9/1/2010-2022
Series 2002	August 2002	34,095	18,950	5,747 (1)	3.50 - 5.38%	9/1/2010-2022
Series 2002	August 2002	8,690	730	12 (1)	3.40%	11/1/2009
Series 2003	May 2003	62,585	17,255	1,743 (1)	5.00%	9/1/2010-2013
Series 2003	September 2003	68,855	59,125	23,344 (1)	3.75 - 5.00%	9/1/2010-2023
Series 2003A	September 2003	2,530	1,290	163 (1)	4.50 - 5.00%	9/1/2010-2013
Series 2003	September 2003	4,450	3,515	1,313 (1)	4.00 - 4.80%	9/1/2010-2023
Series 2003	September 2003	8,610	2,070	69 (2)	3.00 - 3.38%	11/1/2009-2010
Series 2004	September 2004	67,835	59,885	23,554 (1)	3.25 - 5.00%	9/1/2010-2024
Series 2004A	September 2004	2,430	1,560	243 (1)	4.13 - 4.75%	9/1/2010-2014
Series 2004	September 2004	25,000	19,380	8,517 (1)	3.00 - 5.00%	9/1/2010-2024
Series 2004	September 2004	21,830	8,860	443 (2)	2.90 - 3.35%	11/1/2009-2011
Series 2005	March 2005	145,345	145,345	45,094 (1)	5.00%	9/1/2010-2020
Series 2005	September 2005	19,535	14,340	7,482 (1)	4.00 - 4.25%	9/1/2010-2025
Series 2005	September 2005	7,185	6,270	2,474 (1)	3.50 - 6.50%	9/1/2010-2025
Series 2005	September 2005	14,940	7,720	563 (2)	3.25 - 3.75%	11/1/2009-2012
Series 2006	September 2006	31,585	31,485	18,057 (1)	4.00 - 5.38%	9/1/2010-2026
Series 2006	September 2006	24,150	21,849	9,562 (1)	4.00 - 5.00%	9/1/2010-2026
Series 2006	September 2006	14,120	9,615	1,013 (2)	4.00 - 4.25%	11/1/2009-2013
Series 2006	August 2006	12,000	11,550	5,198 (1)(5)	4.00 - 6.00%	9/1/2010-2026
Series 2007	September 2007	97,525	93,525	63,141 (1)	4.64%	9/1/2010-2027
Series 2007	September 2007	3,820	3,585	1,892 (1)	4.88%	9/1/2010-2027
Series 2007	September 2007	9,755	8,214	1,145 (2)	3.66%	11/1/2009-2017
Series 2008	February 2008	172,505	150,575	44,696 (1)	5.00%	9/1/2010-2021
Series 2008	September 2008	76,045	65,044	42,995 (1)	3.50 - 5.00%	9/1/2011-2028
Series 2008	September 2008	10,700	10,395	5,373 (1)	3.00 - 5.00%	9/1/2010-2028
Series 2008	September 2008	26,715	25,229	3,097 (2)	3.00% - 4.00%	11/1/2009-2015
Series 2009A	September 2009	20,905	20,905	2,641 (1)	2.50 - 5.00%	9/1/2010-2016
Series 2009B	September 2009	78,460	78,460	56,233 (1)	4.15 - 5.31%	9/1/2017-2029
Series 2009	September 2009	12,500	12,500	7,240 (1)	2.50 - 4.75%	9/1/2010-2039
Series 2009	September 2009	13,800	13,800	1,885 (2)	2.00% - 3.25%	5/1/2010-2019
			<u>\$ 1,068,741</u>			

(1) Interest is paid semiannually on March 1 and September 1.

(2) Interest is paid semiannually on May 1 and November 1.

(3) Interest is paid semiannually on May 15 and November 15.

(4) Includes Water and Wastewater Fund principal of \$6,681 and interest of \$1,832.

(5) Included with contractual obligations are Mueller Local Government Corporation contract revenue bonds.

10 – DEBT AND NON-DEBT LIABILITIES, continued
b -- Governmental Activities Long-Term Liabilities, continued

In October 2008, the City delivered \$76,045,000 of Public Improvement Bonds, Series 2008. The proceeds from the issue will be used as follows: streets and signals (\$30,200,000), watershed protection improvements (\$26,000,000), parks and recreation (\$11,345,000), and affordable housing (\$8,500,000). These bonds will be amortized serially on September 1 of each year from 2009 to 2028. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2009. Total interest requirements for these bonds, at rates ranging from 3.5% to 5%, are \$46,511,759.

In October 2008, the City delivered \$10,700,000 of Certificates of Obligation, Series 2008. The proceeds from the issue will be used as follows: Avery Ranch Fire Station (\$4,500,000) and Barton Springs Pool (\$6,200,000). These certificates of obligation will be amortized serially on September 1 of each year from 2009 to 2028. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2009. Total interest requirements for these bonds, at rates ranging from 3% to 5%, are \$5,849,868.

In October 2008, the City delivered \$26,715,000 of Public Property Finance Contractual Obligations, Series 2008. The proceeds from the issue will be used as follows: public works transportation equipment (\$3,288,000), water utility capital equipment (\$1,814,000), wastewater utility capital equipment (\$1,503,000), communications and technology management capital equipment (\$2,700,000), golf carts (\$440,000), and solid waste services capital equipment (\$16,970,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2009 to 2015. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2009. Total interest requirements for these obligations, at rates ranging from 3% to 4%, are \$3,737,119.

In September 2009, the City delivered \$20,905,000 of Public Improvement Bonds, Series 2009A. The proceeds from the issue will be used as follows: community and cultural facilities (\$11,000,000) and watershed protection improvements (\$9,905,000). These bonds will be amortized serially on September 1 of each year from 2010 to 2016. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2010. Total interest requirements for these bonds, at rates ranging from 2.50% to 5.00%, are \$2,641,549.

In September 2009, the City delivered \$78,460,000 of Public Improvement Bonds, Taxable Series 2009B. These bonds are Build America Bonds (BABs) and are part of the Federal American Recovery and Reinvestment Act of 2009. BABs are taxable bonds that allow government access to the conventional corporate debt markets. Upon the City's request each year, the U.S. Treasury Department will make a direct payment to the City in the amount equal to 35% of the interest payment on the BABs, lowering the City's net borrowings. The proceeds from the issue will be used as follows: streets and signals (\$37,660,000), public safety facilities (\$19,000,000), parks and recreation (\$11,425,000), watershed protection improvements (\$9,875,000), and central library (\$500,000). These bonds will be amortized serially on September 1 of each year from 2017 to 2029. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2010. Total interest requirements for these bonds, at rates ranging from 4.146% to 5.31%, are \$56,232,954.

In September 2009, the City delivered \$12,500,000 of Certificates of Obligation, Series 2009. The proceeds from this issue will be used as follows: convention center improvements (\$6,000,000), solid waste services landfill closure (\$4,000,000), and parks and recreation improvements (\$2,500,000). These certificates of obligation will be amortized serially on September 1 of each year from 2010 to 2039. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2010. Total interest requirements for these certificates of obligation, at rates ranging from 2.50% to 4.75%, are \$7,239,841.

In September 2009, the City delivered \$13,800,000 of Public Property Finance Contractual Obligations, Series 2009. The proceeds from this issue will be used as follows: solid waste services capital equipment (\$5,800,000), parking meter pay stations (\$5,000,000), wastewater utility capital equipment (\$1,880,000), and water utility capital equipment (\$1,120,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2010 to 2019. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2010. Total interest requirements for these obligations, at rates ranging from 2.00% to 3.25%, are \$1,885,167.

General obligation bonds authorized and unissued amounted to \$369,180,000 at September 30, 2009. Bond ratings at September 30, 2009, were Aa1 (Moody's Investor Services, Inc.), AAA (Standard & Poor's), and AA+ (Fitch).

Utility Debt -- The City has previously issued combined debt for the Electric and Water and Wastewater utilities. The City began issuing separate debt for electric and water and wastewater activities in 2000. The following paragraphs describe both combined and separate debt.

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities

Combined Utility Systems Debt -- General - The City's Electric Fund and Water and Wastewater Fund comprise the combined utility systems, which issue combined utility systems revenue bonds to finance capital projects. Principal and interest on these bonds are payable solely from the combined net revenues of the Electric Fund and Water and Wastewater Fund.

The total combined utility systems revenue bond obligations at September 30, 2009, exclusive of discounts, premiums, and loss on refundings consists of \$217,913,235 prior lien bonds and \$240,974,512 subordinate lien bonds. Aggregate interest requirements for all prior lien and subordinate lien bonds are \$474,775,911 at September 30, 2009. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2009, for the prior lien and subordinate lien bonds were, respectively, A1 and A1 (Moody's Investor Services, Inc.), AA and AA (Standard & Poor's), and AA- and AA- (Fitch).

Combined Utility Systems Debt -- Revenue Bond Refunding Issues - The combined utility systems have refunded various issues of revenue bonds, notes, and certificates of obligation through refunding revenue bonds. Principal and interest on these refunding bonds are payable solely from the combined net revenues of the City's Electric Fund and Water and Wastewater Fund. The prior lien bonds are subordinate only to the prior lien revenue bonds outstanding at the time of issuance, while the subordinate lien bonds are subordinate to prior lien revenue bonds and to subordinate lien revenue bonds outstanding at the time of issuance.

Some of these bonds are callable prior to maturity at the option of the City. The term bonds are subject to a mandatory redemption prior to the maturity dates as defined in the respective official statements.

The net proceeds of each of the refunding bond issuances were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service. As a result, the refunded bonds are considered to be legally defeased and the liability for the refunded bonds has been removed from the financial statements. The accounting gains and losses due to the advance refunding of debt have been deferred and are being amortized over the life of the refunding bonds by the straight-line method. However, a gain or loss on refunded bonds is recognized when funds from current operations are used.

Combined Utility Systems Debt -- Bonds Issued and Outstanding - The following schedule shows the original and refunding revenue bonds outstanding at September 30, 2009 (in thousands):

<u>Series</u>	<u>Date Issued</u>	<u>Original Amount Issued</u>	<u>Principal Outstanding</u>	<u>Aggregate Interest Requirements Outstanding</u>	<u>Interest Rates of Debt Outstanding</u>	<u>Maturity Dates of Serial Debt</u>
1990B Refunding	February 1990	\$ 236,009	3,668	20,502 (1)	7.35%	11/15/2014-2017
1992 Refunding	March 1992	265,806	30,116	78,049 (1)	6.80 - 6.85%	11/15/2009-2012
1992A Refunding	May 1992	351,706	34,920	84,024 (1)	6.70 - 12.50%	11/15/2009-2011
1993 Refunding	January 1993	203,166	45,878	17,342 (1)	6.20 - 6.30%	11/15/2009-2014 (3)
1993A Refunding	June 1993	263,410	5,392	9,073 (1)	5.60 - 5.95%	11/15/2009-2010
1994 Refunding	September 1994	142,559	26,894	96,961 (1)	6.60%	05/15/2017-2019
1998 Refunding	July 1996	180,000	71,045	9,995 (1)(2)	6.75%	11/15/2009-2012
1998 Refunding	October 1998	139,965	137,235	82,380 (1)	5.25%	5/15/2010-2025
1998A Refunding	October 1998	105,350	97,835	75,427 (1)	4.25 - 5.00%	5/15/2010-2028
1998B	August 1998	10,000	5,905	1,023 (1)	3.25 - 3.75%	11/15/2009-2017
			<u>\$ 458,888</u>			

(1) Interest is paid semiannually on May 15 and November 15.

(2) Series 1998 Refunding had a delayed delivery.

(3) Series matures on May 15th of the final year

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities, continued

Combined Utility Systems Debt -- Commercial Paper Notes - The City is authorized by ordinance to issue commercial paper notes in an aggregate principal amount not to exceed \$350,000,000 outstanding at any one time. Proceeds from the notes are used to provide interim financing for capital project costs for additions, improvements, and extensions to the City's electric system and the City's water and wastewater system and to refinance, renew, or refund maturing notes and other obligations of the systems. Note ratings at September 30, 2009, were P-1 (Moody's Investor Services, Inc.), A-1+ (Standard & Poor's), and F1+ (Fitch). The notes are in denominations of \$100,000 or more and mature not more than 270 days from the date of issuance. Principal and interest on the notes are payable from the combined net revenues of the City's Electric Fund and Water and Wastewater Fund.

At September 30, 2009, the Electric Fund had outstanding commercial paper notes of \$118,959,000 and the Water and Wastewater Fund had \$199,292,000 of commercial paper notes outstanding. Interest rates on the notes range from 0.3% to 5.5%, which are adjusted daily. Subsequent issues cannot exceed the maximum rate of 15%. The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

Combined Utility Systems Debt -- Taxable Commercial Paper Notes - The City is authorized by ordinance to issue taxable commercial paper notes (the "taxable notes") in an aggregate principal amount not to exceed \$50,000,000 outstanding at any time. Proceeds from the taxable notes are used to provide interim financing for capital project costs for additions, improvements, and extensions to the City's electric system and the City's water and wastewater system and to refinance, renew, or refund maturing notes and other obligations of the systems. Note ratings at September 30, 2009, were P-1 (Moody's Investor Services, Inc.), A-1+ (Standard & Poor's), and F1+ (Fitch).

The taxable notes are issued in denominations of \$100,000 or more and mature not more than 270 days from the date of issuance. Principal and interest on the taxable notes are payable from the combined net revenues of the City's Electric Fund and Water and Wastewater Fund.

At September 30, 2009, the Electric Fund had outstanding taxable notes of \$21,997,000 (net of discount of \$248,974), and the Water and Wastewater Fund had no taxable notes outstanding. Interest rates on the taxable notes range from 0.7% to 0.75%. The City intends to refinance maturing commercial paper notes by issuing long-term debt.

Electric Utility System Revenue Debt -- General - The City is authorized by ordinance to issue electric utility system revenue obligations. Proceeds from these obligations are used only to fund electric capital projects or to refund debt issued to fund these capital projects. Principal and interest on these obligations are payable solely from the net revenues of the Electric Fund. Bond ratings at September 30, 2009, were A1 (Moody's Investor Services, Inc.), A+ (Standard & Poor's), and AA- (Fitch).

Electric Utility System Revenue Debt -- Bonds Issued and Outstanding - The following table summarizes all electric system original and refunding revenue bonds outstanding at September 30, 2009 (in thousands):

Series	Date Issued	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2001 Refunding	January 2001	\$ 126,700	75,200	62,277 (1)	5.00 - 7.25%	11/15/2009-2030
2002 Refunding	February 2002	74,750	56,905	10,943 (1)	4.00 - 5.50%	11/15/2009-2014
2002A Refunding	July 2002	172,880	91,315	26,399 (1)	4.00 - 5.50%	11/15/2009-2016
2003 Refunding	February 2003	182,100	149,300	86,950 (1)	5.00 - 5.25%	11/15/2009-2028
2006 Refunding	May 2006	150,000	147,100	117,947 (1)	5.00%	11/15/2009-2035
2006A Refunding	October 2006	137,800	137,800	41,908 (1)	5.00%	11/15/2009-2022
2007 Refunding	August 2007	146,635	143,320	40,015 (1)	5.00%	11/15/2010-2020
2008 Refunding	March 2008	50,000	50,000	44,835 (1)	3.08 - 6.26%	11/15/2009-2032
2008A Refunding	July 2008	175,000	175,000	186,964 (1)	4.00 - 6.00%	11/15/2010-2038
			<u>\$ 1,025,940</u>			

(1) Interest is paid semiannually on May 15 and November 15.

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities, continued

Electric Utility System Revenue Debt – Pledged Revenues - The net revenue of the Electric Fund was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2009 (in thousands):

Gross Revenue (1)	Operating Expense (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 1,179,688	869,247	310,441	171,943	180.5%

(1) Gross revenue includes revenues from operations and interest income.

(2) Excludes depreciation

Water and Wastewater System Revenue Debt -- General - The City is authorized by ordinance to issue water and wastewater system revenue obligations. Proceeds from these obligations are used only to fund water and wastewater capital projects or to refund debt issued to fund these capital projects. Principal and interest on these obligations are payable solely from the net revenues of the Water and Wastewater Fund.

Water and Wastewater System Revenue Debt -- Revenue Bond Refunding Issues – In January 2009, the City issued \$175,000,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2009. Proceeds from the bond refunding were used to refund \$172,610,000 of the City’s outstanding commercial paper issued for the water and wastewater utility system. The debt service requirements on the refunding bonds are \$288,270,693, with interest rates ranging from 3% to 5.125%. No change in net cash flows resulted from this transaction, and no accounting gain or loss was recognized on this refunding.

Bond ratings at September 30, 2009, were Aa3 (Moody’s Investor Services, Inc.), AA (Standard & Poor’s), and AA- (Fitch).

Water and Wastewater System Revenue Debt -- Bonds Issued and Outstanding - The following table summarizes all water and wastewater system original and refunding revenue bonds outstanding at September 30, 2009 (in thousands):

Series	Date Issued	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
North Austin MUD #1, 2003 RFD	August 2003	\$ 4,510	915	15 (1)	3.25%	11/15/2009
2000 Refunding	June 2000	100,000	2,200	143 (1)	6.50%	5/15/2010
2001A Refunding	April 2001	152,180	16,640	8,589 (1)	4.50 - 6.00%	11/15/2009-2031 (3)
2001B Refunding	April 2001	73,200	11,295	7,336 (1)	5.13 - 6.00%	5/15/2010-2031
2001C Refunding	November 2001	95,380	21,260	3,233 (1)	4.20 - 5.38%	11/15/2009-2015 (3)
2002A Refunding	July 2002	139,695	71,840	22,339 (1)	4.00 - 5.50%	11/15/2009-2016
2003 Refunding	February 2003	121,500	82,800	52,681 (1)	4.00 - 5.25%	11/15/2009-2028
2004 Refunding	August 2004	132,475	115,375	32,958 (2)	0.40% - 8.37%	5/16/2011-2024
2004A Refunding	September 2004	165,145	156,975	96,212 (1)	5.00%	11/15/2009-2029
2005 Refunding	May 2005	198,485	198,485	106,812 (1)	4.00 - 5.00%	5/15/2012-2030
2005A Refunding	October 2005	142,335	132,080	99,074 (1)	4.00 - 5.00%	11/15/2009-2035 (3)
2006 Refunding	August 2006	63,100	55,445	25,539 (1)	5.00%	11/15/2009-2025
2006A Refunding	November 2006	135,000	132,880	100,005 (1)	3.50 - 5.00%	11/15/2009-2036
2007 Refunding	November 2007	135,000	135,000	118,489 (1)	4.00-5.25%	11/15/2009-2037
2008 Refunding	May 2008	170,605	169,470	74,489 (2)	0.30% - 8.00%	11/15/2009-2031
2009 Refunding	January 2009	175,000	175,000	110,514 (1)	3.00-5.13%	11/15/2011-2029
			<u>\$ 1,477,660</u>			

(1) Interest is paid semiannually on May 15 and November 15.

(2) Interest is paid monthly and is based on a variable rate. Aggregate interest requirement calculated utilizing the rate in effect at the end of the fiscal year.

(3) Series matures on May 15th of the final year

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities, continued

The Series 2004 and 2008 refunding bonds are variable rate demand bonds. The bonds have the following terms (in thousands):

Variable Rate Demand Bonds						
Bond Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding Variable Rate Demand Bonds	Expiration Date
2004	Landesbank Baden-Wurtemberg	0.75%	JP Morgan	0.075%	\$ 115,375	12/29/2015
2008	DEXIA	0.35%	Goldman Sachs	0.050%	169,470	5/15/2011
					\$ 284,845	

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the bonds, the bonds will be purchased by the respective liquidity providers and become bank bonds with principal to be paid in equal semi-annual installments over a 5-year amortization period. Bank bonds bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess interest or the maximum rate.

Water and Wastewater System Revenue Debt -- Pledged Revenues - The net revenue of the Water and Wastewater Fund was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2009 (in thousands):

Gross Revenue (1)	Operating Expense (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 393,771	172,438	221,333	147,107	150.5%

(1) Gross revenue includes revenues from operations and interest income.

(2) Excludes depreciation

Airport -- Revenue Bonds - The City's Airport Fund issues airport system revenue bonds to fund Airport Fund capital projects. Principal and interest on these bonds are payable solely from the net revenues of the Airport Fund. At September 30, 2009, the total airport system obligation for prior lien bonds is \$321,440,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior lien bonds are \$123,405,248 at September 30, 2009. Revenue bonds authorized and unissued amount to \$735,795,000.

The bond rating at September 30, 2009, for the prior lien bonds is A- (Standard & Poor's).

The following table summarizes all airport system original and refunding revenue bonds outstanding at September 30, 2009 (in thousands):

Series	Date Issued	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2003 Refunding	December 2003	\$ 54,250	50,615	17,045 (1)	4.00 - 5.25%	11/15/2009-2018
2008 Remarketing	April 2008	281,300	270,825	106,360 (2)	0.40% - 12.00%	11/15/2009-2025
		\$ 321,440				

(1) Interest is paid semiannually on May 15 and November 15.

(2) Interest is paid monthly and is based on a variable rate. Aggregate interest requirement calculated utilizing the rate in effect at the end of the fiscal year.

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities, continued

The Series 2008 remarketing bonds are variable rate demand bonds. These bonds are separated into 4 subseries with a total principal amount of \$270,825,000. The bonds have the following terms (in thousands):

Variable Rate Demand Bonds						
Bond Sub-Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding Variable Rate Demand Bonds	Expiration Date
2005-1	DEXIA	0.70%	Morgan Stanley	0.10%	\$ 67,675	5/2/2011
2005-2	DEXIA	0.70%	Morgan Stanley	0.10%	67,700	5/2/2011
2005-3	DEXIA	0.70%	Morgan Stanley	0.10%	67,700	5/2/2011
2005-4	DEXIA	0.70%	Morgan Stanley	0.10%	67,750	5/2/2011
					<u>\$ 270,825</u>	

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the bonds, the bonds will be purchased by Dexia and become bank bonds with principal to be paid in annual installments over the remaining life of the bond series. Bank bonds bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess interest or the maximum rate.

Airport Debt -- Variable Rate Revenue Notes - The City is authorized by ordinance to issue airport system variable rate revenue notes. At September 30, 2009, the airport system had outstanding variable rate revenue notes of \$28,000,000. The debt service fund required by the bond ordinance held assets of \$11,833,839 including accrued interest, at September 30, 2009, and was restricted within the airport system. During fiscal year 2009, interest rates on the notes ranged from 0.24% to 2.15%, adjusted weekly at market rates, with the exception of three weeks when rates were 5.89%, 7% and 8.5%; subsequent rate changes cannot exceed the maximum rate of 15%. Subsequent to year-end, the rates have ranged from 0.33% on October 1, 2009 to 0.24% on March 23, 2010. Principal and interest on the notes are payable from the net revenues of the airport system.

The Series 1998 revenue notes are variable rate demand notes. The notes have the following terms (in thousands):

Variable Rate Demand Notes						
Note Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding Variable Rate Demand Notes	Expiration Date
1998	State Street	1.75%	Citi	0.125%	\$ 28,000	2/18/2012
					<u>\$ 28,000</u>	

These notes are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the notes, the notes will be purchased by State Street and become bank notes with principal to be paid in 12 equal, quarterly installments. Bank notes bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess note interest or the maximum rate.

The bond rating at September 30, 2009, for the airport variable rate notes was A- (Standard & Poor's).

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities, continued

Airport Revenue Debt -- Pledged Revenues - The net revenue of the Airport Fund was pledged to service the outstanding principal and interest payments for revenue debt outstanding (including revenue bonds and revenue notes). The table below represents the pledged amounts at September 30, 2009 (in thousands):

	Gross Revenue (1)	Other available funds (2)	Operating Expense (3)	Net Revenue and Other Available Funds	Debt Service Requirement	Revenue Bond Coverage
\$	100,798	7,146	57,296	50,648	35,104	144.3%

(1) Gross revenue includes revenues from operations, passenger facility charges and interest income.

(2) Pursuant to bond ordinance, in addition to gross revenue the Airport is authorized to use "other available funds" in the calculation of revenue bond coverage.

(3) Excludes depreciation

Nonmajor fund:

Convention Center -- Prior and Subordinate Lien Revenue Bonds - The City's Convention Center Fund issues convention center revenue bonds and hotel occupancy tax revenue bonds to fund Convention Center Fund capital projects. Principal and interest on these bonds are payable solely from pledged hotel occupancy tax revenues and the special motor vehicle rental tax revenues. At September 30, 2009, the total convention center obligation for prior and subordinate lien bonds is \$232,230,000, exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior and subordinate lien bonds are \$99,017,537 at September 30, 2009. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2009.

Bond ratings at September 30, 2009, for the revenue bonds were A2 (Moody's Investor Services, Inc.), and A- (Standard & Poor's).

The following table summarizes Convention Center original and refunding revenue bonds outstanding at September 30, 2009 (in thousands):

Series	Date Issued	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
1999A	June 1999	\$ 25,000	22,040	14,879 (1)	5.00 - 5.50%	11/15/2009-2029
1999	November 1999	40,000	900	30 (1)	6.75%	11/15/2009
2004 Refunding	February 2004	52,715	47,290	14,002 (1)	2.75 - 5.00%	11/15/2009-2019
2005 Refunding	May 2005	36,720	36,720	23,554 (1)	3.30 - 5.00%	11/15/2011-2029
2008AB Refunding	August 2008	125,280	125,280	46,552 (2)	0.33% - 8.50%	11/15/2009-2029
			<u>\$ 232,230</u>			

(1) Interest is paid semiannually on May 15 and November 15.

(2) Interest is paid monthly and is based on a variable rate. Aggregate interest requirement calculated utilizing the rate in effect at the end of the fiscal year.

The Series 2008 A and B refunding bonds are variable rate demand bonds. The bonds have the following terms (in thousands):

Variable Rate Demand Bonds						
Bond Sub-Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding Variable Rate Demand Bonds	Expiration Date
2008-A	DEXIA	0.70%	Morgan Keegan	0.060%	\$ 62,640	8/13/2011
2008-B	DEXIA	0.70%	BofA/Merrill Lynch	0.050%	62,640	8/13/2011
					<u>\$ 125,280</u>	

10 – DEBT AND NON-DEBT LIABILITIES, continued
c -- Business-Type Activities Long-Term Liabilities, continued

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the bonds, the bonds will be purchased by Dexia and become bank bonds with principal to be paid in equal semi-annual installments over a 5-year amortization period. Bank bonds bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess interest or the maximum rate.

d -- Debt Service Requirements

Fiscal Year Ended September 30	Governmental Activities (in thousands)					
	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 56,717	38,717	7,314	3,444	5,413	1,043
2011	52,971	36,465	7,712	3,118	4,632	868
2012	48,154	34,022	7,799	2,770	3,125	716
2013	50,048	31,765	3,539	2,424	1,545	624
2014	48,393	29,382	5,066	2,289	1,531	573
2015-2019	255,875	112,201	17,895	8,867	6,334	1,909
2020-2024	192,275	55,036	20,938	4,415	3,965	982
2025-2029	126,620	16,288	8,140	718	1,865	122
	<u>831,053</u>	<u>353,876</u>	<u>78,403</u>	<u>28,045</u>	<u>28,410</u>	<u>6,837</u>
Less: Unamortized bond discounts	(1,083)	--	--	--	--	--
Unamortized gain(loss) on bond refundings	(13,247)	--	--	--	--	--
Add: Unamortized bond premiums	29,018	--	122	--	46	--
Net debt service requirements	<u>845,741</u>	<u>353,876</u>	<u>78,525</u>	<u>28,045</u>	<u>28,456</u>	<u>6,837</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Governmental Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2010	152	--	69,596	43,204
2011	316	--	65,631	40,451	106,082
2012	--	--	59,078	37,508	96,586
2013	--	--	55,132	34,813	89,945
2014	--	--	54,990	32,244	87,234
2015-2019	--	--	280,104	122,977	403,081
2020-2024	--	--	217,178	60,433	277,611
2025-2029	--	--	136,625	17,128	153,753
	<u>468</u>	<u>--</u>	<u>938,334</u>	<u>388,758</u>	<u>1,327,092</u>
Less: Unamortized bond discounts	--	--	(1,083)	--	(1,083)
Unamortized gain(loss) on bond refundings	--	--	(13,247)	--	(13,247)
Add: Unamortized bond premiums	--	--	29,186	--	29,186
Net debt service requirements	<u>\$ 468</u>	<u>--</u>	<u>953,190</u>	<u>388,758</u>	<u>1,341,948</u>

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Electric Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Contractual Obligations		Commercial Paper Notes (1)	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 62	56	152	6	140,956	21
2011	74	53	79	1	--	--
2012	78	49	--	--	--	--
2013	125	46	--	--	--	--
2014	131	39	--	--	--	--
2015-2019	595	101	--	--	--	--
2020-2024	57	3	--	--	--	--
	<u>1,122</u>	<u>347</u>	<u>231</u>	<u>7</u>	<u>140,956</u>	<u>21</u>
Less: Unamortized bond discount	(3)	--	--	--	(249)	--
Unamortized gain(loss) on bond refundings	--	--	--	--	--	--
Add: Unamortized bond premium	67	--	--	--	--	--
Net debt service requirements	<u>1,186</u>	<u>347</u>	<u>231</u>	<u>7</u>	<u>140,707</u>	<u>21</u>

Fiscal Year Ended September 30	Revenue Bonds		Capital Lease Obligations		Total Electric Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2010	65,823	99,276	37	76	207,030	99,435	306,465
2011	75,084	91,679	38	75	75,275	91,808	167,083
2012	75,773	85,434	40	73	75,891	85,556	161,447
2013	100,286	61,516	42	71	100,453	61,633	162,086
2014	123,821	46,576	44	68	123,996	46,683	170,679
2015-2019	244,502	188,909	259	306	245,356	189,316	434,672
2020-2024	204,552	124,935	332	233	204,941	125,171	330,112
2025-2029	186,227	72,628	256	139	186,483	72,767	259,250
2030-2034	114,190	32,291	116	16	114,306	32,307	146,613
2035-2039	73,580	8,197	--	--	73,580	8,197	81,777
	<u>1,263,838</u>	<u>811,441</u>	<u>1,164</u>	<u>1,057</u>	<u>1,407,311</u>	<u>812,873</u>	<u>2,220,184</u>
Less: Unamortized bond discounts	(3,566)	--	--	--	(3,818)	--	(3,818)
Unamortized gain(loss) on bond refundings	(62,056)	--	--	--	(62,056)	--	(62,056)
Add: Unamortized bond premiums	37,924	--	--	--	37,991	--	37,991
Net debt service requirements	<u>\$ 1,236,140</u>	<u>811,441</u>	<u>1,164</u>	<u>1,057</u>	<u>1,379,428</u>	<u>812,873</u>	<u>2,192,301</u>

(1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Water and Wastewater Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Contractual Obligations		Tax Supported Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 594	169	2,910	464	564
2011	569	138	3,189	393	595	319
2012	533	107	3,012	282	627	288
2013	593	79	2,627	182	674	256
2014	165	47	1,909	90	860	217
2015-2019	651	121	1,529	60	3,361	404
2020-2024	126	10	--	--	--	--
	<u>3,231</u>	<u>671</u>	<u>15,176</u>	<u>1,471</u>	<u>6,681</u>	<u>1,831</u>
Less: Unamortized bond discounts	(14)	--	--	--	(31)	--
Unamortized gain(loss) on bond refundings	(1,662)	--	--	--	--	--
Add: Unamortized bond premiums	127	--	136	--	--	--
Net debt service requirements	<u>1,682</u>	<u>671</u>	<u>15,312</u>	<u>1,471</u>	<u>6,650</u>	<u>1,831</u>

Fiscal Year Ended September 30	Commercial Paper Notes (1)		Revenue Bonds (2)		Municipal Utility District Contract Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	199,292	22	54,413	97,546	914
2011	--	--	50,659	93,118	--	--
2012	--	--	63,966	89,851	--	--
2013	--	--	76,916	80,583	--	--
2014	--	--	99,054	66,054	--	--
2015-2019	--	--	395,408	389,988	--	--
2020-2024	--	--	369,976	188,203	--	--
2025-2029	--	--	361,693	97,711	--	--
2030-2034	--	--	161,280	31,374	--	--
2035-2039	--	--	64,370	5,557	--	--
	<u>199,292</u>	<u>22</u>	<u>1,697,735</u>	<u>1,139,985</u>	<u>914</u>	<u>15</u>
Less: Unamortized bond discounts	--	--	(8,675)	--	(1)	--
Unamortized gain(loss) on bond refundings	--	--	(50,188)	--	--	--
Add: Unamortized bond premiums	--	--	43,310	--	1	--
Net debt service requirements	<u>\$ 199,292</u>	<u>22</u>	<u>1,682,182</u>	<u>1,139,985</u>	<u>914</u>	<u>15</u>

(1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

(2) Portions of these bonds are variable rate bonds with rates of 0.30% to 8.37%.

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Water and Wastewater Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	Total Water and Wastewater Debt Service Requirements		
	Principal	Interest	Total
2010	258,687	98,563	357,250
2011	55,012	93,968	148,980
2012	68,138	90,528	158,666
2013	80,810	81,100	161,910
2014	101,988	66,408	168,396
2015-2019	400,949	390,573	791,522
2020-2024	370,102	188,213	558,315
2025-2029	361,693	97,711	459,404
2030-2034	161,280	31,374	192,654
2035-2039	64,370	5,557	69,927
	<u>1,923,029</u>	<u>1,143,995</u>	<u>3,067,024</u>
Less: Unamortized bond discounts	(8,721)	--	(8,721)
Unamortized gain(loss) on bond refundings	(51,850)	--	(51,850)
Add: Unamortized bond premiums	43,574	--	43,574
Net debt service requirements	<u>1,906,032</u>	<u>1,143,995</u>	<u>3,050,027</u>

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Airport Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation		Revenue Notes (1)		Revenue Bonds (2)	
	Bonds		Principal	Interest	Principal	Interest
	Principal	Interest				
2010	\$ 25	14	--	980	12,910	13,150
2011	28	13	--	980	13,515	12,609
2012	30	11	--	980	14,165	12,033
2013	39	10	--	980	14,795	11,466
2014	26	7	--	980	15,610	10,699
2015-2019	115	20	28,000	3,430	92,995	42,407
2020-2024	13	1	--	--	108,975	19,635
2025-2029	--	--	--	--	48,475	1,406
	<u>276</u>	<u>76</u>	<u>28,000</u>	<u>8,330</u>	<u>321,440</u>	<u>123,405</u>
Less: Unamortized bond discounts	(1)	--	--	--	(942)	--
Unamortized gain(loss) on bond refundings	1	--	--	--	(15,504)	--
Add: Unamortized bond premiums	13	--	--	--	2,371	--
Net debt service requirements	<u>289</u>	<u>76</u>	<u>28,000</u>	<u>8,330</u>	<u>307,365</u>	<u>123,405</u>

Fiscal Year Ended September 30	Capital Lease		Total Airport		
	Obligations		Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
2010	486	21	13,421	14,165	27,586
2011	331	4	13,874	13,606	27,480
2012	--	--	14,195	13,024	27,219
2013	--	--	14,834	12,456	27,290
2014	--	--	15,636	11,686	27,322
2015-2019	--	--	121,110	45,857	166,967
2020-2024	--	--	108,988	19,636	128,624
2025-2029	--	--	48,475	1,406	49,881
	<u>817</u>	<u>25</u>	<u>350,533</u>	<u>131,836</u>	<u>482,369</u>
Less: Unamortized bond discounts	--	--	(943)	--	(943)
Unamortized gain(loss) on bond refundings	--	--	(15,503)	--	(15,503)
Add: Unamortized bond premiums	--	--	2,384	--	2,384
Net debt service requirements	<u>\$ 817</u>	<u>25</u>	<u>336,471</u>	<u>131,836</u>	<u>468,307</u>

(1) These are variable rate notes with rates ranging from 0.24% to 8.50%.

(2) Portions of these bonds are variable rate bonds with rates ranging from 0.40% to 8.26%.

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Nonmajor Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,602	908	2,249	1,885	6,814	1,294
2011	1,823	828	2,359	1,820	7,360	1,176
2012	1,727	735	2,476	1,714	7,358	926
2013	1,896	648	1,945	1,601	6,653	681
2014	1,676	552	2,734	1,514	5,460	466
2015-2019	7,964	1,499	10,250	6,106	10,022	562
2020-2024	1,408	97	14,567	3,132	305	5
2025-2029	--	--	2,445	1,041	--	--
2030-2034	--	--	1,335	605	--	--
2035-2039	--	--	1,730	255	--	--
	<u>18,096</u>	<u>5,267</u>	<u>42,090</u>	<u>19,673</u>	<u>43,972</u>	<u>5,110</u>
Less: Unamortized bond discounts	(66)	--	--	--	--	--
Unamortized gain(loss) on bond refundings	(1,120)	--	--	--	--	--
Add: Unamortized bond premiums	1,443	--	787	--	680	--
Net debt service requirements	<u>18,353</u>	<u>5,267</u>	<u>42,877</u>	<u>19,673</u>	<u>44,652</u>	<u>5,110</u>

Fiscal Year Ended September 30	Revenue Bonds (1)		Total Nonmajor Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
2010	8,215	9,114	18,880	13,201	32,081
2011	8,545	8,816	20,087	12,640	32,727
2012	9,450	8,483	21,011	11,858	32,869
2013	10,555	8,077	21,049	11,007	32,056
2014	11,000	7,635	20,870	10,167	31,037
2015-2019	62,380	30,627	90,616	38,794	129,410
2020-2024	52,305	18,202	68,585	21,436	90,021
2025-2029	56,955	7,899	59,400	8,940	68,340
2030-2034	12,825	164	14,160	164	14,324
2035-2039	--	--	1,730	--	1,730
	<u>232,230</u>	<u>99,017</u>	<u>336,388</u>	<u>128,207</u>	<u>464,595</u>
Less: Unamortized bond discounts	(750)	--	(816)	--	(816)
Unamortized gain(loss) on bond refundings	(18,514)	--	(19,634)	--	(19,634)
Add: Unamortized bond premiums	3,689	--	6,599	--	6,599
Net debt service requirements	<u>\$ 216,655</u>	<u>99,017</u>	<u>322,537</u>	<u>128,207</u>	<u>450,744</u>

(1) A portion of these bonds are variable rate bonds with rates ranging from 0.40 to 8.26%.

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 2,283	1,147	2,249	1,885	9,876
2011	2,494	1,032	2,359	1,820	10,628	1,570
2012	2,368	902	2,476	1,714	10,370	1,208
2013	2,653	783	1,945	1,601	9,280	863
2014	1,998	645	2,734	1,514	7,369	556
2015-2019	9,325	1,741	10,250	6,106	11,551	622
2020-2024	1,604	111	14,567	3,132	305	5
2025-2029	--	--	2,445	1,041	--	--
2030-2034	--	--	1,335	605	--	--
2035-2039	--	--	1,730	255	--	--
	<u>22,725</u>	<u>6,361</u>	<u>42,090</u>	<u>19,673</u>	<u>59,379</u>	<u>6,588</u>
Less: Unamortized bond discounts	(84)	--	--	--	--	--
Unamortized gain(loss) on bond refundings	(2,781)	--	--	--	--	--
Add: Unamortized bond premiums	1,650	--	787	--	816	--
Net debt service requirements	<u>21,510</u>	<u>6,361</u>	<u>42,877</u>	<u>19,673</u>	<u>60,195</u>	<u>6,588</u>

Fiscal Year Ended September 30	Tax Supported Debt		Commercial Paper Notes (1)		Revenue Notes (2)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	564	347	340,248	43	--
2011	595	319	--	--	--	980
2012	627	288	--	--	--	980
2013	674	256	--	--	--	980
2014	860	217	--	--	--	980
2015-2019	3,361	404	--	--	28,000	3,430
	<u>6,681</u>	<u>1,831</u>	<u>340,248</u>	<u>43</u>	<u>28,000</u>	<u>8,330</u>
Less: Unamortized bond discounts	(31)	--	(249)	--	--	--
Unamortized gain(loss) on bond refundings	--	--	--	--	--	--
Add: Unamortized bond premiums	--	--	--	--	--	--
Net debt service requirements	<u>\$ 6,650</u>	<u>1,831</u>	<u>339,999</u>	<u>43</u>	<u>28,000</u>	<u>8,330</u>

(1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

(2) These are variable rate notes with rates ranging from 0.24% to 8.50%.

10 – DEBT AND NON-DEBT LIABILITIES, continued
d -- Debt Service Requirements, continued

Fiscal Year Ended September 30	Business-Type Activities (in thousands)					
	Revenue Bonds (3)		Municipal Utility District Contract Revenue Bonds		Capital Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 141,361	219,086	914	15	523	97
2011	147,803	206,222	--	--	369	79
2012	163,354	195,801	--	--	40	73
2013	202,552	161,642	--	--	42	71
2014	249,485	130,964	--	--	44	68
2015-2019	795,285	651,931	--	--	259	306
2020-2024	735,808	350,975	--	--	332	233
2025-2029	653,350	179,644	--	--	256	139
2030-2034	288,295	63,829	--	--	116	16
2035-2039	137,950	13,754	--	--	--	--
	<u>3,515,243</u>	<u>2,173,848</u>	<u>914</u>	<u>15</u>	<u>1,981</u>	<u>1,082</u>
Less: Unamortized bond discounts	(13,933)	--	(1)	--	--	--
Unamortized gain(loss) on bond refundings	(146,262)	--	--	--	--	--
Add: Unamortized bond premiums	87,294	--	1	--	--	--
Net debt service requirements	<u>3,442,342</u>	<u>2,173,848</u>	<u>914</u>	<u>15</u>	<u>1,981</u>	<u>1,082</u>

Fiscal Year Ended September 30	Total Business-Type Activities Debt Service Requirements		
	Principal	Interest	Total
2010	498,018	225,364	723,382
2011	164,248	212,022	376,270
2012	179,235	200,966	380,201
2013	217,146	166,196	383,342
2014	262,490	134,944	397,434
2015-2019	858,031	664,540	1,522,571
2020-2024	752,616	354,456	1,107,072
2025-2029	656,051	180,824	836,875
2030-2034	289,746	63,845	353,591
2035-2039	139,680	13,754	153,434
	<u>4,017,261</u>	<u>2,216,911</u>	<u>6,234,172</u>
Less: Unamortized bond discounts	(14,298)	--	(14,298)
Unamortized gain(loss) on bond refundings	(149,043)	--	(149,043)
Add: Unamortized bond premiums	90,548	--	90,548
Net debt service requirements	<u>\$ 3,944,468</u>	<u>2,216,911</u>	<u>6,161,379</u>

(3) A portion of these bonds are variable rate bonds.

10 – DEBT AND NON-DEBT LIABILITIES, continued
e -- Defeased Debt

Over time, the City has issued refunding bonds to advance refund certain public improvement bonds, certificates of obligation and enterprise revenue bonds. The proceeds of the sale of the refunding bonds were deposited with an escrow agent in an amount necessary to accomplish the discharge and final payment of the refunded obligations. These funds are held by the escrow agent in an escrow fund and used to purchase direct obligations of the United States of America to be held in the escrow fund. The escrow fund is irrevocably pledged to the payment of the principal and interest on the refunded obligations.

On September 30, 2009, defeased bonds remaining unredeemed or unmatured are provided below (in thousands):

<u>Refunded Bonds</u>	<u>Escrow Maturity</u>	<u>Balance 9/30/2009</u>
General Obligation		
Certificates of Obligations, Series 2000	9/1/2010	\$ 3,580
Public Improvement Bonds, Series 2000	9/1/2010	48,745
Certificates of Obligations, Series 2001	9/1/2011	13,685
Public Improvement Bonds, Series 2001	9/1/2011	51,280
Certificates of Obligations, Series 2002	9/1/2012	6,750
Public Improvement Bonds, Series 2002	9/1/2012	13,100
Certificates of Obligations, Series 2004	9/1/2014	1,355
Austin Energy		
Series 2001	11/15/2010	48,500
Series 2003	5/15/2013	18,800
Water and Wastewater		
Series 2000	5/15/2010	87,200
Series 2001A	5/15/2011	118,265
Series 2001B	5/15/2011	53,605
Series 2003	5/15/2013	29,100
Convention Center		
Series 1999	11/15/2009	35,140
		<u>\$ 529,105</u>

11 – CONDUIT DEBT

The City has issued several series of housing and industrial development revenue bonds to provide for low cost housing and for acquisition and construction of industrial and commercial facilities. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Prior to September 30, 1997, the City issued several series of bonds. The aggregate principal amount payable of these bonds could not be determined; however, their original issue amounts totaled \$310.2 million. Subsequent to September 30, 1997, the City has issued \$104.2 million in various series of housing revenue bonds that have an outstanding balance of \$102 million as of September 30, 2009.

Revenue bonds have been issued by various related entities to provide for facilities located at the international airport and convention center. These bonds are special limited obligations payable solely from and secured by a pledge of revenue to be received from agreements between the entities and various third parties. As of September 30, 2009, \$358.3 million in revenue and revenue refunding bonds was outstanding that had an original issue value of \$383 million.

The above bonds do not constitute a debt or pledge of the faith and credit of the City and accordingly have not been reported in the accompanying financial statements.

12 – INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables at September 30, 2009, are as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
		Current	Long-Term
Governmental funds:			
Nonmajor governmental funds	Nonmajor governmental funds	\$ 20,571	--
	Water and Wastewater	--	3,885
	Nonmajor enterprise funds	--	1,553
	Internal service funds	--	123
General Fund	Nonmajor governmental funds	217	--
Internal Service funds:			
Support Services	Nonmajor governmental funds	11	45
Business-type funds:			
Electric	Internal service funds	131	594
	Nonmajor enterprise funds	299	1,940
	Nonmajor governmental funds	--	138
Water and Wastewater (restricted)	Internal service funds	27	27
Airport (restricted)	Nonmajor governmental funds	--	117
Nonmajor enterprise funds	Nonmajor governmental funds	--	111
	Nonmajor enterprise funds	794	--
		<u>\$ 22,050</u>	<u>8,533</u>

Interfund receivables and payables reflect loans between funds. Of the above current amount, \$9.5 million is an interfund loan from the Fiscal Surety Fund, a special revenue fund, to other special revenue funds (primarily grant funds) to cover deficit pooled investments and cash. The above current amount also includes \$11.1 million in interfund loans between capital project funds to cover deficit pooled investments and cash.

Interfund transfers during fiscal year 2009 were as follows (in thousands):

Transfers Out	Transfers In			
	General Fund	Nonmajor Governmental	Nonmajor Proprietary	Total
General Fund	\$ --	10,973	9,725	20,698
Nonmajor governmental funds	--	29,651	35,896	65,547
Electric	95,000	--	--	95,000
Water and Wastewater	26,505	4,101	--	30,606
Airport	--	--	--	--
Nonmajor proprietary funds	431	2,270	--	2,701
Internal service funds	--	6,319	--	6,319
Total transfers out	<u>\$ 121,936</u>	<u>53,314</u>	<u>45,621</u>	<u>220,871</u>

Interfund transfers are authorized through City Council approval. Significant transfers include the electric and water and wastewater transfers to the General Fund, which are comparable to a return on investment to owners, and the transfer of hotel occupancy and vehicle rental tax collections from the Hotel-Motel Occupancy Tax and the Vehicle Rental Tax funds to other nonmajor governmental funds and the Convention Center Fund.

13 – LITIGATION

A number of claims against the City are pending with respect to various matters arising in the normal course of the City's operations. Legal counsel and city management are of the opinion that settlement of these claims and pending litigation will not have a material effect on the City's financial statements. The City has accrued liabilities in the Liability Reserve Fund for claims payable at September 30, 2009. These liabilities include amounts for lawsuits settled subsequent to year-end, which are reported in the government-wide statement of net assets.

14 – COMMITMENTS AND CONTINGENCIES

a -- Fayette Power Project

Austin Energy's coal-fired electric generating units are located at the Fayette Power Project (FPP) and operate pursuant to a participation agreement with LCRA. Austin Energy has an undivided 50 percent interest in Units 1 and 2, and LCRA wholly owns Unit 3. A management committee of four members governs FPP; each participant administratively appoints two members. As managing partner, LCRA is responsible for the operation of the project and appoints project management.

The Clean Air Act and other regulations require all existing coal plants to reduce the levels of sulfur dioxide (SO₂) and nitrogen oxide (NO_x) by 2012. As a result, FPP is in the process of installing scrubbers on Units 1 and 2. It is estimated that the project cost will be in the range of \$225 million for Austin Energy's share. The design phase was completed in February 2006. Procurement of equipment and phase II engineering and construction are currently underway. Project completion is scheduled for late 2011.

Austin Energy's investment is financed with City funds, and its pro-rata share of operations is recorded as if wholly owned. Austin Energy's pro-rata interest in FPP was \$183.5 million as of September 30, 2009. The increase in the pro-rata interest from 2008 is primarily due to the scrubbers. The pro-rata interest in the FPP is calculated pursuant to the participation agreement and is reported in various asset and liability accounts within the City's financial statements. The original cost of Austin Energy's share of FPP's generation and transmission facilities is recorded in the utility plant accounts of the City in accordance with its accounting policies. Each participant issued its own debt to finance its portion of construction costs. The City's portion was primarily financed through utility revenue bonds. In addition, each participant has the obligation to finance its portion of any operating and capital costs, as well as its deficits.

b -- South Texas Project

Austin Energy is one of three participants in the South Texas Project (STP), which consists of two 1,250-megawatt nuclear generating units in Matagorda County, Texas. The other participants in the STP are NRG South Texas LP and City Public Service of San Antonio. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. Austin Energy's 16 percent ownership in the STP represents 400 megawatts of plant capacity. At September 30, 2009, Austin Energy's investment in the STP was approximately \$488 million, net of accumulated depreciation.

Effective November 17, 1997, the participation agreement among the owners of STP was amended and restated, and the STP Nuclear Operating Company (STPNOC), a Texas non-profit non-member corporation created by the participants, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STPNOC. Each participant is responsible for its STP funding. The City's portion is financed through operations, revenue bonds, or commercial paper, which are repaid by the Electric Fund (see Note 10). In addition, each participant has the obligation to finance any deficits that may occur.

Each participant appoints one member to the board of directors of STPNOC, as well as one other member to the management committee. A member of the management committee may serve on the board of directors in the absence of a board member. The City's portion of STP is classified as plant in service, construction in progress, and nuclear fuel inventory. Nuclear fuel includes fuel in the reactor as well as nuclear fuel in process.

NRG South Texas LP has applied for an expansion at STP to include Units 3 and 4 at the STP site. While it is unknown whether this application for expansion will be approved, Austin Energy recommended and City Council resolved not to participate in the expansion as currently proposed.

c -- South Texas Project Decommissioning

STP is subject to regulation by the Nuclear Regulatory Commission (NRC). The NRC requires that each holder of a nuclear plant-operating license submit a certificate of financial assurance to the NRC for plant decommissioning every two years or upon transfer of ownership. The certificate provides reasonable assurance that sufficient funds are being accumulated to provide the minimum requirement for decommissioning mandated by the NRC. At September 30, 2009, Austin Energy funded its share of the estimated decommissioning liability as follows:

	<u>2009</u>	
Estimated cost to decommission STP	\$ 220,765,000	Latest site specific study in 2007 dollars
Decommissioning trust assets	156,332,088	Market value of assets as of 9/30/2009

14 – COMMITMENTS AND CONTINGENCIES, continued
c -- South Texas Project Decommissioning, continued

Austin Energy and other STP participants have provided the required information to the NRC and have collected decommissioning funds through rates since 1989. Austin Energy established an external irrevocable trust for collecting sufficient funds for its share of the estimated decommissioning costs. For fiscal year 2009, Austin Energy collected \$4,957,967 for decommissioning requirements.

d -- Energy Risk Management Program

In an effort to mitigate the financial and market risk associated with the purchase of natural gas and energy price volatility, Austin Energy has established a Risk Management Program. This program was authorized by the Austin City Council and is led by the Risk Oversight Committee. Under this program, Austin Energy enters into futures contracts, options, and swaps for the purpose of reducing exposure to natural gas and energy price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts may be settled in cash or delivery of certain commodities. Austin Energy typically settles these contracts in cash.

Austin Energy has entered into brokerage agreements with the following organizations to execute the exchange-traded instruments for Austin Energy's risk management activities:

<u>Brokerage</u>	<u>Credit Rating</u>
Citigroup Global Market Holding Inc.	A
Man Group	BBB

Austin Energy follows GASB Technical Bulletin No 2003-1, Disclosure Requirement for Derivatives Not Reported at Fair Value on The Statement of Net Assets. The following information is provided regarding Austin Energy's outstanding financial hedge instruments as of September 30, 2009:

Fuel Derivative Transactions as of September 30, 2009

<u>Type of Transaction</u>	<u>Maturity Dates</u>	<u>Volumes in MMBTU*</u>	<u>Fair Market Value Gain/ (Loss)</u>
OTC Call Options	Nov 2009 - Oct 2013	11,052,500	\$ 8,879,973
OTC Put Options	Nov 2009 - Oct 2013	34,135,000	(39,240,687)
Futures	April 2012 - Oct 2013	840,000	(1,818,485)
Options	April 2013 - Oct 2013	0	(1,565,897)
OTC Swaps	Nov 2009 - Oct 2012	28,375,000	(17,477,220)
Basis Swaps	Oct 2009 - Dec 2013	12,090,000	3,543,088
OTC Swaptions	April 2011 - Oct 2011	3,210,000	(2,891,859)
*Volumes are presented net of long and short positions			<u>\$ (50,571,087)</u>

The realized gains and losses related to these transactions are netted to fuel expense in the period realized. Premiums paid for options are deferred until the contract is executed. As of September 30, 2009, \$17,257,650 was deferred. As of September 30, 2009, Austin Energy's futures, options, swaptions, and swaps, valued at mark-to-market, net to a loss of \$50,571,087.

The fair value of futures, swaps, and basis swap contracts is determined using the New York Mercantile Exchange (NYMEX) closing settlement prices as of the last day of the reporting period. The fair value is calculated by deriving the difference between the closing futures price on the last day of the reporting period and purchase price at the time the positions were established.

Futures contracts represent a firm obligation to buy or sell the underlying asset. If held to expiration, the contract holder must take delivery or deliver the underlying asset at the established contract price.

14 – COMMITMENTS AND CONTINGENCIES, continued
d -- Energy Risk Management Program, continued

The options and future contracts traded on New York Mercantile Exchange expose Austin Energy to a minimal amount of credit risk. In the event of default or nonperformance by brokers or the exchange, the operations of Austin Energy will not be materially affected. However, Austin Energy does not expect the brokerages to fail to meet their obligations given their high credit rating and the strict and deep credit requirements upheld by the New York Mercantile Exchange of which these brokerage houses are members. Termination risk for exchange-traded instruments is greatly reduced by the strict rules and guidelines set up by the exchange, which is governed by the Commodity Futures Trade Commission.

The fair value of the options are calculated using the Black/Scholes valuation method where the inputs are implied volatility based on the NYMEX closing settlement prices of the options as of the last day of the reporting period, risk free interest rate, time to maturity and the NYMEX closing settlement price of the underlier as of the last day of the reporting period.

The over-the-counter agreements expose Austin Energy to credit, termination, and non-performance risk. However, Austin Energy does not expect the counterparties to fail to meet their obligations given their high credit rating, minimum of A- by S&P. Austin Energy's exposure to termination and non-performance risk is minimal due to the high credit rating of the counterparties, and the contractual provisions under the ISDA (International Swaps and Derivatives Association) agreement applied to these contracts.

e -- Purchased Power

Austin Energy has commitments totaling \$3.3 billion to purchase energy and capacity through purchase power agreements. This amount includes provisions for wind power through 2027, landfill power through 2020, biomass through 2027, and capacity and other power through 2010.

f -- Derivative Instruments

Swap for the Water & Wastewater System

Objective of the swap. In order to lower its borrowing costs, on July 2, 2004, the City entered into a swap in connection with its Series 2004 Water and Wastewater System Variable Rate Revenue Refunding Bonds (the "Series 2004 Bonds"). The variable rate bonds were issued to advance refund various outstanding Combined Utility System Revenue Refunding Bonds. The swap was used to hedge the interest rate on the variable rate refunding bonds to a fixed rate and the synthetic fixed rate refunding produces a lower expected interest rate cost to the City.

In connection with the issuance of \$170,605,000 Water and Wastewater System Variable Rate Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"), the City has entered into an interest rate swap transaction under an agreement to enable the City to substantially fix its interest obligation on the debt represented by the Series 2008 Bonds.

Terms, fair values, and credit risk. The terms, including the counterparty credit ratings of the outstanding swaps, as of September 30, 2009, are included below. The City's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds. The Series 2004 Bonds were issued with an initial principal amount of \$132,475,000. The Series 2008 Bonds were issued with an initial principal amount of \$170,605,000. The swaps were structured to match the likely principal amortization structures and dates of the Series 2004 Bonds and Series 2008 Bonds, respectively. The counterparties to the swaps are JPMorgan Chase Bank (JPM) and Goldman Sachs Capital Markets, L.P. (GSCM). The table below contains a summary of the terms and fair value of the swaps.

Related Bonds	Maturity	Counterparty	CP Rating by Moody's/S&P/Fitch	Variable Rate Received	Fixed Rate Paid	Market Value
Water & Wastewater Revenue Refunding Bonds, Series 2004	May 15, 2024	JPM	Aa1/AA-/AA-	68% of 1-month LIBOR	3.657%	\$ (12,107,746)
Water & Wastewater Revenue Refunding Bonds, Series 2008	May 15, 2031	GSCM	Aa3/A/A+	SIFMA Swap Index	3.600%	\$ (10,212,546)

The combination of variable rate bonds and floating-to-fixed swaps creates synthetic fixed-rate debt for the City. The transaction allowed the City to create a synthetic fixed rate on the bonds in advance of issuance, protecting the City against potential increases in long-term interest rates.

14 – COMMITMENTS AND CONTINGENCIES, continued
f -- Derivative Instruments, continued

Fair value. The swap with JPM had a negative fair value as of September 30, 2009 of \$12,107,746. The swap with GSCM had a negative fair value as of September 30, 2009 of \$10,212,546. The fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

Credit risk. As of September 30, 2009, the City was not exposed to credit risk on its outstanding swap with JPM because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the swap's fair value. If interest rates decline and the fair value of the swap were to remain negative, the City would not be exposed to credit risk. The current credit ratings of JPM are Aa1/AA-/AA- by Moody's/Standard & Poor's/Fitch respectively. The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

The swap agreement with JPM contains a collateral agreement with the counterparty. The swap requires collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds in the agreement. The City purchased swap insurance to mitigate the need to post collateral as long as the insurer, Financial Security Assurance, maintains a credit rating above A2/A by Moody's/S&P.

As of September 30, 2009, the City was not exposed to credit risk in the amount of the swap's fair value on its outstanding swap with GSCM because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the swap's fair value. If interest rates decline and the fair value of the swap were to remain negative, the City would not be exposed to credit risk. The current credit ratings of GSCM are Aa3/A/A+ by Moody's/Standard & Poor's/Fitch respectively. The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

The swap agreement with GSCM contains a collateral agreement with the counterparty. The swap requires collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds in the agreement.

Basis risk. Basis risk is the risk that the interest rate paid by the City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The City bears basis risk on its swap with JPM. The Swap has basis risk since the City receives a percentage of LIBOR to offset the actual variable bond rate the City pays on its bonds. The City is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

The City does not bear basis risk on its swap with GSCM.

Tax risk. Tax risk is a specific type of basis risk. Tax risk is a permanent mismatch between the interest rate paid on the City's underlying variable-rate bonds and the rate received on the swap caused by a reduction or elimination in the benefits of the tax exemption for municipal bonds, e.g. a tax cut that results in an increase in the ratio of tax-exempt to taxable yields. The City is receiving 68% of LIBOR (a taxable index) on the swap and would experience a shortfall relative to the rate paid on its bonds if marginal income tax rates decrease relative to expected levels, thus increasing the overall cost of its synthetic fixed rate debt.

The City does not bear tax risk on its swap with GSCM.

Termination risk. The City or the counterparties may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If any of the swaps are terminated, the associated variable-rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value. The additional termination events in the agreement are limited to credit related events only and the ratings triggers are substantially below the current credit rating of the City. Additionally, the City purchased swap insurance on the JPM swap to further reduce the possibility of termination risk.

14 – COMMITMENTS AND CONTINGENCIES, continued
f -- Derivative Instruments, continued

Swap payments and associated debt. As of September 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (as rates vary, variable-rate bond interest payments and net swap payments will vary):

Fiscal Year Ended September 30	Water and Wastewater Variable-Rate Bonds (in thousands)		Interest Rate Swaps, Net	Total Interest
	Principal	Interest		
	2010	\$ 2,595	512	9,719
2011	6,965	505	9,504	10,009
2012	13,285	487	9,157	9,644
2013	12,905	462	8,699	9,161
2014	34,695	422	7,915	8,337
2015-2019	77,360	1,352	28,013	29,365
2020-2024	65,155	786	19,229	20,015
2025-2029	44,375	291	9,230	9,521
2030-2031	27,510	35	1,129	1,164
Total	\$ 284,845	4,852	102,595	107,447

The variable interest component was calculated utilizing the rate in effect at the end of the fiscal year.

Swap for the Airport System

Objective of the swap. In order to lower its borrowing costs, on July 2, 2004 the City entered into an interest rate swap in connection with its Series 2005 Airport System Subordinate Lien Revenue Refunding Bonds (the "Series 2005 Bonds"). The variable rate bonds were issued to forward refund various outstanding bonds of the airport. The swap was used to hedge the interest rate on the variable rate refunding bonds to a fixed rate and the synthetic fixed rate refunding produces a lower expected interest rate cost to the City.

Terms, fair values, and credit risk. The terms, including the counterparty credit ratings of the outstanding swaps, as of September 30, 2009, are included below. The City's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds. The Series 2005 Bonds were issued in August 2005 with a principal amount of \$306,225,000. The swap was structured to match the likely principal amortization structure and dates of the Series 2005 Bonds. The counterparty to the swap is Morgan Stanley Capital Services, Inc ("Morgan Stanley") with a guarantee from Morgan Stanley. The table below contains a summary of the terms and fair value of the swap.

Related Bonds	Maturity	Counterparty	CP Rating by Moody's/S&P/Fitch	Variable Rate Received	Fixed Rate Paid	Market Value
Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Nov 15, 2025	Morgan Stanley	A2/A/A	71% of 1-month LIBOR	4.051%	\$(36,193,043)

The combination of variable rate bonds and a floating-to-fixed swap creates synthetic fixed-rate debt for the City. The transaction allowed the City to create a synthetic fixed rate on the bonds in advance of issuance, protecting the City against potential increases in long-term interest rates.

Fair value. The swap had a negative fair value as of September 30, 2009 of \$36,193,043. This fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

14 – COMMITMENTS AND CONTINGENCIES, continued
f -- Derivative Instruments, continued

Credit risk. As of September 30, 2009, the City was not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, should interest rates change and the fair values of the swaps become positive, the City would be exposed to credit risk in the amount of the swap's fair value. If interest rates decline and the fair value of the swap were to remain negative, the City would not be exposed to credit risk. The current credit ratings of Morgan Stanley are A2/A/A by Moody's/Standard & Poor's/Fitch respectively. The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

The swap agreement contains a collateral agreement with the counterparty. The swap requires collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds in the agreement. The City purchased swap insurance to mitigate the need to post collateral as long as the insurer, Financial Security Assurance, maintains a credit rating above A2/A by Moody's/S&P.

Basis risk. Basis risk is the risk that the interest rate paid by the City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The City bears basis risk on its swap. The Swap has basis risk since the City receives a percentage of LIBOR to offset the actual variable bond rate the City pays on its bonds. The City is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

Tax risk. Tax risk is a specific type of basis risk. Tax risk is a permanent mismatch between the interest rate paid on the City's underlying variable-rate bonds and the rate received on the swap caused by a reduction or elimination in the benefits of the tax exemption for municipal bonds, e.g. a tax cut that results in an increase in the ratio of tax-exempt to taxable yields. The City is receiving 71% of LIBOR (a taxable index) on the swap and would experience a shortfall relative to the rate paid on its bonds if marginal income tax rates decrease relative to expected levels, thus increasing the overall cost of its synthetic fixed rate debt.

Termination risk. The City or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If any of the swaps are terminated, the associated variable-rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value. The additional termination events in the agreement are limited to non-issuance of the Series 2005 Bonds and credit related events only and the ratings triggers are substantially below the current credit rating of the City. Additionally, the City purchased swap insurance to further reduce the possibility of termination risk.

Swap payments and associated debt. As of September 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (as rates vary, variable-rate bond interest payments and net swap payments will vary):

Fiscal Year Ended September 30	Airport Variable-Rate Bonds (in thousands)		Interest Rate Swaps, Net	Total Interest
	Principal	Interest		
	2010	\$ 10,975		
2011	11,500	755	9,403	10,158
2012	12,050	719	8,955	9,674
2013	6,125	697	8,679	9,376
2014	15,350	656	8,176	8,832
2015-2019	57,375	2,725	33,947	36,672
2020-2024	108,975	1,460	18,187	19,647
2025	48,475	105	1,307	1,412
Total	\$ 270,825	7,906	98,484	106,390

The variable interest component was calculated utilizing the rate in effect at the end of the fiscal year.

14 – COMMITMENTS AND CONTINGENCIES, continued
f -- Derivative Instruments, continued

Swaps for the Hotel Occupancy Tax

Objective of the swap. In connection with the issuance of \$125,280,000 Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008 (the "Bonds"), the City has entered into an interest rate swap transaction under an agreement to enable the City to substantially fix its interest obligation on the debt represented by the Bonds.

Terms, fair values, and credit risk. The terms, including the counterparty credit ratings of the outstanding swap, as of September 30, 2009, are included below. The City's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds. The swap was structured to match the likely principal amortization structure and dates of the Bonds. The counterparty to the swap is Morgan Keegan Financial Products (MKFP).

Related Bonds	Maturity	Counterparty	CP Rating by Moody's/S&P/Fitch	Variable Rate Received	Fixed Rate Paid	Market Value
Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	Nov 15, 2029	MKFP	Aa1/A+/AA-	SIFMA to 11/15/09; 67% of 1-Mo USD- LIBOR thereafter	3.2505%	\$ (10,580,511)

The combination of variable rate bonds and a floating-to-fixed swap creates synthetic fixed-rate debt for the City. The transaction allowed the City to create a synthetic fixed rate on the Bonds in advance of issuance, protecting the City against potential increases in long-term interest rates.

Fair value. The swap had a negative fair value as of September 30, 2009 of \$10,580,511. This fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

Credit risk. As of September 30, 2009, the City was not exposed to credit risk on the swap because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the City would be exposed to credit risk in the amount of the swap's fair value. However, if interest rates decline and the fair value of the swap were to remain negative, the City would not be exposed to credit risk. The current credit ratings of MKFP are Aa1/A+/AA- by Moody's/Standard & Poor's/Fitch respectively. The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

The swap agreement contains a collateral agreement. The credit support provider of MKFP is Deutsche Bank AG, New York Branch ("DBAG"). The swap requires collateralization of the fair value of the swap should DBAG's credit rating fall below the applicable thresholds in the agreement.

Basis risk. Basis risk is the risk that the interest rate paid by the City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The City bears no basis risk until November 15, 2009. Afterward, the swap has basis risk since the City receives a percentage of LIBOR to offset the actual variable bond rate the City pays on its bonds. The City is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

14 – COMMITMENTS AND CONTINGENCIES, continued
f -- Derivative Instruments, continued

Tax risk. Tax risk is a specific type of basis risk. Tax risk is a permanent mismatch between the interest rate paid on the City's underlying variable-rate bonds and the rate received on the swap caused by a reduction or elimination in the benefits of the tax exemption for municipal bonds, e.g. a tax cut that results in an increase in the ratio of tax-exempt to taxable yields. The City bears tax risk only after November 15, 2009. The City is receiving 67% of LIBOR (a taxable index) on the swap and would experience a shortfall relative to the rate paid on its bonds if marginal income tax rates decrease relative to expected levels, thus increasing the overall cost of its synthetic fixed rate debt.

Termination risk. The City or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If any of the swaps are terminated, the associated variable-rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value. The additional termination events in the agreement are limited to credit related events only and the ratings triggers are substantially below the current credit rating of the City.

Swap payments and associated debt. As of September 30, 2009, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows (as rates vary, variable-rate bond interest payments and net swap payments will vary):

Fiscal Year Ended September 30	Convention Center Variable-Rate Bonds (in thousands)		Interest Rate Swaps, Net	Total Interest
	Principal	Interest		
	2010	\$ 3,325		
2011	4,425	189	3,655	3,844
2012	4,570	182	3,515	3,697
2013	4,720	174	3,370	3,544
2014	4,875	167	3,219	3,386
2015-2019	26,725	708	13,683	14,391
2020-2024	31,350	474	9,159	9,633
2025-2029	37,060	198	3,833	4,031
2030-2033	8,230	2	43	45
Total	\$ 125,280	2,290	44,263	46,553

The variable interest component was calculated utilizing the rate in effect at the end of the fiscal year.

g -- Federal and State Financial Assistance Programs

The City participates in a number of federally assisted and state grant programs, financed primarily by the U.S. Housing and Urban Development (HUD) Department, U.S. Health and Human Services (HHS) Department, and U.S. Department of Transportation (DOT). The City's programs are subject to program compliance audits by the granting agencies. Management believes that no material liability will arise from any such audits.

h -- Arbitrage Rebate Payable

The City's arbitrage consultant has determined that the City has earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations. The City will be required to rebate the excess amounts to the federal government. The estimated amounts payable at September 30, 2009, was \$29 thousand for governmental activities. There is no estimated amount payable for business-type activities.

14 – COMMITMENTS AND CONTINGENCIES, continued
i -- Capital Improvement Plan

As required by charter, the City has a *Capital Improvements Program* plan (capital budget) covering a five-year period which details anticipated spending for projects in the upcoming and future years. The City's 2009 Capital Budget has substantial contractual commitments relating to its capital improvement plan.

The key projects in progress include improvements to and development of the electric system, water and wastewater systems, airport, urban growth management activities, parks system, and transportation infrastructure. Remaining commitments represent current unspent budget and future costs required to complete projects.

Project	(in thousands)	Spent-to-Date	Remaining Commitment
Governmental activities:			
General government		\$ 65,589	23,950
Public safety		13,204	8,118
Transportation		220,667	68,245
Public health		13,207	11,471
Public recreation and culture		201,841	140,040
Urban growth management		101,305	51,757
Business-type activities:			
Electric		2,325,310	302,386
Water		973,805	904,489
Wastewater		1,001,724	697,419
Airport		175,023	478,275
Convention		42,081	(4,965)
Environmental and health services		51,372	22,630
Urban growth management		249,452	289,419
Total		<u>\$ 5,434,580</u>	<u>2,993,234</u>

j -- Landfill Closure and Postclosure Liability

State and federal regulations require the City to place a final cover on the City of Austin landfill site (located on FM 812) when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, a portion of these future closure and postclosure care costs are reported as an operating expense in each period as incurred in the Solid Waste Services Fund, a nonmajor enterprise fund. The amount of costs reported is based on landfill capacity as of the City's fiscal year-end. The \$18.2 million reported as accrued landfill closure and postclosure costs at September 30, 2009, represents the cumulative amount reported to date based on the use of 99% of the estimated capacity of the landfill. The Solid Waste Services Fund will recognize the remaining estimated cost of closure and postclosure care of \$177 thousand as the remaining estimated capacity is filled over the next year. Closure occurred in October 2009. The total estimated costs of \$18.2 million include costs of closure of \$10.5 million to be spent in the first year of closure and postclosure costs over the subsequent thirty years of \$7.7 million. These amounts are based on current cost estimates to perform closure and postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. State and federal laws require owners to demonstrate financial assurance for closure, postclosure, and/or corrective action. The City complies with the financial and public notice components of the local government financial test and government-guarantee of the test.

14 – COMMITMENTS AND CONTINGENCIES, continued
k -- Risk-Related Contingencies

The City uses internal service funds to account for risks related to health benefits, third-party liability, and workers' compensation. The funds are as follows:

<u>Fund name</u>	<u>Description</u>
Employee Benefits	City employees and retirees may choose a self-insured PPO or HMO for health coverage. Approximately 30% of city employees and 43% of retirees use the HMO option; approximately 70% of city employees and 57% of retirees use the PPO. Costs are charged to city funds through a charge per employee per pay period.
Liability Reserve	This self-insured program includes losses and claims related to liability for bodily injury, property damage, professional liability and certain employment liability. Premiums are charged to other city funds each year based on historical costs.
Workers' Compensation	Premium charges for this self-insured program are assessed to other funds each year based on historical costs.

The City purchases stop-loss insurance for the City's PPO and HMO. This stop-loss insurance covers individual claims that exceed \$500,000 per calendar year, up to a maximum of \$2 million. In fiscal year 2009, five claims exceeded the stop-loss limit of \$500,000; during fiscal years 2008, 2007, and 2006, no claims exceeded the stop-loss limit of \$500,000. City coverage is limited to \$2 million in lifetime benefits. The City does not purchase stop-loss insurance for workers' compensation claims.

The City is self-insured for much of its risk exposure; however, the City purchases commercial insurance coverage for loss or damage to real property, theft and other criminal acts committed by employees, and third party liability associated with the airport, owned aircraft, and electric utility operations. There have been no claims settlements in excess of the purchased insurance coverage for the last three years. The City also purchases insurance coverage through a program that provides workers' compensation, employer's liability and third party liability coverage to contractors working on designated capital improvement project sites.

Liabilities are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The City utilizes actuarial information and historical claim settlement trends to determine the claim liabilities for the Employee Benefits Fund and Workers' Compensation Fund. Claims liabilities for the Liability Reserve Fund are calculated based on an estimate of outstanding claims, which may differ from the actual amounts paid. Possible losses are estimated to range from \$30.2 to \$47.6 million. The City contributes amounts to an internal service fund based on an estimate of anticipated costs for claims each year.

Changes in the balances of claims liability are as follows (in thousands):

	<u>Employee Benefits</u>		<u>Liability Reserve</u>		<u>Workers' Compensation</u>	
	2009	2008	2009	2008	2009	2008
Liability balances, beginning of year	\$ 4,796	4,382	7,848	5,646	13,818	12,193
Claims and changes in estimates	9,807	4,658	2,784	3,727	3,391	5,303
Claim payments	(5,343)	(4,244)	(3,667)	(1,525)	(3,157)	(3,678)
Liability balances, end of year	<u>\$ 9,260</u>	<u>4,796</u>	<u>6,965</u>	<u>7,848</u>	<u>14,052</u>	<u>13,818</u>

The Liability Reserve Fund claims liability balance at fiscal year end includes liabilities of \$5.0 million discounted at 4.45% in 2009 and \$4.9 million discounted at 5.40% in 2008.

14 – COMMITMENTS AND CONTINGENCIES, continued

l -- Decommissioning and Environmental/Pollution Remediation Contingencies

Austin Energy may incur costs for decommissioning and environmental/pollution remediation of certain sites including the Holly, Fayette and Seaholm Power Plants. The financial statements include a liability of approximately \$23 million at September 30, 2009. This amount includes the cost to decommission Holly as well as the remediation of the contaminated sites. Austin Energy anticipates payment of these costs in 2010 and future years.

The EPA issued an administrative order to Austin Water on April 29, 1999, which requires the utility to perform a series of activities designed to result in an improved wastewater collection system free from sanitary sewer overflows. These activities include Infiltration/Inflow studies, sanitary sewer evaluation studies, as well as subsequent design and construction of necessary improvements to the wastewater collection system to eliminate overflows by June 30, 2009. On May 4, 2009, the EPA notified the City that the requirements of the Administrative Order had been substantially satisfied and that the Administrative Order was officially closed. Construction costs were approximately \$413 million.

Austin Water closed the Green Water Treatment Plant (GWTP) on September 23, 2008. The estimated decommissioning cost to close the GWTP is \$9.6 million. The financial statements include a liability of approximately \$5.1 million at September 30, 2009. Plant decommissioning is estimated to be completed in September 2010.

The Airport Fund may also incur costs for environmental/pollution remediation of certain sites and has recorded an estimated liability of \$26,766 as of September 30, 2009.

m -- Redevelopment of Robert Mueller Municipal Airport

In December 2004, City Council approved a master development agreement with Catellus Development Group (Catellus) to develop approximately 700 acres at the former site of the City's municipal airport near downtown Austin. Both the City and Catellus have numerous obligations under the agreement. Catellus will develop and market the property. The City will issue debt to fund infrastructure such as streets, drainage facilities, public parks, and greenways, which will be supported by taxes generated from this development. Construction of additional water and wastewater infrastructure to enhance utility services to this site is mostly complete.

In August 2005, Catellus filed a site plan for the regional retail portion of the property. This action triggered a requirement that the City or the Mueller Local Government Corporation (MLGC), created by the City for this development, issue debt to be supported by the estimated sales tax revenue generated from the retail property. Debt was issued in the amount of \$12 million by the MLGC in September 2006. Proceeds of the debt have been used to reimburse the developer for eligible infrastructure such as streets, drainage, and parks. Debt service payments will be funded through an economic development grant from the City of Austin, and supported by sales tax proceeds from the development.

In the northwest quadrant, 40 employers provide more than 3,000 jobs at Mueller including the Dell Children's Hospital which opened in 2007. In 2009 the 156,000 sq. ft. Seton Family of Hospitals headquarters and the 150,000 sq. ft. University of Texas' Dell Pediatric Research Institute were completed.

The first phase of Mueller's regional retail center opened in 2007, followed in 2008 by a second phase, bringing the total to more than 350,000 sq. ft. The center currently includes 30 stores open or under construction.

From the start of home sales in 2007, the community has been well received. As of September 30, 2009, approximately 590 single-family homes were either complete or under construction. In addition 441 apartment units were complete. Catellus is currently working on the third phase of single-family residential lots targeted for completion in 2011.

n -- Other Commitments and Contingencies

The City is committed under various leases for building and office space, tracts of land and rights-of-way, and certain equipment. These leases are considered operating leases for accounting purposes. Lease expense for the year ended September 30, 2009, was \$22.7 million. The City expects these leases to be replaced with similar leases in the ordinary course of business. Future minimum lease payments for these leases will remain approximately the same.

14 – COMMITMENTS AND CONTINGENCIES, continued
n -- Other Commitments and Contingencies

The City has entered into certain lease agreements to finance equipment for both governmental and business-type activities. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments at their inception date. Refer to Note 10 for the debt service requirements on these leases.

The following summarizes capital assets recorded at September 30, 2009, under capital lease obligations (in thousands):

Capital Assets	Governmental Activities	Business-type Activities		
		Electric	Airport	Total
Building and improvements	\$ --	1,405	--	1,405
Equipment	908	--	2,320	2,320
Accumulated depreciation	(886)	(246)	(1,289)	(1,535)
Net capital assets	\$ 22	1,159	1,031	2,190

15 – OTHER POST-EMPLOYMENT BENEFITS

In addition to the contributions made to the three pension systems, the City provides certain other post-employment benefits to its retirees. Other post-employment benefits include access to medical, dental and vision insurance for the retiree and the retiree's family and \$1,000 of life insurance on the retiree only. All retirees who are eligible to receive pension benefits under any of the City's three pension systems are eligible for other post-employment benefits. Retirees may also enroll eligible dependents under the medical, dental, and vision plan(s) in which they participate.

The City is under no obligation to pay any portion of the cost of other post-employment benefits for retirees or their dependents. Allocation of city funds to pay other post-employment benefits is determined on an annual basis by the City Council as part of the budget approval process on a pay-as-you-go basis.

The City recognizes the cost of providing these benefits as an expense and corresponding revenue in the Employee Benefits Fund, no separate plan report is available. The City pays actual claims for medical and 100% of the retiree's life insurance premium. Group dental and vision coverage is available to retirees and their eligible dependents. The retiree pays the full cost of the dental and vision premium.

Medical, dental, vision and life insurance expenses are reported in the Employee Benefits Fund. The estimated pay-as-you-go cost of providing medical and life benefits for 3,115 retirees was \$19.6 million in 2009 and \$21 million in 2008 for 2,956 retirees.

Annual Other Post Employment Benefits (OPEB) Cost and Net OPEB (Obligation) Asset

The annual OPEB cost associated with the City's retiree benefits for the fiscal year ended September 30, 2009, is as follows (in thousands):

	OPEB
Annual required contribution	\$ 108,574
Interest on net OPEB obligation	3,500
Adjustment to annual required contribution	(4,867)
Annual OPEB cost	107,207
Contributions made	(19,563)
Change in net OPEB obligation	87,644
Beginning net OPEB obligation	87,507
Net OPEB obligation	\$ 175,151

15 – OTHER POST-EMPLOYMENT BENEFITS, continued

Schedule of Funding Progress (in thousands):

Year Ended September 30	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
2009	\$ --	1,035,766	1,035,766	0.0%	648,031	159.8%

(1) UAAL – Unfunded Actuarial Accrued Liability (Excess)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the preceding year are as follows (in thousands):

Year Ended September 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 108,574	19%	87,507
2009	107,207	18%	175,150

The actuarial cost method and significant assumptions underlying the actuarial calculation are as follows:

	OPEB
Actuarial Valuation Date	October 1, 2006
Actuarial Cost Method	Projected Unit Credit
Amortization method	Level Dollar Open
Remaining Amortization Period	30 years
Inflation Rate	N/A
Salary Increase	None
Payroll Increase	None
Assumed Rate of Return on Investments	4.0%
Health Care Cost Trend Rate	10% in 2007, decreasing 1% per year for five years to an ultimate trend of 5% in 2012

16 – SUBSEQUENT EVENTS

a -- Mueller Local Government Corporation Tax Increment Contract Revenue Bonds

In October 2009, the City issued \$15,000,000 of Mueller Local Government Corporation Tax Increment Contract Revenue Bonds, Series 2009. The Mueller Local Government Corporation is a not-for-profit local government corporation acting on behalf of the City of Austin, Texas. Proceeds from the issue will be used to provide funds for certain public infrastructure improvements within the Reinvestment Zone Number Sixteen, City of Austin, Texas, a tax increment reinvestment zone created by the City. The debt service requirements on the bonds are \$22,221,066, with interest rates ranging from 2.5% to 4.25%. Interest payments are due March 1 and September 1 of each year from 2010 to 2029. Principal payments are due September 1 of each year from 2010 to 2029.

16 – SUBSEQUENT EVENTS, continued

b – Water and Wastewater System Revenue Bond Refunding Issue

In November 2009, the City issued \$166,575,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2009A. Proceeds from the bond refunding were used to refund \$166,000,000 of the City's outstanding commercial paper issued for the water and wastewater utility system. The debt service requirements on the refunding bonds are \$317,854,463, with interest rates ranging from 4% to 5%. Interest payments are due May 15 and November 15 of each year from 2010 to 2039. Principal payments are due November 15 of each year from 2011 to 2039. No change in net cash flows resulted from this transaction, and no accounting gain or loss was recognized on this refunding.

c – Water and Wastewater System Revenue Bonds, Series 2010

In January 2010, the City delivered \$31,815,000 of Water and Wastewater System Revenue Bonds, Series 2010 as a private placement with the Texas Water Development Board. This zero-interest issuance is part of the American Recovery and Reinvestment Act. Proceeds from the issuance will be used for green infrastructure improvements at the Hornsby Bend Biosolids Management Plant. Total debt service requirements on the bonds are \$31,815,000. Principal payments are due November 15 of each year from 2012 to 2041.

d – Northwest Austin Municipal Utility District Number One

In February 2010, the City Council voted to approve the abolishment of the Northwest Austin Municipal Utility District Number One (the District). The City had the authority to abolish the District under Section 43.074 as the District was created from an area that, at the time of the District's creation, was located wholly within the municipal boundaries of the City of Austin.

Upon abolition of the District, the City assumed all of the assets and liabilities of the District, including the District's debt service for utility bonds. The services that have been furnished and the functions that have been performed by the District will be furnished and performed by the City. The infrastructure for the water and wastewater systems are already City owned assets. The book value of the District's additional assets assumed is approximately \$3.1 million.

\$110,000 of Northwest Austin MUD No. 1 Unlimited Tax Bonds, Series 2001 were assumed. The debt service requirements on the bonds are \$128,565, with interest rates ranging from 4.5% to 5.15%. Principal and interest payments are due March 1 and September 1 of each year from 2010 to 2016.

\$2,215,000 of Northwest Austin MUD No. 1 Unlimited Tax Refunding Bonds, Series 2004 were assumed. The debt service requirements on the bonds are \$2,761,594, with interest rates ranging from 3.125% to 4.3%. Principal and interest payments are due March 1 and September 1 of each year from 2010 to 2020.

\$7,677,403 of Northwest Austin MUD No. 1 Unlimited Tax Refunding and Improvement Bonds, Series 2006 were assumed. The debt service requirements on the bonds are \$12,140,683, with interest rates ranging from 4% to 4.25%. Principal and interest payments are due March 1 and September 1 of each year from 2010 to 2026.

\$2,760,000 of Northwest Austin MUD No. 1 Unlimited Tax Refunding Bonds, Series 2009 were assumed. The debt service requirements on the bonds are \$3,202,400, with interest rates ranging from 3% to 4.25%. Principal and interest payments are due March 1 and September 1 of each year from 2010 to 2018.

e – Combined Utility System Revenue Bond Retirement Reserve Account

In January 2010, the City established a City of Austin Combined Utility Reserve Account with a transfer of \$44 million from Austin Energy operating funds to satisfy its bond ordinance requirements. As allowed by the bond ordinance provision for the Bond Retirement Reserve Fund, the City had previously funded the required reserve with an insurance policy issued by an insurance company rated in the highest rating category by the rating agencies. As a result of the financial market distress in late 2008 and 2009, the credit rating of the insurance company holding the City's policy fell below the highest rating required by the bond ordinance. As of February 2009, there were no insurance companies with the required rating; therefore, the City had twelve months to remedy the provision of the bond ordinance by funding a cash reserve. The required reserve of \$44 million is based on the average annual debt service and will decline as the bonds are paid off.

Of the \$44 million, approximately \$19 million is allocated to Austin Energy and \$25 million is allocated to Austin Water Utility based on their portion of the outstanding combined utility system revenue bonds. Austin Energy funded the entire reserve and an interfund payable from Austin Water Utility to Austin Energy was created for Austin Water Utility's portion.



**REQUIRED SUPPLEMENTARY
INFORMATION**



**General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances--Budget and Actual-Budget Basis
For the year ended September 30, 2009
(In thousands)**

**City of Austin, Texas
RSI**

	2009					
	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Taxes	\$ 356,064	--	356,064	376,295	376,295	(20,231)
Franchise fees	33,276	--	33,276	33,834	33,834	(558)
Fines, forfeitures and penalties	19,100	--	19,100	18,901	18,901	199
Licenses, permits and inspections	20,531	(6)	20,525	24,471	24,471	(3,946)
Charges for services/goods	33,655	93	33,748	33,287	33,287	461
Interest and other	10,456	(1,427)	9,029	11,539	11,539	(2,510)
Total revenues	473,082	(1,340)	471,742	498,327	498,327	(26,585)
EXPENDITURES						
General government						
Municipal Court	11,966	32	11,998	11,895	11,895	(103)
Public safety						
Police	229,559	(1,184)	228,375	233,981	239,079	10,704
Fire	117,601	79	117,680	121,339	121,339	3,659
Emergency Medical Services	42,646	96	42,742	44,135	44,601	1,859
Public Safety & Emergency Mgmt	(288)	397	109	6,843	110	1
Transportation, planning and sustainability						
Transportation, Planning and Sustainability	365	--	365	325	325	(40)
Public health:						
Health	37,133	(283)	36,850	40,043	40,043	3,193
Public recreation and culture						
Parks and Recreation	35,532	(248)	35,284	35,866	36,972	1,688
Austin Public Library	24,456	(179)	24,277	24,911	24,911	634
Urban growth management						
Neighborhood Planning and Zoning	5,571	(820)	4,751	5,453	5,453	702
Development Services and						
Watershed Protection	14,111	454	14,565	16,058	16,058	1,493
General city responsibilities (4)	52,197	(41,048)	11,149	15,384	14,918	3,769
Total expenditures	570,849	(42,704)	528,145	556,233	555,704	27,559
Excess (deficiency) of revenues over expenditures	(97,767)	41,364	(56,403)	(57,906)	(57,377)	974
OTHER FINANCING SOURCES (USES)						
Transfers in	121,936	1,200	123,136	122,705	122,705	431
Transfers out	(20,698)	(42,599)	(63,297)	(75,254)	(75,783)	12,486
Total other financing sources (uses)	101,238	(41,399)	59,839	47,451	46,922	12,917
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,471	(35)	3,436	(10,455)	(10,455)	13,891
Fund balance at beginning of year	88,690	(7,525)	81,165	60,403	57,449	23,716
Fund balance at end of year	\$ 92,161	(7,560)	84,601	49,948	46,994	37,607

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences, and amounts budgeted as operating transfers.
(2) Includes adjustments to revenues/transfers required for adjusted budget basis presentation.
(3) Variance is actual-budget basis to final budget.
(4) Actual expenditures include employee training costs and amounts budgeted as fund-level expenditures or operating transfers. Actual-budget basis expenditures include employee training costs, budgeted payroll accrual, and amounts budgeted as fund-level expenditures.

1 – BUDGET BASIS REPORTING

a -- General

The City of Austin prepares its annual operating budget based on the modified accrual basis. Encumbrances constitute the equivalent of expenditures for budgetary purposes. In order to provide a meaningful comparison of actual results to the budget, the Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual-Budget Basis for the General Fund presents the actual and actual-budget basis amounts in comparison with original and final budgets.

The General Fund budget includes other revenues and requirements, which are presented in the general city responsibilities category. The expenditure budget for these general city requirements includes the following: tuition reimbursement (\$255,000), accrued payroll (\$2,500,000), expenditures for workers' compensation (\$3,311,703), liability reserve (\$1,590,000), and public safety (\$2,472,208).

b -- Reconciliation of GAAP Basis and Budget Basis Amounts

The primary differences between GAAP-basis and budget-basis reporting for the General Fund are the reporting of encumbrances and the reporting of certain transfers. General Fund accrued payroll is recorded at the department level on a GAAP basis and as an expenditure in the general city responsibilities activity on the budget basis. Adjustments necessary to convert the excess revenues and other sources over expenditures and other uses on a GAAP basis to a budget basis for the General Fund are provided, as follows (in thousands):

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ 3,471
Adjustments - increases (decreases) due to:	
Unbudgeted revenues	185
Net compensated absences accrual	172
Outstanding encumbrances established in current year	(2,034)
Payments against prior year encumbrances	2,326
Other	(684)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	<u>\$ 3,436</u>

c -- Budget Amendments

The original expenditure budget of the General Fund was amended during fiscal year 2009 to reallocate public safety costs due to the elimination of the Public Safety and Emergency Management department. Total General Fund budgeted requirements were unchanged as a result of the elimination of the Public Safety and Emergency Management department. The original and final budget is presented in the accompanying financial statements.

RETIREMENT PLANS-TREND INFORMATION

Information pertaining to the latest actuarial valuation for each plan is as follows (in thousands):

Valuation Date, December 31st	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
City Employees						
2006	\$1,497,800	\$1,974,000	\$476,200	75.9%	\$391,000	121.8%
2007	1,653,500	2,112,800	459,300	78.3%	417,451	110.0%
2008	1,481,377	2,246,903	765,526	65.9%	448,740	170.6%
Police Officers						
2006	417,284	576,125	158,841	72.4%	100,090	158.7%
2007	482,303	637,560	155,257	75.6%	111,809	138.9%
2008	464,230	693,202	228,972	67.0%	122,735	186.6%
Fire Fighters (2)						
2003	421,136	452,669	31,533	93.0%	55,939	56.4%
2005	493,567	580,054	86,487	85.1%	65,885	131.3%
2007	584,420	586,802	2,382	99.6%	76,556	3.1%

(1) UAAL – Unfunded Actuarial Accrued Liability (Excess)

(2) The actuarial study for the Fire Fighters’ plan is performed biannually.

Information on where to obtain financial statements and supplementary information for each plan can be found in Footnote 8.

OTHER POST EMPLOYMENT BENEFITS-TREND INFORMATION

Under GASB Statement No. 45, the City is required to have an actuarial valuation of its other post employment benefits program every other year. The Schedule of Funding Progress for other post employment benefits is as follows (in thousands):

Fiscal Year Ended Sept. 30	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
2008	October 1, 2006	\$ --	\$ 1,035,766	\$ 1,035,766	0.0%	\$ 618,214	167.5%
2009	October 1, 2006	--	1,035,766	1,035,766	0.0%	629,822	164.5%



**COMBINING FINANCIAL
STATEMENTS AND
SUPPLEMENTAL
INFORMATION**



GENERAL FUND

General Fund
Schedule of Revenues - Budget and Actual-Budget Basis
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-1

	2009				
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Taxes					
Property taxes:					
Current	\$ 208,422	--	208,422	207,462	960
Delinquent	1,133	--	1,133	1,000	133
Penalty and interest	1,063	--	1,063	900	163
Sales taxes	139,795	--	139,795	160,848	(21,053)
Other taxes	5,651	--	5,651	6,085	(434)
Total taxes	356,064	--	356,064	376,295	(20,231)
Franchise fees	33,276	--	33,276	33,834	(558)
Fines, forfeitures, and penalties					
Library fines	520	--	520	636	(116)
Traffic fines	10,508	--	10,508	8,921	1,587
Parking violations	2,563	--	2,563	2,640	(77)
Other	5,509	--	5,509	6,704	(1,195)
Total fines, forfeitures, and penalties	19,100	--	19,100	18,901	199
Licenses, permits, and inspections					
Alarm permits	2,098	(1)	2,097	1,988	109
Commercial solid waste	799	--	799	837	(38)
Public health	2,610	--	2,610	2,328	282
Development	3,561	(5)	3,556	5,542	(1,986)
Building safety	10,807	--	10,807	13,078	(2,271)
Beer and wine permits	340	--	340	282	58
Other	316	--	316	416	(100)
Total licenses, permits, and inspections	20,531	(6)	20,525	24,471	(3,946)
Charges for services/goods					
Recreation and culture	3,299	70	3,369	2,766	603
Public health	4,953	(4)	4,949	5,308	(359)
Emergency medical services	23,499	28	23,527	23,191	336
General government	1,904	(1)	1,903	2,022	(119)
Total charges for services/goods	33,655	93	33,748	33,287	461
Interest and other					
Interest	5,264	--	5,264	8,001	(2,737)
Rental income	1,335	64	1,399	1,636	(237)
Sale of property	870	--	870	600	270
Other	2,987	(1,491)	1,496	1,302	194
Total interest and other	10,456	(1,427)	9,029	11,539	(2,510)
Total revenues	\$ 473,082	(1,340)	471,742	498,327	(26,585)

(1) Adjustments and actual-budget basis include amounts budgeted as fund-level revenues.

**General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
For the year ended September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit E-2**

	2009				
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
General government					
Municipal Court:					
Salaries and fringe benefits	\$ 9,267	(9)	9,258	9,604	346
Contractual services	2,667	44	2,711	2,213	(498)
Commodities	123	(3)	120	143	23
Expense refunds	(120)	--	(120)	(94)	26
Capital outlay	29	--	29	29	--
Total general government	11,966	32	11,998	11,895	(103)
Public safety					
Police:					
Salaries and fringe benefits	220,348	(1,288)	219,060	224,131	5,071
Contractual services	18,763	(21)	18,742	20,573	1,831
Commodities	2,153	(3)	2,150	3,221	1,071
Expense refunds	(12,195)	(101)	(12,296)	(9,553)	2,743
Capital outlay	490	229	719	707	(12)
	229,559	(1,184)	228,375	239,079	10,704
Fire:					
Salaries and fringe benefits	115,165	(184)	114,981	117,927	2,946
Contractual services	6,525	116	6,641	7,226	585
Commodities	1,621	147	1,768	1,754	(14)
Indirect cost	296	--	296	287	(9)
Expense refunds	(6,084)	--	(6,084)	(5,934)	150
Capital outlay	78	--	78	79	1
	117,601	79	117,680	121,339	3,659
Emergency Medical Services:					
Salaries and fringe benefits	37,296	(62)	37,234	38,102	868
Contractual services	3,608	24	3,632	4,356	724
Commodities	2,015	127	2,142	2,452	310
Expense refunds	(333)	(2)	(335)	(389)	(54)
Capital outlay	60	9	69	80	11
	42,646	96	42,742	44,601	1,859
Public Safety & Emerg Mgmt:					
Salaries and fringe benefits	(326)	421	95	--	(95)
Contractual services	15	(1)	14	110	96
Commodities	10	--	10	--	(10)
Expense refunds	13	(23)	(10)	--	10
	(288)	397	109	110	1
Total public safety	\$ 389,518	(612)	388,906	405,129	16,223

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-2

(Continued)

	2009				
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Transportation, planning, and sustainability					
Transportation, Planning, and Sustainability:					
Contractual services	\$ 366	--	366	325	(41)
Expense refunds	(1)	--	(1)	--	1
Total transportation, planning, and sustainability	365	--	365	325	(40)
Public health					
Salaries and fringe benefits	19,321	103	19,424	19,915	491
Contractual services	17,469	(330)	17,139	19,464	2,325
Commodities	1,306	(15)	1,291	1,221	(70)
Expense refunds	(1,058)	--	(1,058)	(613)	445
Capital outlay	95	(41)	54	56	2
Total public health	37,133	(283)	36,850	40,043	3,193
Public recreation and culture					
Parks and Recreation:					
Salaries and fringe benefits	28,709	(91)	28,618	28,538	(80)
Contractual services	9,322	164	9,486	9,160	(326)
Commodities	1,856	(34)	1,822	2,201	379
Indirect cost	590	--	590	314	(276)
Expense refunds	(5,089)	(204)	(5,293)	(3,302)	1,991
Capital outlay	144	(83)	61	61	--
	35,532	(248)	35,284	36,972	1,688
Austin Public Library:					
Salaries and fringe benefits	19,175	(65)	19,110	19,704	594
Contractual services	2,887	32	2,919	2,891	(28)
Commodities	2,275	(28)	2,247	2,398	151
Expense refunds	--	--	--	(92)	(92)
Capital outlay	119	(118)	1	10	9
	24,456	(179)	24,277	24,911	634
Total public recreation and culture	\$ 59,988	(427)	59,561	61,883	2,322

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-2

(Continued)

	2009				
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Urban growth management					
Neighborhood Planning & Zoning:					
Salaries and fringe benefits	\$ 6,383	(797)	5,586	5,974	388
Contractual services	875	(23)	852	1,099	247
Commodities	29	--	29	49	20
Expense refunds	(1,716)	--	(1,716)	(1,669)	47
	<u>5,571</u>	<u>(820)</u>	<u>4,751</u>	<u>5,453</u>	<u>702</u>
Development Services and Watershed Protection:					
Salaries and fringe benefits	13,208	548	13,756	14,959	1,203
Contractual services	1,963	37	2,000	2,524	524
Commodities	121	1	122	252	130
Expense refunds	(1,322)	--	(1,322)	(1,686)	(364)
Capital outlay	141	(132)	9	9	--
	<u>14,111</u>	<u>454</u>	<u>14,565</u>	<u>16,058</u>	<u>1,493</u>
Total urban growth management	<u>19,682</u>	<u>(366)</u>	<u>19,316</u>	<u>21,511</u>	<u>2,195</u>
General city responsibilities (2)	<u>52,197</u>	<u>(41,048)</u>	<u>11,149</u>	<u>14,918</u>	<u>3,769</u>
Total expenditures	<u>570,849</u>	<u>(42,704)</u>	<u>528,145</u>	<u>555,704</u>	<u>27,559</u>
General fund expenditures					
Salaries	468,546	(1,424)	467,122	478,854	11,732
Contractuals	64,460	42	64,502	69,941	5,439
Commodities	11,509	192	11,701	13,691	1,990
Indirect cost	886	--	886	601	(285)
Expense refunds	(27,905)	(330)	(28,235)	(23,332)	4,903
Capital outlay	1,156	(136)	1,020	1,031	11
General city responsibilities	52,197	(41,048)	11,149	14,918	3,769
Total expenditures	<u>\$ 570,849</u>	<u>(42,704)</u>	<u>528,145</u>	<u>555,704</u>	<u>27,559</u>

- (1) Includes adjustments for current year encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences and amounts budgeted as operating transfers or fund-level expenditures.
- (2) Actual expenditures include employee training costs and amounts budgeted as fund-level expenditures or operating transfers. Actual-budget basis expenditures include employee training costs, budgeted payroll accrual, and amounts budgeted as fund-level expenditures.

General Fund
Schedule of Transfers - Budget and Actual-Budget Basis
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-3

	2009				
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Transfers in					
Enterprise funds:					
Electric	\$ 95,000	--	95,000	95,000	--
Water and Wastewater	26,505	1,200	27,705	27,705	--
Primary Care	431	--	431	--	431
Total transfers in	121,936	1,200	123,136	122,705	431
Transfers out					
General fund:					
Contingency reserve	--	221	221	221	--
Special revenue funds:					
Neighborhood Housing and Conservation	2,185	--	2,185	2,588	403
Barton Springs Conservation	45	--	45	45	--
Housing Trust	203	--	203	203	--
Tax Increment Finance	100	--	100	100	--
Economic Incentive	7,781	--	7,781	7,536	(245)
Capital project funds	659	--	659	659	--
Enterprise funds:					
Electric	--	2,100	2,100	2,100	--
Drainage	299	--	299	299	--
Softball	186	--	186	186	--
Solid Waste Services	831	--	831	831	--
Transportation	8,409	--	8,409	8,572	163
Internal service funds:					
Capital Projects Management	--	1,250	1,250	1,250	--
CTECC	--	6,215	6,215	7,015	800
Fleet Maintenance	--	6,000	6,000	6,000	--
Information Systems	--	7,035	7,035	11,181	4,146
Support Services	--	18,922	18,922	25,691	6,769
Wireless Communication	--	856	856	1,306	450
Total transfers out	20,698	42,599	63,297	75,783	12,486
Net transfers	\$ 101,238	(41,399)	59,839	46,922	12,917

(1) Includes adjustments to actual transfers required for adjusted budget basis presentation.





**NONMAJOR GOVERNMENTAL
FUNDS**



**Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit E-4**

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash	\$ 5	--	--	--	5
Pooled investments and cash	101,016	139	262,696	1,907	365,758
Investments, at fair value	--	18,734	--	--	18,734
Cash held by trustee-restricted	1,767	--	--	--	1,767
Property taxes receivable	--	4,857	--	--	4,857
Less allowance for uncollectible taxes	--	(1,436)	--	--	(1,436)
Net property taxes receivable	--	3,421	--	--	3,421
Accounts and other receivables	14,790	--	7,207	--	21,997
Less allowance for doubtful accounts	(247)	--	(6,008)	--	(6,255)
Net accounts receivable	14,543	--	1,199	--	15,742
Receivables from other governments	13,522	--	--	--	13,522
Notes receivable, net of allowance	10,699	--	--	--	10,699
Due from other funds	9,519	--	11,052	--	20,571
Advances to other funds	--	5,561	--	--	5,561
Real property held for resale	5,671	--	--	--	5,671
Prepaid expenses	438	--	--	--	438
Other assets	1,130	--	116	--	1,246
Total assets	158,310	27,855	275,063	1,907	463,135
LIABILITIES AND FUND BALANCES					
Accounts payable	12,085	--	9,472	48	21,605
Accrued payroll	145	--	--	--	145
Due to other funds	9,519	228	11,052	--	20,799
Deferred revenue	5,890	3,266	--	--	9,156
Advances from other funds	--	411	--	--	411
Deposits and other liabilities	50,866	--	427	--	51,293
Total liabilities	78,505	3,905	20,951	48	103,409
Fund balances					
Reserved:					
Encumbrances	6,612	--	85,784	--	92,396
Inventories and prepaid items	438	--	--	--	438
Notes receivable	10,699	--	--	--	10,699
Advances receivable	--	5,561	--	--	5,561
Real property held for resale	5,671	--	--	--	5,671
Debt service	--	18,389	--	--	18,389
Permanent funds	--	--	--	1,040	1,040
Unreserved, undesignated:					
Special revenue	56,385	--	--	--	56,385
Unreserved, undesignated:					
Capital projects	--	--	168,328	--	168,328
Permanent funds	--	--	--	819	819
Total fund balances	79,805	23,950	254,112	1,859	359,726
Total liabilities and fund balances	\$ 158,310	27,855	275,063	1,907	463,135

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-5

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Property taxes	\$ 686	96,988	--	--	97,674
Franchise fees and other taxes	46,256	--	--	--	46,256
Fines, forfeitures and penalties	6,280	--	--	--	6,280
Charges for services/goods	51,250	--	--	--	51,250
Intergovernmental	55,878	--	6,924	--	62,802
Property owners' participation and contributions	902	--	11,259	--	12,161
Interest and other	6,659	7,644	6,364	64	20,731
Total revenues	167,911	104,632	24,547	64	297,154
EXPENDITURES					
Current:					
General government	6,382	--	--	--	6,382
Public safety	5,563	--	--	--	5,563
Transportation, planning, and sustainability	6,781	--	--	--	6,781
Public health	33,264	--	--	--	33,264
Public recreation and culture	13,427	--	--	89	13,516
Urban growth management	85,287	--	--	--	85,287
Debt service:					
Principal	450	69,359	--	--	69,809
Interest	532	41,638	--	--	42,170
Fees and commissions	--	8	--	--	8
Capital outlay	--	--	96,342	--	96,342
Total expenditures	151,686	111,005	96,342	89	359,122
Excess (deficiency) of revenues over expenditures	16,225	(6,373)	(71,795)	(25)	(61,968)
OTHER FINANCING SOURCES (USES)					
Issuance of tax supported debt	--	--	191,310	--	191,310
Bond premiums	--	--	1,897	--	1,897
Transfers in	30,758	5,830	16,726	--	53,314
Transfers out	(53,295)	--	(12,252)	--	(65,547)
Total other financing sources (uses)	(22,537)	5,830	197,681	--	180,974
Net change in fund balances	(6,312)	(543)	125,886	(25)	119,006
Fund balances at beginning of year	86,117	24,493	128,226	1,884	240,720
Fund balances at end of year	\$ 79,805	23,950	254,112	1,859	359,726



SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Included in the special revenue funds are:

- Federal, State, and other special revenue grant funds;
- Other special revenue funds - see below for descriptions of the individual funds;
- Housing Assistance fund - provides housing assistance to the citizens of Austin.

General Government

Municipal Court:

Municipal Court Building Security Fund - Provides funding to enhance courthouse security.

Municipal Court Juvenile Case Manager Fund - Accounts for the collection of fees associated with fine only misdemeanor charges.

Municipal Court Technology Fund - Provides funding for technological enhancements to Municipal Court operations.

Public Safety

Police:

APD Incident Management Fund - Accounts for funds from Capital Metro to the Austin Police Dept. to establish a traffic command center within the APD.

Auto Theft Interdiction Fund - Accounts for funds seized related to current auto theft investigations.

Aviation Asset Forfeiture Fund - Accounts for the redistribution of proceeds generated by airport police enforcement activities.

Police Benefit Fund - Accounts for donations received for the benefit and improvement of the Police Department.

Police Federal Dept. of Treasury Asset Forfeiture Fund - Records all federal seized funds generated by police enforcement activities per State Code of Criminal Procedures (Chapter 59).

Police State Contraband Asset Forfeiture Fund - Accounts for the redistribution of proceeds generated by police enforcement activities.

Texas State Forfeiture Gambling Fund - Account for proceeds from the sale of property forfeited through the courts under the Texas Code of Criminal Procedure—Article 18.18; Disposition of Gambling Paraphernalia.

Municipal Court Traffic Safety Fund – Collection of fees associated with red light camera program penalties.

Fire:

Fire Miscellaneous Fund - Accounts for contributions for "The Firehouse," a public safety awareness exhibit, which is transported to different sites throughout Austin.

Emergency Medical Services:

EMS Travis County Reimbursed Fund - Accounts for expenses incurred in providing for expanded emergency medical services to the citizens of Travis County located outside the City of Austin and the corresponding reimbursements from Travis County.

Transportation, Planning and Sustainability

Public Works and Transportation:

Fiscal Surety - Land Development Fund - Escrow funds received from contractors for hydromulch and erosion control.

Office of Emergency Management Miscellaneous Fund - Accounts for contributions for public safety awareness.

Recycle Bins Fund - Accounts for donations from citizens and businesses to help defray cost of purchasing recycle bins/containers.

RMD Conservation Fund - Monies contributed by the Electric Fund to be used for energy loans and rebates/incentives to customers.

RMD Loan Fund - Accounts for energy loans to customers.

Transportation, Planning, and Sustainability:

Austin Transportation Study Fund - Accounts for a transportation study regarding the Austin Metropolitan roadways, bicycle areas, and pedestrian walkways.

Child Safety Fund - Accounts for certain fines and fees used to provide school crossing guards at City schools.

Environmental Remediation Fund - Accounts for remediation of sites affecting ground and surface water quality or public health and safety.

Pavement Life Recovery Fund - Collection of fees associated with pavement life recovery costs.

Railroad Right of Way Fund - Accounts for the City's management of the Austin and Northwestern Railroad right of way.

Subdivision Participation Fund - Escrow account for funds received from contractors for construction and installation of streets, sidewalks, drainage facilities, etc.

Public Health

Health and Human Services:

CCSD Operations-Travis County Hospital District Fund - Accounts for expenses incurred by the City on behalf of Travis County for Health and Human Services and Community Care programs.

Disproportionate Share Fund - Used to purchase medical equipment and fund structural changes for the clinic system of the Austin/Travis County Health Department in order to serve indigent patients.

Health and Human Services Travis County Reimbursed Fund - Accounts for expenses incurred by the City on behalf of Travis County and the corresponding reimbursement from Travis County for Health and Human Services.

Health Miscellaneous Fund - Accounts for contributions for Strategic Intervention for High Risk Youth.

Medicaid Administrative Claims Fund - Holds additional Medicaid proceeds.

Other Public Health:

Animal Services Fund - Accounts for donations to fund animal services activities.

Animal Shelter Building Fund - Accounts for donations to improve the Town Lake Animal Shelter.

Public Recreation and Culture

Austin Public Library:

Austin History Center Fund - Accounts for contributions to be used for the Austin-Travis County Collection.

Friends of Austin Public Library Fund - Accounts for proceeds of book sales.

Special Library Trust Fund - Accounts for donations received to purchase books or special equipment.

Parks and Recreation:

Adaptive Programs Fund - Accounts for various revenues and fees generated by programs and activities sponsored by the Parks and Recreation Dept.

Austin Creeks and Trails Fund - Accounts for donations received for the upkeep of Austin's creeks and trails.

Balcones Canyonlands Fund - Accounts for an endowment to be used for long-term monitoring and management of the Bohls tract.

Friends of East Austin Youth Fund - Accounts for donations from the Friends of East Austin Youth Golf Tournament to fund programs benefiting the youth of East Austin.

PARD Cultural Projects Fund - Records activities for cultural project purposes. Funded by a portion of the hotel occupancy tax.

PARD Miscellaneous Fund - Accounts for miscellaneous deposits and revenues to be used for specified purposes.

PARD Police Asset Forfeiture Fund - Accounts for the redistribution of proceeds generated by PARD police enforcement activities.

Planting for the Future Fund - Accounts for donations received for plantings in the City of Austin.

Republic Square Fund - Accounts for donations for the improvement and beautification of Republic Square.

Rifle Class Fund - Accounts for fee revenue received from individuals for instruction, materials, and supplies for rifle classes.

Senior Nutrition Fund - Accounts for donations received at various senior citizen luncheon sites around the City.

Summer Musical Fund - Accounts for funds for the annual summer musical production that is administered by the Parks and Recreation Department.

Teen Activity Fund - Accounts for contributions received to provide leisure activities for teenagers.

Tennis League Fund - Accounts for tournament fees received from participants of Austin Tennis League activities and tournaments.

Town Lake Beautification Fund - Accounts for donations for the beautification of Town Lake.

Urban Growth Management

Neighborhood Housing & Community Development:

Housing Miscellaneous Fund - Accounts for donations to the Housing program to be used for specific purposes.

Housing Trust Social Equity Fund - Accounts for housing funds set aside for SMART Housing initiative.

Neighborhood Housing and Conservation Fund - Established in 1996 to lead economic development, affordable housing, and neighborhood revitalization efforts.

UNO Housing Trust Fund - The fund was created to provide rental housing development assistance to development within the University Neighborhood Overlay.

Development Services and Watershed Protection:

Austin Industrial Development Corporation Fund (AIDC) - Accounts for the administrative costs related to the Corporation.

Austin Inner City Redevelopment Corporation Fund - Accounts for the activity of this entity.

East Sixth Street Public Improvement District Fund - Accounts for the E Sixth Street public improvement district, which will provide services, security, and improvements for the E Sixth Street area.

Energy Conservation Rebates and Incentives Fund - Used for energy loans and rebates/incentives to customers; funded primarily by Electric Fund.

Fee Waiver Fund - Accounts for funds provided to allow for payment of fees waived by Council through City Ordinance.

Performance Contracting Fund - Accounts for the energy conservation measures that reduce energy consumption.

Planning, Environmental Conservation Services Fund - Accounts for energy and water conservation services and environmental protection activities; funding provided by transfers from General, Electric, Water and Wastewater and other funds.

Public Improvement District Fund - Accounts for the downtown public improvement district, which will provide services, security, and improvements for the downtown Austin area.

Urban Forest Replenishment Fund - Assists in planting replacement trees, saving blocks of natural areas, providing a maintenance program for trees to be retained, requiring special construction techniques, and/or transplanting existing trees

Other:

Austin Clean Water Program Fund - Accounts for improvements to the wastewater collections system to eliminate system overflows in accordance with the EPA administrative order.

Barton Springs Conservation Fund - Accounts for habitat conservation in Barton Springs.

Block 21 Austin Children's Museum Fund - Accounts for proceeds from the sale of Block 21.

Block 21 Sales Proceeds Fund - Accounts for proceeds from the sale of Block 21.

Business Retention and Enhancement Fund - Accounts for funds to retain and enhance downtown businesses.

Cable TV Fund - Accounts for payments from cable companies and disbursements to Austin Access Television.

City Hall Fund - Accounts for revenue and operating expenses related to City Hall's retail leases and underground parking garage.

City Hall Retail Tenant Improvement Fund - Accounts for revenue and deposits related to retail space in City Hall.

Downtown Development Fund - Accounts for the relocation of music venue facilities.

Economic Incentives Reserve Fund - Accounts for the monitoring of the economic incentive agreements that the City maintains.

Hotel-Motel Occupancy Tax Fund - Accounts for hotel/motel occupancy tax revenues and transfers of these revenues to participating funds.

I-35 Parking Program Fund - Accounts for revenue, operations and maintenance requirements for two parking lots located under the I-35 overpass. These state-owned lots fall under the City's control through a 1963 lease arrangement.

Katrina Disaster Relief Fund - Accounts for donations received to assist persons affected by Hurricane Katrina.

Mueller Development Fund - Accounts for the costs of overseeing the life of the redevelopment project, Robert Mueller Municipal Airport site.

Mueller Local Government Corporation Fund - Established for the purpose of financing projects required for the development of the former site of Mueller Airport.

Mueller Tax Increment Financing Fund - Accounts for property tax revenue that is collected in the Mueller Tax increment Financing reinvestment Zone No. 16 that was created by the City Council in December 2004.

Music Loan Program Fund - Provides resources for one-time music projects.

One Texas Center Fund - Accounts for the revenues and debt service requirements of the One Texas Center building.

RMMA Reimbursement Fund - Accounts for the expenses incurred by the City for the redevelopment of the former Robert Mueller Municipal Airport (RMMA) site and the corresponding reimbursements by the Catellus Development Corp

Rutherford Lane Facility Fund - Accounts for the revenue, expenditures and debt service requirements associated with the Rutherford Lane facilities.

Strategic Planning Investment Fund - Accounts for costs related to managing and planning for growth by the City of Austin.

Sustainability Fund - Provides resources for one-time projects that will help the City of Austin build a sustainable economic, environmental, and equitable infrastructure.

Tax Increment Finance Fund - Accounts for maintaining the plazas, streetscapes and other public improvements installed on specific downtown blocks.

Tourism and Promotion Fund - Accounts for the promotion of tourism in Austin as both a leisure and business destination. Funded by a portion of bed tax receipts.

Turner Robertson O & M Fund - Accounts for the redistribution of proceeds related to the Turner Robertson Recreation Center.

Vehicle Rental Tax Fund - Accounts for the levy of a short-term motor vehicle rental tax.

Waller Creek Reserve Fund - Provides reserve funding for the proposed Waller Creek tunnel project.

Waller Creek Tax Increment Finance Fund - Accounts for property tax revenue that is collected in the Waller Creek Tax Increment Financing Reinvestment Zone No. 17.

Wildland Conservation Fund - Accounts for the City and County's management of preserve systems.

**Special Revenue Funds
Combining Balance Sheet
For the year ended September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit E-6**

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	2009 Total
ASSETS				
Cash	\$ --	5	--	5
Pooled investments and cash	531	99,022	1,463	101,016
Cash held by trustee-restricted	1,761	6	--	1,767
Accounts and other receivables	--	13,847	943	14,790
Less allowance for doubtful accounts	--	--	(247)	(247)
Net accounts receivable	--	13,847	696	14,543
Receivables from other governments	13,522	--	--	13,522
Notes receivable, net of allowance	--	--	10,699	10,699
Due from other funds	--	9,519	--	9,519
Real property held for resale	--	--	5,671	5,671
Prepaid expenses	--	2	436	438
Other assets	12	1,015	103	1,130
Total assets	15,826	123,416	19,068	158,310
LIABILITIES AND FUND BALANCES				
Accounts payable	644	10,750	691	12,085
Accrued payroll	--	145	--	145
Due to other funds	5,267	4,252	--	9,519
Deferred revenue	5,766	120	4	5,890
Deposits and other liabilities	4,149	44,700	2,017	50,866
Total liabilities	15,826	59,967	2,712	78,505
Fund balances				
Reserved:				
Encumbrances	--	5,528	1,084	6,612
Inventories and prepaid items	--	2	436	438
Notes receivable	--	--	10,699	10,699
Real property held for resale	--	--	5,671	5,671
Unreserved, undesignated:				
Special revenue	--	57,919	(1,534)	56,385
Total fund balances	--	63,449	16,356	79,805
Total liabilities and fund balances	\$ 15,826	123,416	19,068	158,310

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-7

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	2009 Total
REVENUES				
Property taxes	\$ --	686	--	686
Franchise fees and other taxes	--	46,256	--	46,256
Fines, forfeitures, and penalties	--	6,280	--	6,280
Charges for services/goods	--	51,188	62	51,250
Intergovernmental	47,156	--	8,722	55,878
Property owners' participation and contributions	--	902	--	902
Interest and other	--	5,791	868	6,659
Total revenues	47,156	111,103	9,652	167,911
EXPENDITURES				
Current:				
General government	5,186	1,196	--	6,382
Public safety	4,491	1,072	--	5,563
Transportation, planning, and sustainability	2,200	4,581	--	6,781
Public health	10,758	22,506	--	33,264
Public recreation and culture	6,561	6,866	--	13,427
Urban growth management	17,960	49,486	17,841	85,287
Debt service:				
Principal	--	450	--	450
Interest	--	532	--	532
Total expenditures	47,156	86,689	17,841	151,686
Excess of revenues over expenditures	--	24,414	(8,189)	16,225
OTHER FINANCING SOURCES (USES)				
Transfers in	--	30,758	--	30,758
Transfers out	--	(53,295)	--	(53,295)
Total other financing sources (uses)	--	(22,537)	--	(22,537)
Net change in fund balances	--	1,877	(8,189)	(6,312)
Fund balances at beginning of year	--	61,572	24,545	86,117
Fund balances at end of year	\$ --	63,449	16,356	79,805

Special Revenue Funds
Combining Balance Sheet - All Special Revenue Grants
September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-8

	Assets					Liabilities and Fund Balances						Total Fund and Fund Balances
	Receivables		Other Assets	Total Assets	Accounts Payable	Due to Other Funds	Deferred Revenue	Other Liabilities	Total Liabilities	Fund Balances		
	Pooled Investments and Cash	Cash held by trustee										
Federal grants												
U.S. Department of Agriculture	\$ --	--	1,350	--	1,350	76	707	560	7	1,350	--	1,350
Equal Employment Opportunity Commission	--	--	34	--	34	--	34	--	--	34	--	34
U.S. Department of Justice	--	--	1,237	--	1,237	93	643	501	--	1,237	--	1,237
U.S. Department of Labor	--	--	10	--	10	--	10	--	--	10	--	10
U.S. Department of Transportation	--	--	587	--	587	--	524	63	--	587	--	587
U.S. Health & Human Services	44	--	3,452	12	3,508	79	1,325	1,716	388	3,508	--	3,508
U.S. Department of Homeland Security	--	--	1,884	--	1,884	65	972	790	57	1,884	--	1,884
U.S. Housing/Urban Development	--	1,761	3,539	--	5,300	256	233	1,862	2,949	5,300	--	5,300
U.S. National Foundation on the Arts and Humanities	--	--	250	--	250	30	196	24	--	250	--	250
U.S. Department of Interior	250	--	--	--	250	--	--	250	--	250	--	250
Total federal grants	294	1,761	12,343	12	14,410	599	4,644	5,766	3,401	14,410	--	14,410
State grants												
Texas Governor's Office Criminal Justice Division	2	--	11	--	13	--	--	--	13	13	--	13
State Health Services	--	--	437	--	437	45	102	--	290	437	--	437
Texas Commission of the Arts	--	--	6	--	6	--	2	--	4	6	--	6
Texas Comptroller of Public Accounts	189	--	17	--	206	--	--	--	206	206	--	206
Texas Department of Transportation	--	--	266	--	266	--	266	--	--	266	--	266
Texas State Library and Archives Commission	--	--	113	--	113	--	113	--	--	113	--	113
Total state grants	191	--	850	--	1,041	45	483	--	513	1,041	--	1,041
Other special revenue grants	46	--	329	--	375	--	140	--	235	375	--	375
Total all grants	\$ 531	1,761	13,522	12	15,826	644	5,267	5,766	4,149	15,826	--	15,826

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Special Revenue Grants
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
 Exhibit E-9

	<u>Revenues</u>	<u>Expenditures</u>	<u>Excess</u> <u>(Deficiency)</u>	<u>Fund Balances</u>	<u>Fund Balances</u>
	<u>Inter-</u>	<u>Special</u>	<u>Of Revenues</u>	<u>at Beginning</u>	<u>at End</u>
	<u>governmental</u>	<u>Projects</u>	<u>Over</u>	<u>of Year</u>	<u>of Year</u>
			<u>Expenditures</u>		
Federal grants					
U.S. Department of Agriculture	\$ 5,357	5,357	--	--	--
Equal Employment Opportunity Commission	180	180	--	--	--
U.S. Department of Justice	4,884	4,884	--	--	--
U.S. Department of Labor	--	--	--	--	--
U.S. Department of Transportation	1,789	1,789	--	--	--
U.S. Health & Human Services	9,765	9,765	--	--	--
U.S. Department of Homeland Security	4,491	4,491	--	--	--
U.S. Housing/Urban Development	17,960	17,960	--	--	--
U.S. National Foundation on the Arts and Humanities	447	447	--	--	--
U.S. Department of Interior	--	--	--	--	--
Total federal grants	44,873	44,873	--	--	--
State grants					
Texas Governor's Office Criminal Justice Division	29	29	--	--	--
State Health Services	993	993	--	--	--
Texas Commission of the Arts	38	38	--	--	--
Texas Comptroller of Public Accounts	93	93	--	--	--
Texas Department of Transportation	411	411	--	--	--
Texas State Library and Archives Commission	244	244	--	--	--
Total state grants	1,808	1,808	--	--	--
Other special revenue grants	475	475	--	--	--
Total all grants	\$ 47,156	47,156	--	--	--

Special Revenue Funds
Combining Schedule of Expenditures - All Special Revenue Grants
From Inception to September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-10

	Total Expenditures at			Current Year		Total Expenditures at			Budget		
	Beginning of Year					End of Year					
	Grant	In-Kind Match	Total	Grant	In-Kind Match	Grant	In-Kind Match	Total	Grant	In-Kind Match	Total
Federal grants											
U.S. Department of Agriculture	\$ 8,888	--	8,888	5,357	--	14,245	--	14,245	15,409	--	15,409
Equal Employment Opportunity Commission	300	--	300	180	--	480	--	480	527	--	527
U.S. Department of Justice	14,759	8,541	23,300	4,884	1,290	19,643	9,831	29,474	23,717	10,615	34,332
U.S. Department of Labor	68	--	68	--	--	68	--	68	82	--	82
U.S. Department of Transportation	9,950	2,164	12,114	1,789	312	11,739	2,476	14,215	17,592	4,081	21,673
U.S. Health & Human Services	40,112	155	40,267	9,765	--	49,877	155	50,032	64,826	234	65,060
U.S. Department of Homeland Security	18,677	271	18,948	4,491	145	23,168	416	23,584	30,499	420	30,919
U.S. Housing/Urban Development	151,961	762	152,723	17,960	170	169,921	932	170,853	174,418	1,950	176,368
U.S. National Foundation on the Arts and Humanities	849	1	850	447	4	1,296	5	1,301	1,662	15	1,677
U.S. Department of Interior	--	--	--	--	--	--	--	--	--	--	--
Total federal grants	245,564	11,894	257,458	44,873	1,921	290,437	13,815	304,252	328,732	17,315	346,047
State grants											
Texas Governor's Office Criminal Justice Division	324	157	481	29	--	353	157	510	353	157	510
State Health Services	807	--	807	993	58	1,800	58	1,858	2,860	141	3,001
Texas Commission of the Arts	61	--	61	38	--	99	--	99	96	--	96
Texas Comptroller of Public Accounts	451	--	451	93	--	544	--	544	680	--	680
Texas Department of Transportation	386	88	474	411	118	797	206	1,003	1,279	399	1,678
Texas State Library and Archives Commission	182	--	182	244	--	426	--	426	533	--	533
Total state grants	2,211	245	2,456	1,808	176	4,019	421	4,440	5,801	697	6,498
Other special revenue grants	1,251	--	1,251	475	2	1,726	2	1,728	2,354	2	2,356
Total all grants	\$ 249,026	12,139	261,165	47,156	2,099	296,182	14,238	310,420	336,887	18,014	354,901

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2009
(In thousands)

	Assets							Total Assets
	Cash	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Due from Other Funds	Prepaid Expenses	Other Assets	
General government								
Municipal Court:								
Municipal Court Building Security	\$ --	127	--	--	--	--	--	127
Municipal Court Juvenile Case Manager	--	1,402	--	--	--	--	--	1,402
Municipal Court Technology	--	734	--	--	--	--	--	734
Total general government	--	2,263	--	--	--	--	--	2,263
Public safety								
Police:								
APD Incident Management	--	--	--	21	--	--	--	21
Auto Theft Interdiction	--	39	--	--	--	--	--	39
Aviation Asset Forfeiture	--	211	--	--	--	--	--	211
Police Benefit	--	58	--	--	--	--	--	58
Police Federal Dept. of Treasury Asset Forfeiture	4	2,632	--	--	--	--	--	2,636
Police State Contraband Asset Forfeiture Fund	--	448	--	--	--	--	--	448
Texas State Forfeiture Gambling	--	492	--	--	--	--	--	492
Municipal Court Traffic Safety Fund	--	251	--	--	--	--	--	251
Total Police	4	4,131	--	21	--	--	--	4,156
Fire:								
Fire Miscellaneous	--	43	--	--	--	--	--	43
Total Fire	--	43	--	--	--	--	--	43
Emergency Medical Services:								
EMS Travis County Reimbursed	--	--	--	128	--	--	--	128
Total Emergency Medical Services	--	--	--	128	--	--	--	128
Total public safety	4	4,174	--	149	--	--	--	4,327
Transportation, planning, and sustainability								
Public Works and Transportation:								
Fiscal Surety - Land Development	--	33,178	--	--	9,519	--	--	42,697
Office of Emergency Management Miscellaneous	--	10	--	--	--	--	--	10
Recycle Bins	--	6	--	--	--	--	--	6
RMD Conservation	--	97	--	--	--	--	--	97
RMD Loan	--	866	--	--	--	--	113	979
Total Public Works and Transportation	--	34,157	--	--	9,519	--	113	43,789
Transportation, Planning, and Sustainability:								
Austin Transportation Study	--	--	--	754	--	--	--	754
Child Safety	--	668	--	--	--	--	--	668
Environmental Remediation	--	212	--	--	--	--	--	212
Pavement Life Recovery	--	212	--	16	--	--	--	228
Railroad Right of Way	--	6	--	--	--	--	--	6
Subdivision Participation	--	5,248	--	--	--	--	--	5,248
Total Transportation, Planning, and Sustainability	--	6,346	--	770	--	--	--	7,116
Total transportation, planning, and sustainability	\$ --	40,503	--	770	9,519	--	113	50,905

City of Austin, Texas
Exhibit E-11

Liabilities						Fund Balances				Total Liabilities and Fund Balances
Accounts Payable	Accrued Payroll	Due to Other Funds	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Reserved for Encumbrances	Reserved for Inventories and Prepaids	Unreserved, Undesignated (Deficit)	Total Fund Balances	
11	--	--	--	--	11	1	--	115	116	127
--	10	--	--	--	10	--	--	1,392	1,392	1,402
--	--	--	--	--	--	5	--	729	734	734
11	10	--	--	--	21	6	--	2,236	2,242	2,263
--	--	21	--	--	21	--	--	--	--	21
--	--	--	--	31	31	--	--	8	8	39
--	--	--	--	--	--	--	--	211	211	211
--	--	--	--	--	--	2	--	56	58	58
9	--	--	--	--	9	116	--	2,511	2,627	2,636
2	--	--	--	--	2	2	--	444	446	448
--	--	--	--	--	--	--	--	492	492	492
148	3	--	--	100	251	--	--	--	--	251
159	3	21	--	131	314	120	--	3,722	3,842	4,156
--	--	--	--	1	1	--	--	42	42	43
--	--	--	--	1	1	--	--	42	42	43
--	--	72	--	4	76	--	--	52	52	128
--	--	72	--	4	76	--	--	52	52	128
159	3	93	--	136	391	120	--	3,816	3,936	4,327
--	--	--	--	41,840	41,840	--	--	857	857	42,697
--	--	--	--	--	--	--	--	10	10	10
--	--	--	--	--	--	--	--	6	6	6
--	--	--	--	--	--	--	--	97	97	97
119	--	--	--	--	119	--	--	860	860	979
119	--	--	--	41,840	41,959	--	--	1,830	1,830	43,789
195	--	255	110	197	757	6	--	(9)	(3)	754
2	82	--	--	--	84	31	--	553	584	668
--	--	--	--	50	50	--	--	162	162	212
--	--	--	--	--	--	--	--	228	228	228
--	--	--	--	--	--	--	--	6	6	6
--	--	--	--	1,439	1,439	--	--	3,809	3,809	5,248
197	82	255	110	1,686	2,330	37	--	4,749	4,786	7,116
316	82	255	110	43,526	44,289	37	--	6,579	6,616	50,905

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2009
(In thousands)

	Assets							Total Assets
	Cash	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Due from Other Funds	Prepaid Expenses	Other Assets	
Public health								
Health and Human Services:								
CCSD Operations-Travis County Hospital District	\$ --	--	--	332	--	--	--	332
Disproportionate Share	--	126	--	--	--	--	--	126
Health and Human Services Travis County								
Reimbursed	--	494	--	74	--	2	--	570
Health Miscellaneous	--	148	--	--	--	--	--	148
Medicaid Administrative Claims	--	20	--	--	--	--	--	20
Total Health and Human Services	--	788	--	406	--	2	--	1,196
Other public health:								
Animal Services Fund	--	282	--	--	--	--	--	282
Animal Shelter Building	--	14	--	--	--	--	--	14
Total other public health	--	296	--	--	--	--	--	296
Total public health	--	1,084	--	406	--	2	--	1,492
Public recreation and culture								
Austin Public Library:								
Austin History Center	--	175	--	--	--	--	--	175
Friends of Austin Public Library	--	130	--	--	--	--	--	130
Special Library	--	564	--	--	--	--	--	564
Total Austin Public Library	--	869	--	--	--	--	--	869
Parks and Recreation:								
Adaptive Programs	--	10	--	--	--	--	--	10
Austin Creeks and Trails	--	31	--	--	--	--	--	31
Balcones Canyonlands	--	76	--	--	--	--	--	76
Friends of East Austin Youth	--	10	--	--	--	--	--	10
PARD Cultural Projects	--	975	--	--	--	--	--	975
PARD Miscellaneous	--	429	--	--	--	--	--	429
PARD Police Asset Forfeitures	--	2	--	--	--	--	--	2
Planting for the Future	--	161	--	--	--	--	--	161
Republic Square	--	3	--	--	--	--	--	3
Rifle Class	--	1	--	--	--	--	--	1
Senior Nutrition	--	--	--	--	--	--	--	--
Summer Musical	--	367	--	--	--	--	--	367
Teen Activity	--	31	--	--	--	--	--	31
Tennis League	--	5	--	--	--	--	--	5
Town Lake Beautification	--	209	--	--	--	--	--	209
Total Parks and Recreation	--	2,310	--	--	--	--	--	2,310
Total public recreation and culture	\$ --	3,179	--	--	--	--	--	3,179

(Continued)

Accounts Payable	Liabilities					Fund Balances				Total Liabilities and Fund Balances
	Accrued Payroll	Due to Other Funds	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Reserved for Encumbrances	Reserved for Inventories and Prepaids	Unreserved, Undesignated (Deficit)	Total Fund Balances	
43	--	1,915	--	--	1,958	--	--	(1,626)	(1,626)	332
--	--	--	--	--	--	--	--	126	126	126
153	--	58	--	25	236	--	2	332	334	570
--	--	--	--	106	106	--	--	42	42	148
--	--	--	--	716	716	--	--	(696)	(696)	20
196	--	1,973	--	847	3,016	--	2	(1,822)	(1,820)	1,196
35	--	--	--	57	92	1	--	189	190	282
--	--	--	--	--	--	--	--	14	14	14
35	--	--	--	57	92	1	--	203	204	296
231	--	1,973	--	904	3,108	1	2	(1,619)	(1,616)	1,492
--	--	--	--	--	--	--	--	175	175	175
--	--	--	--	6	6	9	--	115	124	130
3	--	--	--	--	3	10	--	551	561	564
3	--	--	--	6	9	19	--	841	860	869
--	--	--	--	--	--	--	--	10	10	10
--	--	--	--	--	--	--	--	31	31	31
--	--	--	--	1	1	--	--	75	75	76
--	--	--	--	--	--	--	--	10	10	10
366	--	--	--	--	366	68	--	541	609	975
--	--	--	--	--	--	--	--	429	429	429
--	--	--	--	--	--	--	--	2	2	2
5	--	--	--	--	5	--	--	156	156	161
--	--	--	--	--	--	--	--	3	3	3
--	--	--	--	--	--	--	--	1	1	1
--	--	--	10	--	10	--	--	(10)	(10)	--
--	--	--	--	--	--	6	--	361	367	367
--	--	--	--	--	--	--	--	31	31	31
--	--	--	--	--	--	--	--	5	5	5
44	--	--	--	--	44	--	--	165	165	209
415	--	--	10	1	426	74	--	1,810	1,884	2,310
418	--	--	10	7	435	93	--	2,651	2,744	3,179

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2009
(In thousands)

	Assets							Total Assets
	Cash	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Due from Other Funds	Prepaid Expenses	Other Assets	
Urban growth management								
Neighborhood Housing & Community Development:								
Housing Miscellaneous	\$ --	49	--	--	--	--	--	49
Housing Trust Social Equity	--	2,008	--	--	--	--	--	2,008
Neighborhood Housing and Conservation	1	481	--	--	--	--	--	482
UNO Housing Trust Fund	--	1,111	--	--	--	--	--	1,111
Total Neighborhood Housing & Community Development	1	3,649	--	--	--	--	--	3,650
Development Services and Watershed Protection:								
Austin Industrial Development Corporation (AIDC)	--	179	--	--	--	--	--	179
Austin Inner City Redevelopment Corporation	--	2	--	--	--	--	--	2
East Sixth Street Public Improvement District	--	92	--	12	--	--	--	104
Energy Conservation Rebates and Incentives	--	4,470	--	157	--	--	--	4,627
Fee Waiver	--	30	--	--	--	--	--	30
Performance Contracting Fund	--	--	--	885	--	--	--	885
Planning, Environmental Conservation Services	--	108	--	--	--	--	--	108
Public Improvement District	--	2,668	--	75	--	--	--	2,743
Urban Forest Replenishment	--	1,227	--	--	--	--	--	1,227
Total Development Services and Watershed Protection	--	8,776	--	1,129	--	--	--	9,905
Other urban growth management:								
Austin Clean Water Program	--	148	--	--	--	--	--	148
Barton Springs Conservation	--	23	--	--	--	--	--	23
Block 21 Austin Childrens Museum	--	4,950	--	--	--	--	--	4,950
Block 21 Sale Proceeds	--	10,299	--	--	--	--	--	10,299
Business Retention & Enhancement	--	420	--	78	--	--	477	975
Cable TV	--	352	--	--	--	--	--	352
City Hall Fund	--	--	--	12	--	--	--	12
City Hall Retail Tenant Improvement	--	115	--	--	--	--	--	115
Downtown Development	--	221	--	--	--	--	--	221
Economic Incentives Reserve Fund	--	7,650	--	90	--	--	--	7,740
Hotel-Motel Occupancy Tax	--	63	--	9,181	--	--	--	9,244
I-35 Parking Program	--	93	--	--	--	--	--	93
Katrina Disaster Relief	--	1	--	--	--	--	--	1
Mueller Development Fund	--	--	--	708	--	--	--	708
Mueller Local Government Corporation	--	217	6	--	--	--	--	223
Mueller Tax Increment Financing	--	--	--	--	--	--	--	--
Music Loan Program	--	290	--	--	--	--	--	290
One Texas Center	--	95	--	--	--	--	--	95
RMMA Reimbursement	--	--	--	--	--	--	--	--
Rutherford Lane Facility Fund	--	--	--	--	--	--	--	--
Strategic Planning Investment	--	7	--	--	--	--	--	7
Sustainability	--	1,109	--	--	--	--	--	1,109
Tax Increment Finance	--	409	--	--	--	--	--	409
Tourism and Promotion	--	238	--	--	--	--	425	663
Turner Robertson O&M	--	314	--	--	--	--	--	314
Vehicle Rental Tax	--	--	--	1,258	--	--	--	1,258
Waller Creek Reserve Fund	--	4,426	--	--	--	--	--	4,426
Waller Creek Tax Increment Finance Fund	--	150	--	66	--	--	--	216
Wildland Conservation	--	3,804	--	--	--	--	--	3,804
Total other urban growth management	--	35,394	6	11,393	--	--	902	47,695
Total urban growth management	1	47,819	6	12,522	--	--	902	61,250
2009 Total	\$ 5	99,022	6	13,847	9,519	2	1,015	123,416

(Continued)

Accounts Payable	Liabilities					Fund Balances				Total Liabilities and Fund Balances
	Accrued Payroll	Due to Other Funds	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Reserved for Encumbrances	Reserved for Inventories and Prepaids	Unreserved, Undesignated (Deficit)	Total Fund Balances	
--	--	--	--	--	--	--	--	49	49	49
--	--	--	--	1	1	--	--	2,007	2,007	2,008
85	50	--	--	--	135	6	--	341	347	482
--	--	--	--	--	--	--	--	1,111	1,111	1,111
85	50	--	--	1	136	6	--	3,508	3,514	3,650
--	--	--	--	--	--	--	--	179	179	179
--	--	--	--	--	--	--	--	2	2	2
--	--	--	--	--	--	--	--	104	104	104
3,252	--	--	--	--	3,252	366	--	1,009	1,375	4,627
--	--	--	--	--	--	--	--	30	30	30
10	--	1,029	--	--	1,039	2,905	--	(3,059)	(154)	885
--	--	--	--	--	--	3	--	105	108	108
641	--	--	--	--	641	1,281	--	821	2,102	2,743
--	--	--	--	--	--	--	--	1,227	1,227	1,227
3,903	--	1,029	--	--	4,932	4,555	--	418	4,973	9,905
--	--	--	--	22	22	--	--	126	126	148
--	--	--	--	--	--	--	--	23	23	23
--	--	--	--	--	--	--	--	4,950	4,950	4,950
--	--	--	--	--	--	--	--	10,299	10,299	10,299
--	--	--	--	--	--	--	--	975	975	975
8	--	--	--	--	8	--	--	344	344	352
64	--	55	--	16	135	--	--	(123)	(123)	12
--	--	--	--	22	22	2	--	91	93	115
--	--	--	--	--	--	--	--	221	221	221
4,191	--	--	--	--	4,191	88	--	3,461	3,549	7,740
--	--	--	--	63	63	--	--	9,181	9,181	9,244
15	--	--	--	--	15	4	--	74	78	93
--	--	--	--	--	--	--	--	1	1	1
--	--	16	--	--	16	44	--	648	692	708
--	--	--	--	--	--	--	--	223	223	223
--	--	213	--	--	213	--	--	(213)	(213)	--
--	--	--	--	--	--	--	--	290	290	290
--	--	--	--	--	--	31	--	64	95	95
--	--	18	--	--	18	--	--	(18)	(18)	--
39	--	600	--	3	642	19	--	(661)	(642)	--
--	--	--	--	--	--	--	--	7	7	7
235	--	--	--	--	235	118	--	756	874	1,109
4	--	--	--	--	4	4	--	401	405	409
996	--	--	--	--	996	--	--	(333)	(333)	663
--	--	--	--	--	--	--	--	314	314	314
--	--	--	--	--	--	--	--	1,258	1,258	1,258
--	--	--	--	--	--	--	--	4,426	4,426	4,426
--	--	--	--	--	--	--	--	216	216	216
75	--	--	--	--	75	400	--	3,329	3,729	3,804
5,627	--	902	--	126	6,655	710	--	40,330	41,040	47,695
9,615	50	1,931	--	127	11,723	5,271	--	44,256	49,527	61,250
10,750	145	4,252	120	44,700	59,967	5,528	2	57,919	63,449	123,416

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

	Revenues						Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Contributions	Interest and Other	
General government							
Municipal Court:							
Municipal Court Building Security	\$ --	--	483	--	--	4	487
Municipal Court Juvenile Case Manager	--	--	615	--	--	26	641
Municipal Court Technology	--	--	644	--	--	14	658
Total general government	--	--	1,742	--	--	44	1,786
Public safety							
Police:							
APD Incident Management	--	--	--	24	--	1	25
Auto Theft Interdiction	--	--	--	--	--	1	1
Aviation Asset Forfeiture	--	--	--	--	--	15	15
Police Benefit	--	--	--	14	--	6	20
Police Federal Dept. of Treasury Asset Forfeiture	--	--	2,091	--	--	27	2,118
Police State Contraband Asset Forfeiture Fund	--	--	147	--	--	12	159
Texas State Forfeiture Gambling	--	--	--	521	--	4	525
Municipal Court Traffic Safety Fund	--	--	678	--	--	40	718
Total Police	--	--	2,916	559	--	106	3,581
Fire:							
Fire Miscellaneous	--	--	--	7	--	1	8
Total Fire	--	--	--	7	--	1	8
Emergency Medical Services:							
EMS Travis County Reimbursed	--	--	--	101	--	--	101
Total Emergency Medical Services	--	--	--	101	--	--	101
Total public safety	--	--	2,916	667	--	107	3,690
Transportation, planning and sustainability							
Public Works and Transportation:							
Fiscal Surety - Land Development	--	--	--	--	--	449	449
Office of Emergency Management Miscellaneous	--	--	--	--	--	12	12
Recycle Bins	--	--	--	--	--	--	--
RMD Conservation	--	--	--	--	--	--	--
RMD Loan	--	--	--	--	--	--	--
Total Public Works and Transportation	--	--	--	--	--	461	461
Transportation, Planning and Sustainability:							
Austin Transportation Study	--	--	--	2,387	--	--	2,387
Child Safety	--	--	1,556	--	--	12	1,568
Environmental Remediation	--	--	--	--	--	--	--
Pavement Life Recovery	--	--	--	17	--	4	21
Railroad Right of Way	--	--	--	--	--	--	--
Subdivision Participation	--	--	--	--	--	96	96
Total Transportation, Planning and Sustainability	--	--	1,556	2,404	--	112	4,072
Total transportation, planning and sustainability	\$ --	--	1,556	2,404	--	573	4,533

(1) Expenditures include capital outlay of \$670 thousand.

Expenditures (1)	Principal	Interest	Excess (Deficiency) Of Revenues Over Expenditures	Other Financing Sources (Uses)		Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
				Transfers In	Transfers Out			
488	--	--	(1)	--	--	(1)	117	116
236	--	--	405	--	--	405	987	1,392
472	--	--	186	--	--	186	548	734
1,196	--	--	590	--	--	590	1,652	2,242
112	--	--	(87)	--	--	(87)	87	--
--	--	--	1	--	--	1	7	8
7	--	--	8	--	--	8	203	211
3	--	--	17	--	--	17	41	58
130	--	--	1,988	--	--	1,988	639	2,627
35	--	--	124	--	--	124	322	446
33	--	--	492	--	--	492	--	492
648	--	--	70	--	--	70	(70)	--
968	--	--	2,613	--	--	2,613	1,229	3,842
--	--	--	8	--	--	8	34	42
--	--	--	8	--	--	8	34	42
104	--	--	(3)	--	--	(3)	55	52
104	--	--	(3)	--	--	(3)	55	52
1,072	--	--	2,618	--	--	2,618	1,318	3,936
--	--	--	449	--	--	449	408	857
15	--	--	(3)	--	--	(3)	13	10
--	--	--	--	--	--	--	6	6
--	--	--	--	--	--	--	97	97
--	--	--	--	--	--	--	860	860
15	--	--	446	--	--	446	1,384	1,830
2,393	--	--	(6)	--	--	(6)	3	(3)
1,558	--	--	10	--	--	10	574	584
615	--	--	(615)	725	(78)	32	130	162
--	--	--	21	--	--	21	207	228
--	--	--	--	--	--	--	6	6
--	--	--	96	--	--	96	3,713	3,809
4,566	--	--	(494)	725	(78)	153	4,633	4,786
4,581	--	--	(48)	725	(78)	599	6,017	6,616

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

	Revenues						Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Contributions	Interest and Other	
Public health							
Health and Human Services:							
CCSD Operations-Travis County Hospital District	\$ --	--	--	17,613	--	27	17,640
Disproportionate Share	--	--	--	--	--	--	--
Health and Human Services Travis County							
Reimbursed	--	--	--	--	--	--	--
Health Miscellaneous	--	--	--	--	--	3	3
Medicaid Administrative Claims	--	--	--	--	--	--	--
Total Health and Human Services	--	--	--	17,613	--	30	17,643
Other public health:							
Animal Services Fund	--	--	--	--	238	9	247
Animal Shelter Building	--	--	--	--	--	--	--
Total other public health	--	--	--	--	238	9	247
Total public health	--	--	--	17,613	238	39	17,890
Public recreation and culture							
Austin Public Library:							
Austin History Center	--	--	--	--	16	--	16
Friends of Austin Public Library	--	--	--	--	87	--	87
Special Library	--	--	--	--	203	--	203
Total Austin Public Library	--	--	--	--	306	--	306
Parks and Recreation:							
Adaptive Programs	--	--	--	--	--	--	--
Austin Creeks and Trails	--	--	--	--	3	--	3
Balcones Canyonlands	--	--	--	--	--	--	--
Friends of East Austin Youth	--	--	--	--	--	--	--
PARD Cultural Projects	--	--	--	--	--	23	23
PARD Miscellaneous	--	--	--	--	39	7	46
PARD Police Asset Forfeitures	--	--	--	--	--	--	--
Planting for the Future	--	--	--	--	39	--	39
Republic Square	--	--	--	--	--	--	--
Rifle Class	--	--	--	--	--	--	--
Senior Nutrition	--	--	--	--	--	--	--
Summer Musical	--	--	--	--	23	--	23
Teen Activity	--	--	--	--	14	--	14
Tennis League	--	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	55	--	55
Total parks and recreation	--	--	--	--	173	30	203
Total public recreation and culture	\$ --	--	--	--	479	30	509

(1) Expenditures include capital outlay of \$670 thousand.

(Continued)

Expenditures (1)	Principal	Interest	Excess (Deficiency) Of Revenues Over Expenditures	Other Financing Sources (Uses)		Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
				Transfers In	Transfers Out			
22,021	--	--	(4,381)	1,511	--	(2,870)	1,244	(1,626)
--	--	--	--	--	--	--	126	126
113	--	--	(113)	--	--	(113)	447	334
7	--	--	(4)	--	--	(4)	46	42
--	--	--	--	--	--	--	(696)	(696)
22,141	--	--	(4,498)	1,511	--	(2,987)	1,167	(1,820)
365	--	--	(118)	--	--	(118)	308	190
--	--	--	--	--	--	--	14	14
365	--	--	(118)	--	--	(118)	322	204
22,506	--	--	(4,616)	1,511	--	(3,105)	1,489	(1,616)
33	--	--	(17)	--	--	(17)	192	175
42	--	--	45	--	--	45	79	124
175	--	--	28	--	--	28	533	561
250	--	--	56	--	--	56	804	860
40	--	--	(40)	--	--	(40)	50	10
--	--	--	3	--	--	3	28	31
--	--	--	--	--	--	--	75	75
--	--	--	--	--	--	--	10	10
5,950	--	--	(5,927)	4,804	--	(1,123)	1,732	609
138	--	--	(92)	--	--	(92)	521	429
--	--	--	--	--	--	--	2	2
25	--	--	14	--	--	14	142	156
1	--	--	(1)	--	--	(1)	4	3
--	--	--	--	--	--	--	1	1
--	--	--	--	--	--	--	(10)	(10)
34	--	--	(11)	--	--	(11)	378	367
24	--	--	(10)	--	--	(10)	41	31
--	--	--	--	--	--	--	5	5
404	--	--	(349)	--	--	(349)	514	165
6,616	--	--	(6,413)	4,804	--	(1,609)	3,493	1,884
6,866	--	--	(6,357)	4,804	--	(1,553)	4,297	2,744

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

	Revenues						Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Contributions	Interest and Other	
Urban growth management							
Neighborhood Housing & Community Development:							
Housing Miscellaneous	\$ --	--	--	--	--	1	1
Housing Trust Social Equity	--	--	--	--	--	456	456
Neighborhood Housing and Conservation	--	--	--	--	--	115	115
UNO Housing Trust Fund	--	--	--	--	--	128	128
Total Neighborhood Housing & Community Development	--	--	--	--	--	700	700
Development Services and Watershed Protection:							
Austin Industrial Development Corporation (AIDC)	--	--	--	--	--	4	4
Austin Inner City Redevelopment Corporation	--	--	--	--	--	--	--
East Sixth Street Public Improvement District	--	--	--	48	44	1	93
Energy Conservation Rebates and Incentives Fee Waiver	--	--	--	22,784	--	--	22,784
Performance Contracting Fund	--	--	--	--	--	885	885
Planning, Environmental Conservation Services	--	--	--	--	--	--	--
Public Improvement District	--	--	--	2,367	--	56	2,423
Urban Forest Replenishment	--	--	--	--	141	26	167
Total Development Services and Watershed Protection	--	--	--	25,199	185	973	26,357
Other urban growth management:							
Austin Clean Water Program	--	--	--	--	--	--	--
Barton Springs Conservation	--	--	--	--	--	--	--
Block 21 Austin Childrens Museum	--	--	--	--	--	--	--
Block 21 Sale Proceeds	--	--	--	--	--	229	229
Business Retention & Enhancement	--	--	--	110	--	217	327
Cable TV	--	826	--	--	--	6	832
City Hall Fund	--	--	--	312	--	26	338
City Hall Retail Tenant Improvement	--	--	--	--	--	--	--
Downtown Development	--	--	--	--	--	5	5
Economic Incentives Reserve Fund	--	--	--	--	--	57	57
Hotel-Motel Occupancy Tax	--	39,691	--	--	--	--	39,691
I-35 Parking Program	--	--	--	401	--	10	411
Katrina Disaster Relief	--	--	--	--	--	--	--
Mueller Development Fund	--	--	--	21	--	--	21
Mueller Local Government Corporation	--	--	--	--	--	3	3
Mueller Tax Increment Financing	471	--	--	--	--	--	471
Music Loan Program	--	--	--	--	--	7	7
One Texas Center	--	--	--	1,727	--	--	1,727
RMMA Reimbursement	--	--	--	--	--	--	--
Rutherford Lane Facility Fund	--	--	--	2,734	--	--	2,734
Strategic Planning Investment	--	--	--	--	--	--	--
Sustainability	--	--	--	--	--	--	--
Tax Increment Finance	--	--	--	--	--	9	9
Tourism and Promotion	--	--	--	--	--	16	16
Turner Robertson O&M	--	--	--	--	--	--	--
Vehicle Rental Tax	--	5,739	--	--	--	39	5,778
Waller Creek Reserve Fund	--	--	--	--	--	2,396	2,396
Waller Creek Tax Increment Finance Fund	215	--	--	--	--	1	216
Wildland Conservation	--	--	66	--	--	304	370
Total other urban growth management	686	46,256	66	5,305	--	3,325	55,638
Total urban growth management	686	46,256	66	30,504	185	4,998	82,695
2009 Total	\$ 686	46,256	6,280	51,188	902	5,791	111,103

(1) Expenditures include capital outlay of \$670 thousand.

(Continued)

Expenditures (1)	Principal	Interest	Excess (Deficiency) Of Revenues Over Expenditures	Other Financing Sources (Uses)		Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
				Transfers In	Transfers Out			
--	--	--	1	--	--	1	48	49
436	--	--	20	1,001	--	1,021	986	2,007
2,927	--	--	(2,812)	2,185	(100)	(727)	1,074	347
--	--	--	128	--	--	128	983	1,111
3,363	--	--	(2,663)	3,186	(100)	423	3,091	3,514
--	--	--	4	--	--	4	175	179
--	--	--	--	--	--	--	2	2
53	--	--	40	--	--	40	64	104
22,612	--	--	172	--	(100)	72	1,303	1,375
--	--	--	1	--	--	1	29	30
799	--	--	86	--	--	86	(240)	(154)
--	--	--	--	--	--	--	108	108
2,421	--	--	2	150	--	152	1,950	2,102
51	--	--	116	--	--	116	1,111	1,227
25,936	--	--	421	150	(100)	471	4,502	4,973
--	--	--	--	--	--	--	126	126
45	--	--	(45)	45	--	--	23	23
--	--	--	--	--	--	--	4,950	4,950
--	--	--	229	--	--	229	10,070	10,299
--	--	--	327	--	--	327	648	975
649	--	--	183	--	(140)	43	301	344
275	--	--	63	--	--	63	(186)	(123)
--	--	--	--	--	--	--	93	93
--	--	--	5	--	--	5	216	221
5,472	--	--	(5,415)	7,781	(982)	1,384	2,165	3,549
--	--	--	39,691	--	(41,171)	(1,480)	10,661	9,181
79	--	--	332	--	--	332	(254)	78
--	--	--	--	--	--	--	1	1
4	--	--	17	--	--	17	675	692
--	450	532	(979)	982	--	3	220	223
684	--	--	(213)	--	--	(213)	--	(213)
--	--	--	7	--	--	7	283	290
5	--	--	1,722	--	(2,732)	(1,010)	1,105	95
--	--	--	--	--	--	--	(18)	(18)
1,374	--	--	1,360	--	(1,358)	2	(644)	(642)
--	--	--	--	--	--	--	7	7
3,453	--	--	(3,453)	4,716	(550)	713	161	874
114	--	--	(105)	100	--	(5)	410	405
7,788	--	--	(7,772)	6,758	--	(1,014)	681	(333)
--	--	--	--	--	--	--	314	314
--	--	--	5,778	--	(6,084)	(306)	1,564	1,258
--	--	--	2,396	--	--	2,396	2,030	4,426
--	--	--	216	--	--	216	--	216
245	--	--	125	--	--	125	3,604	3,729
20,187	450	532	34,469	20,382	(53,017)	1,834	39,206	41,040
49,486	450	532	32,227	23,718	(53,217)	2,728	46,799	49,527
85,707	450	532	24,414	30,758	(53,295)	1,877	61,572	63,449

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
Year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-13

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
General government							
Municipal Court:							
Municipal Court Building Security							
Actual-budget basis	\$ (34)	487	489	--	--	(2)	(36)
Budget	111	492	495	--	--	(3)	108
Variance-Positive (Negative)	(145)	(5)	6	--	--	1	(144)
Municipal Court Technology							
Actual-budget basis	458	659	461	--	--	198	656
Budget	468	652	995	--	--	(343)	125
Variance-Positive (Negative)	(10)	7	534	--	--	541	531
Municipal Court Juvenile Case Manager							
Actual-budget basis	686	641	236	--	--	405	1,091
Budget	985	652	337	--	--	315	1,300
Variance-Positive (Negative)	(299)	(11)	101	--	--	90	(209)
Public safety							
Police:							
Aviation Asset Forfeiture							
Actual-budget basis	185	15	6	--	--	9	194
Budget	165	7	50	--	--	(43)	122
Variance-Positive (Negative)	20	8	44	--	--	52	72
Federal Dept. of Treasury Asset Forfeiture							
Actual-budget basis	537	2,118	246	--	--	1,872	2,409
Budget	394	--	394	--	--	(394)	--
Variance-Positive (Negative)	143	2,118	148	--	--	2,266	2,409
State Contraband Asset Forfeiture Fund							
Actual-budget basis	268	159	37	--	--	122	390
Budget	227	--	227	--	--	(227)	--
Variance-Positive (Negative)	41	159	190	--	--	349	390
Traffic Safety Fund							
Actual-budget basis	(67)	718	648	--	--	70	3
Budget	(12)	1,221	931	--	278	12	--
Variance-Positive (Negative)	(55)	(503)	283	--	278	58	3
Emergency Medical Services:							
EMS Travis County Reimbursed							
Actual-budget basis	14	101	103	--	--	(2)	12
Budget	55	1,591	1,591	--	--	--	55
Variance-Positive (Negative)	(41)	(1,490)	1,488	--	--	(2)	(43)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
Year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-13

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Transportation, planning and sustainability							
Transportation, planning and sustainability							
Child Safety							
Actual-budget basis	\$ 469	1,568	1,583	--	--	(15)	454
Budget	246	1,410	1,611	--	--	(201)	45
Variance-Positive (Negative)	223	158	28	--	--	186	409
Environmental Remediation							
Actual-budget basis	1,368	--	614	725	78	33	1,401
Budget	129	9	50	725	688	(4)	125
Variance-Positive (Negative)	1,239	(9)	(564)	--	610	37	1,276
Public health							
CCSD Operations-Travis County Hospital District							
Actual-budget basis	664	17,640	19,406	--	981	(2,747)	(2,083)
Budget	898	18,259	18,491	--	--	(232)	666
Variance-Positive (Negative)	(234)	(619)	(915)	--	(981)	(2,515)	(2,749)
Public recreation and culture							
PARC Cultural Projects							
Actual-budget basis	1,199	23	5,963	4,805	--	(1,135)	64
Budget	1,548	49	6,198	5,422	--	(727)	821
Variance-Positive (Negative)	(349)	(26)	235	(617)	--	(408)	(757)
Urban growth management							
Neighborhood Housing & Community Development							
Neighborhood Housing and Conservation							
Actual-budget basis	584	115	2,917	2,185	100	(717)	(133)
Budget	837	111	3,436	2,588	100	(837)	--
Variance-Positive (Negative)	(253)	4	519	(403)	--	120	(133)
Development Services and Watershed Protection:							
East Sixth Street Public Improvement District							
Actual-budget basis	(24)	49	54	44	--	39	15
Budget	69	44	84	44	--	4	73
Variance-Positive (Negative)	(93)	5	30	--	--	35	(58)
Energy Conservation Rebates and Incentives							
Actual-budget basis	(2,813)	22,784	22,879	--	100	(195)	(3,008)
Budget	374	20,562	20,462	--	100	--	374
Variance-Positive (Negative)	(3,187)	2,222	(2,417)	--	--	(195)	(3,382)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
Year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-13

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Urban growth management, continued							
Performance Contracting Fund							
Actual-budget basis	\$ (1,310)	885	2,717	--	--	(1,832)	(3,142)
Budget	(313)	5,424	5,111	--	--	313	--
Variance	(997)	(4,539)	2,394	--	--	(2,145)	(3,142)
Public Improvement District							
Actual-budget basis	809	2,423	2,562	150	--	11	820
Budget	718	2,512	2,562	150	--	100	818
Variance-Positive (Negative)	91	(89)	--	--	--	(89)	2
Other							
Business Retention and Enhancement Fund							
Actual-budget basis	398	350	250	--	--	100	498
Budget	175	80	250	--	--	(170)	5
Variance-Positive (Negative)	223	270	--	--	--	270	493
Cable TV							
Actual-budget basis	301	832	649	--	140	43	344
Budget	232	653	729	--	140	(216)	16
Variance-Positive (Negative)	69	179	80	--	--	259	328
City Hall Fund							
Actual-budget basis	(224)	338	265	--	--	73	(151)
Budget	(268)	387	280	--	--	107	(161)
Variance-Positive (Negative)	44	(49)	15	--	--	(34)	10
Economic Incentives Reserve Fund							
Actual-budget basis	2,165	57	2,801	7,781	982	4,055	6,220
Budget	3,553	--	4,707	7,536	--	2,829	6,382
Variance-Positive (Negative)	(1,388)	57	1,906	245	(982)	1,226	(162)
Hotel-Motel Occupancy Tax							
Actual-budget basis	968	39,724	--	--	41,172	(1,448)	(480)
Budget	--	46,474	--	--	46,474	--	--
Variance-Positive (Negative)	968	(6,750)	--	--	5,302	(1,448)	(480)
I-35 Parking Program							
Actual-budget basis	(256)	411	82	--	--	329	73
Budget	(28)	154	131	--	--	23	(5)
Variance-Positive (Negative)	(228)	257	49	--	--	306	78

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
Year ended September 30, 2009
(In thousands)

City of Austin, Texas
 Exhibit E-13

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Other, continued							
Mueller Development Fund							
Actual-budget basis	\$ 602	21	--	--	--	21	623
Budget	607	250	250	--	--	--	607
Variance-Positive (Negative)	(5)	(229)	250	--	--	21	16
Mueller Tax Increment Financing							
Actual-budget basis	--	471	684	--	--	(213)	(213)
Budget	213	471	471	--	--	--	213
Variance-Positive (Negative)	(213)	--	(213)	--	--	(213)	(426)
One Texas Center							
Actual-budget basis	1,059	1,727	--	--	2,732	(1,005)	54
Budget	985	1,576	--	--	2,732	(1,156)	(171)
Variance-Positive (Negative)	74	151	--	--	--	151	225
Rutherford Lane Facility Fund							
Actual-budget basis	(656)	2,734	1,390	--	1,358	(14)	(670)
Budget	(698)	2,766	1,603	--	1,358	(195)	(893)
Variance-Positive (Negative)	42	(32)	213	--	--	181	223
Sustainability							
Actual-budget basis	(72)	--	3,445	4,716	550	721	649
Budget	7	--	4,173	4,716	550	(7)	--
Variance-Positive (Negative)	(79)	--	728	--	--	728	649
Tourism and Promotion							
Actual-budget basis	695	16	7,788	6,758	--	(1,014)	(319)
Budget	765	62	8,440	7,613	--	(765)	--
Variance-Positive (Negative)	(70)	(46)	652	(855)	--	(249)	(319)
Vehicle Rental Tax							
Actual-budget basis	(2,183)	5,778	--	--	6,084	(306)	(2,489)
Budget	--	6,729	--	--	6,729	--	--
Variance-Positive (Negative)	(2,183)	(951)	--	--	645	(306)	(2,489)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
Year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-13

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Other, continued							
Waller Creek Reserve Fund							
Actual-budget basis	\$ 2,030	2,397	--	--	--	2,397	4,427
Budget	1,801	2,110	--	--	--	2,110	3,911
Variance-Positive (Negative)	229	287	--	--	--	287	516
Wildland Conservation							
Actual-budget basis	3,170	370	446	--	--	(76)	3,094
Budget	2,393	155	2,150	--	--	(1,995)	398
Variance-Positive (Negative)	777	215	1,704	--	--	1,919	2,696
Total							
Actual-budget basis	\$ 10,990	105,611	78,721	27,164	54,277	(223)	10,767
Budget	16,636	114,862	86,209	28,794	59,149	(1,702)	14,934
Variance-Positive (Negative)	(5,646)	(9,251)	7,488	(1,630)	4,872	1,479	(4,167)



DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt. The two debt service funds are as follows:

The General Obligation Debt Service Fund - used for payments of principal, interest and related costs of general obligation and other tax-supported debt;

The HUD Section 108 Loans Fund - used to account for HUD loans for construction costs.



**Debt Service Funds
Combining Balance Sheet
September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit E-14**

	General Obligation	HUD Section 108 Loans	2009 Total
ASSETS			
Pooled investments and cash	\$ 139	--	139
Investments, at fair value	18,734	--	18,734
Property taxes receivable	4,857	--	4,857
Less allowance for uncollectible taxes	(1,436)	--	(1,436)
Net property taxes receivable	3,421	--	3,421
Advances to other funds	5,561	--	5,561
Total assets	27,855	--	27,855
LIABILITIES AND FUND BALANCES			
Due to other funds	228	--	228
Deferred revenue	3,266	--	3,266
Advances from other funds	411	--	411
Total liabilities	3,905	--	3,905
Fund balances			
Reserved:			
Advances to other funds	5,561	--	5,561
Debt service	18,389	--	18,389
Total fund balances	23,950	--	23,950
Total liabilities and fund balances	\$ 27,855	--	27,855

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the period ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit E-15

	<u>General Obligation</u>	<u>HUD Section 108 Loans</u>	<u>2009 Total</u>
REVENUES			
Property taxes			
Current	\$ 96,474	--	96,474
Penalty and interest	514	--	514
Interest and other	5,315	2,329	7,644
Total revenues	<u>102,303</u>	<u>2,329</u>	<u>104,632</u>
EXPENDITURES			
Debt service:			
Principal	68,049	1,310	69,359
Interest	40,619	1,019	41,638
Fees and commissions	8	--	8
Total expenditures	<u>108,676</u>	<u>2,329</u>	<u>111,005</u>
Excess (deficiency) of revenues over expenditures	(6,373)	--	(6,373)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,830	--	5,830
Total other financing sources (uses)	<u>5,830</u>	<u>--</u>	<u>5,830</u>
Net change in fund balances	(543)	--	(543)
Fund balances at beginning of year	24,493	--	24,493
Fund balances at end of year	<u>\$ 23,950</u>	<u>--</u>	<u>23,950</u>

Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual-Budget Basis
For the period ended September 30, 2009
(In thousands)

	General Obligation			HUD Section 108 Loans			2009 Actual-Budget Basis Total
	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual- Budget Basis	Budget	Variance- Positive (Negative)	
REVENUES							
General property taxes	\$ 96,988	96,430	558	--	--	--	96,988
Interest	452	1,095	(643)	--	--	--	452
Other revenue	3,909	3,577	332	2,329	2,359	(30)	6,238
Total revenues	101,349	101,102	247	2,329	2,359	(30)	103,678
EXPENDITURES							
Principal retirement	68,049	85,038	16,989	1,310	1,310	--	69,359
Interest and other	40,619	46,808	6,189	1,019	1,019	--	41,638
Fees and commissions	8	15	7	--	30	30	8
Total expenditures	108,676	131,861	23,185	2,329	2,359	30	111,005
Excess (deficiency) of revenues over expenditures	(7,327)	(30,759)	23,432	--	--	--	(7,327)
OTHER FINANCING SOURCES (USES)							
Transfers in	24,082	24,609	(527)	--	--	--	24,082
Total other financing sources (uses)	24,082	24,609	(527)	--	--	--	24,082
Excess (deficiency) of revenues and other sources over expenditures and other uses	16,755	(6,150)	22,905	--	--	--	16,755
Fund balances at beginning of year	37,204	19,337	17,867	--	--	--	37,204
Fund balances at end of year	\$ 53,959	13,187	40,772	--	--	--	53,959



CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds. There are eight major groups of funds that account for the activities related to the capital improvement projects:

Prior

to 1984: Funds authorized prior to 1981, for police and court projects;

Funds authorized August 29, 1981, for emergency medical service projects;

1984: Funds authorized September 8, 1984, for parks and recreation, street and drainage improvements, and fire projects;

1985: Funds authorized January 19, 1985, for cultural arts;

Funds authorized July 26, 1985, for parks and recreation;

1987: Funds authorized September 3, 1987, for street improvements;

1992: Funds authorized August 10, 1992, for various purposes;

1997: Funds authorized May 3, 1997, for radio trunking;

1998: Funds authorized November 3, 1998, for various purposes;

2000: Funds authorized November 7, 2000, for transportation mobility and land acquisition;

2006: Funds authorized November 7, 2006, for various purposes; and

Other: Other funds established for various purposes.



**Capital Projects Funds
Combining Balance Sheet
September 30, 2009
(In thousands)**

	Assets						Total Assets
	Pooled Investments and Cash	Accounts and Other Receivables	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	
Funds Authorized Prior to 1981							
Police and courts	\$ 2	--	--	--	--	--	2
Funds Authorized August 29, 1981							
EMS buildings	225	--	--	--	--	--	225
Total Funds Authorized Prior to 1984	227	--	--	--	--	--	227
Funds Authorized September 8, 1984							
Parkland acquisition	2	--	--	--	--	--	2
Drainage and flood improvements	2,800	--	--	--	--	--	2,800
Street improvements	1,498	12	--	12	--	--	1,510
Fire improvements	6	--	--	--	--	--	6
Total Funds Authorized in 1984	4,306	12	--	12	--	--	4,318
Funds Authorized January 19, 1985							
Cultural arts	1,165	--	--	--	--	--	1,165
Funds Authorized July 26, 1985							
Neighborhood park and recreation	9,711	--	--	--	--	--	9,711
Total Funds Authorized in 1985	10,876	--	--	--	--	--	10,876
Funds Authorized September 3, 1987							
Street resurfacing	198	--	--	--	--	--	198
Total Funds Authorized in 1987	198	--	--	--	--	--	198
Funds Authorized August 10, 1992							
Police substations	31	--	--	--	--	--	31
Asbestos abatement/ADA compliance/ East Austin health clinic	202	--	--	--	--	--	202
Erosion & flood control	85	--	--	--	--	--	85
Street & traffic signals	--	--	--	--	--	--	--
Neighborhood sidewalks	2	--	--	--	--	--	2
Parks and recreation facilities	--	--	--	--	--	--	--
Libraries	--	--	--	--	--	--	--
Barton Creek greenway	320	--	--	--	--	--	320
Total Funds Authorized in 1992	640	--	--	--	--	--	640
Funds Authorized May 3, 1997							
Radio Trunking	--	1,050	--	1,050	--	--	1,050
Total Funds Authorized in 1997	\$ --	1,050	--	1,050	--	--	1,050

Liabilities				Fund Balances			Total Liabilities and Fund Balances
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	
--	--	--	--	--	2	2	2
--	--	--	--	1	224	225	225
--	--	--	--	1	226	227	227
--	--	--	--	--	2	2	2
--	--	--	--	--	2,800	2,800	2,800
--	--	--	--	68	1,442	1,510	1,510
--	--	--	--	--	6	6	6
--	--	--	--	68	4,250	4,318	4,318
--	--	--	--	--	1,165	1,165	1,165
2	--	--	2	249	9,460	9,709	9,711
2	--	--	2	249	10,625	10,874	10,876
--	--	--	--	--	198	198	198
--	--	--	--	--	198	198	198
--	--	--	--	--	31	31	31
--	--	--	--	78	124	202	202
--	--	--	--	--	85	85	85
--	1	--	1	--	(1)	(1)	--
--	--	--	--	1	1	2	2
--	288	--	288	36	(324)	(288)	--
--	17	--	17	--	(17)	(17)	--
--	--	--	--	--	320	320	320
--	306	--	306	115	219	334	640
--	1,074	--	1,074	3,518	(3,542)	(24)	1,050
--	1,074	--	1,074	3,518	(3,542)	(24)	1,050

(Continued)

**Capital Projects Funds
Combining Balance Sheet
September 30, 2009
(In thousands)**

	Assets						Total Assets
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	
Funds Authorized November 3, 1998							
Cultural arts and land	\$ 2,446	--	--	--	--	--	2,446
Traffic signals	10,921	63	--	63	--	--	10,984
Public safety facilities	724	--	--	--	--	--	724
Parks and recreation facilities	11,394	--	--	--	1,380	--	12,774
Total Funds Authorized in 1998	25,485	63	--	63	1,380	--	26,928
Funds Authorized November 7, 2000							
Transportation Mobility Improvement	56,985	--	--	--	71	--	57,056
Open Spaces	40	3	--	3	--	--	43
Total Funds Authorized in 2000	57,025	3	--	3	71	--	57,099
Funds Authorized November 7, 2006							
Transportation	29,059	--	--	--	--	--	29,059
Drainage & Open Spaces	32,938	--	--	--	--	--	32,938
Parks	14,898	--	--	--	--	--	14,898
Cultural Facilities	4,103	--	--	--	--	--	4,103
Affordable Housing	654	--	--	--	--	--	654
Central Library	241	--	--	--	--	--	241
Public Safety	29,189	--	--	--	--	--	29,189
Total Funds Authorized in 2006	111,082	--	--	--	--	--	111,082
Other funds							
Travis County Hospital District projects	553	--	--	--	--	--	553
Community Health Center	57	--	--	--	--	--	57
Planning & development improvements	94	--	--	--	--	--	94
TPSD general improvements	6,899	11	--	11	--	--	6,910
Library automation system	1,525	--	--	--	--	--	1,525
Fire/EMS/NW Austin MUD #1	744	--	--	--	--	--	744
General government projects	10,091	--	--	--	8,645	--	18,736
Health projects	366	--	--	--	--	--	366
Build Austin	--	12	--	12	--	--	12
Build Central Texas	--	--	--	--	--	--	--
CMTA Mobility	--	5,482	(5,482)	--	--	--	--
Park improvements	1,079	--	--	--	--	--	1,079
Parks and Recreation	9,163	--	--	--	--	--	9,163
Police and courts	302	--	--	--	--	--	302
Fire - general	4,808	--	--	--	956	--	5,764
Capital reserve	1,784	526	(526)	--	--	--	1,784
CTM	3,316	--	--	--	--	--	3,316
Public Works	186	--	--	--	--	--	186
Watershed Protection	--	--	--	--	--	--	--
Great Streets	715	--	--	--	--	--	715
City Hall, plaza, parking garage	--	30	--	30	--	--	30
Conservation Land	--	--	--	--	--	--	--
Colony Park	3,387	--	--	--	--	--	3,387
NPZ General	2,641	--	--	--	--	--	2,641
Economic Development	144	--	--	--	--	--	144
Interest income fund	5,003	18	--	18	--	116	5,137
Total other funds	52,857	6,079	(6,008)	71	9,601	116	62,645
2009 Totals	\$ 262,696	7,207	(6,008)	1,199	11,052	116	275,063

(Continued)

Liabilities				Fund Balances			Total Liabilities and Fund Balances
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	
313	--	--	313	822	1,311	2,133	2,446
5	--	--	5	1,220	9,759	10,979	10,984
50	--	--	50	158	516	674	724
57	--	--	57	5,977	6,740	12,717	12,774
425	--	--	425	8,177	18,326	26,503	26,928
221	--	--	221	14,471	42,364	56,835	57,056
--	--	--	--	40	3	43	43
221	--	--	221	14,511	42,367	56,878	57,099
1,345	--	--	1,345	8,544	19,170	27,714	29,059
516	--	--	516	4,365	28,057	32,422	32,938
539	--	--	539	3,792	10,567	14,359	14,898
490	--	--	490	1,711	1,902	3,613	4,103
231	--	--	231	3,364	(2,941)	423	654
--	--	--	--	6,973	(6,732)	241	241
548	--	--	548	2,116	26,525	28,641	29,189
3,669	--	--	3,669	30,865	76,548	107,413	111,082
2	--	--	2	85	466	551	553
4	--	--	4	40	13	53	57
--	--	--	--	94	--	94	94
2,468	--	--	2,468	6,864	(2,422)	4,442	6,910
349	--	--	349	1,301	(125)	1,176	1,525
--	--	--	--	--	744	744	744
54	--	412	466	1,900	16,370	18,270	18,736
--	--	--	--	134	232	366	366
--	293	--	293	39	(320)	(281)	12
--	--	--	--	42	(42)	--	--
535	107	--	642	9,052	(9,694)	(642)	--
122	--	--	122	867	90	957	1,079
178	--	--	178	425	8,560	8,985	9,163
--	--	--	--	1	301	302	302
208	--	--	208	3,767	1,789	5,556	5,764
325	1,489	--	1,814	812	(842)	(30)	1,784
794	--	--	794	1,524	998	2,522	3,316
77	--	--	77	682	(573)	109	186
--	663	--	663	--	(663)	(663)	--
--	--	--	--	--	715	715	715
--	7,120	--	7,120	26	(7,116)	(7,090)	30
--	--	15	15	--	(15)	(15)	--
--	--	--	--	358	3,029	3,387	3,387
39	--	--	39	208	2,394	2,602	2,641
--	--	--	--	59	85	144	144
--	--	--	--	--	5,137	5,137	5,137
5,155	9,672	427	15,254	28,280	19,111	47,391	62,645
9,472	11,052	427	20,951	85,784	168,328	254,112	275,063

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

	Revenues				Expenditures
	Inter- governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized Prior to 1981					
Police and courts	\$ --	--	--	--	--
Funds Authorized August 29, 1981					
EMS buildings	--	--	--	--	--
Total Funds Authorized Prior to 1984	--	--	--	--	--
Funds Authorized September 8, 1984					
Parkland acquisition	--	--	--	--	--
Drainage and flood improvements	--	--	--	--	--
Street improvements	--	--	--	--	165
Fire improvements	--	--	--	--	--
Total Funds Authorized in 1984	--	--	--	--	165
Funds Authorized January 19, 1985					
Cultural arts	--	--	16	16	1
Funds Authorized July 26, 1985					
Neighborhood park and recreation	--	134	114	248	362
Total Funds Authorized in 1985	--	134	130	264	363
Funds Authorized September 3, 1987					
Street resurfacing	--	--	11	11	--
Total Funds Authorized in 1987	--	--	11	11	--
Funds Authorized August 10, 1992					
Police substations	--	--	--	--	--
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	17
Erosion & flood control	--	--	--	--	--
Street & traffic signals	--	--	--	--	9
Neighborhood sidewalks	--	--	--	--	--
Parks and recreation facilities	--	--	--	--	--
Libraries	--	--	--	--	--
Barton Creek greenway	--	--	--	--	5
Total Funds Authorized in 1992	--	--	--	--	31
Funds Authorized May 3, 1997					
Radio Trunking	1,867	3,536	--	5,403	2,963
Total Funds Authorized in 1997	\$ 1,867	3,536	--	5,403	2,963

Excess (Deficiency) of Revenues Over Expenditures	Other Financing Sources (Uses)					Total Other Financing Sources (Uses)	Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
	Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out					
--	--	--	--	--	--	--	--	2	2
--	--	--	--	--	--	--	--	225	225
--	--	--	--	--	--	--	--	227	227
--	--	--	--	--	--	--	--	2	2
--	--	--	--	--	--	--	--	2,800	2,800
(165)	--	--	--	--	--	--	(165)	1,675	1,510
--	--	--	--	--	--	--	--	6	6
(165)	--	--	--	--	--	--	(165)	4,483	4,318
15	--	--	--	--	--	--	15	1,150	1,165
(114)	--	--	2,562	(2,562)	--	--	(114)	9,823	9,709
(99)	--	--	2,562	(2,562)	--	--	(99)	10,973	10,874
11	--	--	--	--	--	--	11	187	198
11	--	--	--	--	--	--	11	187	198
--	--	--	--	--	--	--	--	31	31
(17)	--	--	--	--	--	--	(17)	219	202
--	--	--	--	--	--	--	--	85	85
(9)	--	--	--	--	--	--	(9)	8	(1)
--	--	--	--	--	--	--	--	2	2
--	--	--	--	--	--	--	--	(288)	(288)
--	--	--	--	--	--	--	--	(17)	(17)
(5)	--	--	--	--	--	--	(5)	325	320
(31)	--	--	--	--	--	--	(31)	365	334
2,440	--	--	--	--	--	--	2,440	(2,464)	(24)
2,440	--	--	--	--	--	--	2,440	(2,464)	(24)

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
November 3, 1998					
Cultural arts and land	\$ --	--	--	--	1,869
Traffic signals	--	--	--	--	1,708
Public safety facilities	--	--	--	--	337
Parks and recreation facilities	4	--	--	4	904
Total Funds Authorized in 1998	4	--	--	4	4,818
Funds Authorized					
November 7, 2000					
Transportation Mobility Improvement	--	--	--	--	1,506
Open Spaces	--	--	--	--	148
Total Funds Authorized in 2000	--	--	--	--	1,654
Funds Authorized					
November 7, 2006					
Transportation	--	--	--	--	11,656
Drainage & Open Spaces	--	--	--	--	13,201
Parks	--	--	--	--	6,990
Cultural Facilities	--	--	--	--	5,741
Affordable Housing	--	--	--	--	8,669
Central Library	--	--	--	--	165
Public Safety	--	--	--	--	10,841
Total Funds Authorized in 2006	--	--	--	--	57,263
Other funds					
Travis County Hospital District improvements	109	--	--	109	542
Community Health Center	--	--	--	--	99
Planning & development improvements	--	--	--	--	--
TPSD general improvements	--	17	--	17	2,881
Library automation system	--	--	--	--	2,342
Fire/EMS/NW Austin MUD #1	--	--	16	16	--
General government projects	--	--	--	--	1,748
Health projects	--	--	--	--	458
Build Austin	1	--	--	1	1
Build Central Texas	469	--	--	469	--
CMTA Mobility	4,037	--	28	4,065	6,121
Park improvements	--	--	--	--	551
Parks and Recreation	--	2,361	2	2,363	4,075
Police and courts	--	--	--	--	18
Fire - general	--	--	--	--	2,183
Capital reserve	--	4,933	--	4,933	1,150
CTM	--	--	--	--	4,621
Public Works	437	--	--	437	1,019
Watershed Protection	--	--	--	--	(105)
Great Streets	--	--	--	--	--
City Hall, plaza, parking garage	--	--	--	--	--
Conservation Land	--	--	--	--	--
Colony Park	--	238	--	238	870
NPZ General	--	40	--	40	511
Economic Development	--	--	--	--	--
Interest income fund	--	--	6,177	6,177	--
Total other funds	5,053	7,589	6,223	18,865	29,085
2009 Totals	\$ 6,924	11,259	6,364	24,547	96,342

(Continued)

Excess (Deficiency) of Revenues Over Expenditures	Other Financing Sources (Uses)					Total Other Financing Sources(Uses)	Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
	Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out					
(1,869)	--	--	--	--	--	(1,869)	4,002	2,133	
(1,708)	--	--	--	--	--	(1,708)	12,687	10,979	
(337)	--	--	--	--	--	(337)	1,011	674	
(900)	--	--	--	--	--	(900)	13,617	12,717	
(4,814)	--	--	--	--	--	(4,814)	31,317	26,503	
(1,506)	28,000	79	--	--	28,079	26,573	30,262	56,835	
(148)	--	--	--	--	--	(148)	191	43	
(1,654)	28,000	79	--	--	28,079	26,425	30,453	56,878	
(11,656)	39,860	80	--	--	39,940	28,284	(570)	27,714	
(13,201)	45,712	1,474	--	--	47,186	33,985	(1,563)	32,422	
(6,990)	22,770	60	--	--	22,830	15,840	(1,481)	14,359	
(5,741)	11,068	--	--	--	11,068	5,327	(1,714)	3,613	
(8,669)	8,500	45	--	--	8,545	(124)	547	423	
(165)	500	--	--	--	500	335	(94)	241	
(10,841)	19,000	--	--	--	19,000	8,159	20,482	28,641	
(57,263)	147,410	1,659	--	--	149,069	91,806	15,607	107,413	
(433)	--	--	--	(1,429)	(1,429)	(1,862)	2,413	551	
(99)	--	--	--	(82)	(82)	(181)	234	53	
--	--	--	--	--	--	--	94	94	
(2,864)	--	--	350	--	350	(2,514)	6,956	4,442	
(2,342)	--	--	700	--	700	(1,642)	2,818	1,176	
16	--	--	--	--	--	16	728	744	
(1,748)	--	--	5,725	--	5,725	3,977	14,293	18,270	
(458)	--	--	--	--	--	(458)	824	366	
--	--	--	--	--	--	--	(281)	(281)	
469	--	--	--	--	--	469	(469)	--	
(2,056)	--	--	--	--	--	(2,056)	1,414	(642)	
(551)	--	--	--	--	--	(551)	1,508	957	
(1,712)	8,700	74	100	--	8,874	7,162	1,823	8,985	
(18)	--	--	300	--	300	282	20	302	
(2,183)	4,500	40	1,000	--	5,540	3,357	2,199	5,556	
3,783	--	--	--	--	--	3,783	(3,813)	(30)	
(4,621)	2,700	45	3,338	--	6,083	1,462	1,060	2,522	
(582)	--	--	--	--	--	(582)	691	109	
105	--	--	--	--	--	105	(768)	(663)	
--	--	--	655	(531)	124	124	591	715	
--	--	--	--	--	--	--	(7,090)	(7,090)	
--	--	--	--	--	--	--	(15)	(15)	
(632)	--	--	650	(798)	(148)	(780)	4,167	3,387	
(471)	--	--	1,346	--	1,346	875	1,727	2,602	
--	--	--	--	--	--	--	144	144	
6,177	--	--	--	(6,850)	(6,850)	(673)	5,810	5,137	
(10,220)	15,900	159	14,164	(9,690)	20,533	10,313	37,078	47,391	
(71,795)	191,310	1,897	16,726	(12,252)	197,681	125,886	128,226	254,112	





PERMANENT FUNDS

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

3M Maintenance Endowment - Purpose is to account for 3M Mitigation Land Endowment.

Ellis Library Trust - Purpose is to account for principal and interest income earned on the principal from the Ellis estate. This income is used for purchasing books on the subject of mental health.

Perpetual Care - Accounts for revenues to be used for maintenance and care of cemeteries.



Permanent Funds
Combining Balance Sheet
September 30, 2009
(In thousands)

City of Austin, Texas
 Exhibit E-19

	3M			
	Maintenance	Ellis Library	Perpetual	2009
	Endowment	Trust	Care	Total
ASSETS				
Pooled investments and cash	\$ 50	27	1,830	1,907
Total assets	50	27	1,830	1,907
LIABILITIES AND FUND BALANCES				
Accounts payable	--	--	48	48
Total liabilities	--	--	48	48
Fund balances				
Reserved:				
Permanent funds	50	9	981	1,040
Unreserved, undesignated:				
Permanent funds	--	18	801	819
Total fund balances	50	27	1,782	1,859
Total liabilities and fund balances	\$ 50	27	1,830	1,907

Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
 Exhibit E-20

	3M			2009 Total
	Maintenance Endowment	Ellis Library Trust	Perpetual Care	
REVENUES				
Interest and other	\$ --	--	64	64
Total revenues	--	--	64	64
EXPENDITURES				
Current:				
Public recreation and culture	--	--	89	89
Total expenditures	--	--	89	89
Net change in fund balances	--	--	(25)	(25)
Fund balances at beginning of year	50	27	1,807	1,884
Fund balances at end of year	\$ 50	27	1,782	1,859





NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for the acquisition, operations and maintenance of the City's facilities and services that are entirely or predominantly supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations, and maintenance. The nonmajor enterprise funds are as follows:

- Convention Center Fund;
- Drainage Fund;
- Golf Fund;
- Hospital Fund;
- Parks and Recreation Fund;
- Primary Care Fund;
- Solid Waste Services Fund; and
- Transportation Fund



Nonmajor Enterprise Funds
Combining Statement of Net Assets
September 30, 2009
(In thousands)

	Convention Center	Drainage	Golf	Hospital
ASSETS				
Current assets:				
Cash	\$ 19	2	1	--
Pooled investments and cash	48,213	62,510	--	18
Pooled investments and cash - restricted	19,476	13,419	596	--
Total pooled investments and cash	67,689	75,929	596	18
Investments, at fair value	6,481	--	--	--
Investments, at fair value - restricted	10,599	--	--	--
Accounts receivable	401	3,599	--	--
Less allowance for doubtful accounts	(1)	(89)	--	--
Net accounts receivable	400	3,510	--	--
Due from other funds	--	794	--	--
Inventories, at cost	--	--	--	--
Prepaid expenses	92	4	36	--
Other receivables - restricted	--	3	--	--
Total current assets	85,280	80,242	633	18
Noncurrent assets:				
Advances to other funds	23	--	--	--
Advances to other funds - restricted	--	88	--	--
Capital assets				
Land and other nondepreciable assets	38,636	25,438	357	--
Property, plant, and equipment in service	282,013	113,126	16,872	--
Less accumulated depreciation	(71,736)	(24,272)	(7,293)	--
Net property, plant, and equipment in service	210,277	88,854	9,579	--
Construction in progress	16,608	19,685	85	--
Total capital assets	265,521	133,977	10,021	--
Deferred costs and expenses, net of amortization	4,231	6	11	--
Total noncurrent assets	269,775	134,071	10,032	--
Total assets	\$ 355,055	214,313	10,665	18

	<u>Parks and Recreation</u>	<u>Primary Care</u>	<u>Solid Waste Services</u>	<u>Trans- portation</u>	<u>2009 Total</u>
ASSETS					
Current assets:					
Cash	--	--	3	2	27
Pooled investments and cash	564	--	7,163	12,839	131,307
Pooled investments and cash - restricted	--	--	18,391	1,003	52,885
Total pooled investments and cash	564	--	25,554	13,842	184,192
Investments, at fair value	--	--	--	--	6,481
Investments, at fair value - restricted	--	--	--	--	10,599
Accounts receivable	--	--	7,303	2,752	14,055
Less allowance for doubtful accounts	--	--	(155)	(46)	(291)
Net accounts receivable	--	--	7,148	2,706	13,764
Due from other funds	--	--	--	--	794
Inventories, at cost	--	--	--	430	430
Prepaid expenses	--	--	--	15	147
Other receivables - restricted	--	--	--	--	3
Total current assets	564	--	32,705	16,995	216,437
Noncurrent assets:					
Advances to other funds	--	--	--	--	23
Advances to other funds - restricted	--	--	--	--	88
Capital assets					
Land and other nondepreciable assets	--	--	18,714	2,389	85,534
Property, plant and equipment in service	215	--	70,870	25,072	508,168
Less accumulated depreciation	(150)	--	(39,826)	(12,772)	(156,049)
Net property, plant and equipment in service	65	--	31,044	12,300	352,119
Construction in progress	--	--	6,259	3,313	45,950
Total capital assets	65	--	56,017	18,002	483,603
Deferred costs and expenses, net of amortization	--	--	232	70	4,550
Total noncurrent assets	65	--	56,249	18,072	488,264
Total assets	629	--	88,954	35,067	704,701

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Assets
September 30, 2009
(In thousands)

	Convention			
	Center	Drainage	Golf	Hospital
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 343	540	5	--
Accounts and retainage payable from restricted assets	1,328	1,219	1	--
Accrued payroll	684	971	125	--
Accrued compensated absences	719	1,663	136	--
Due to other funds	299	--	794	--
Accrued interest payable from restricted assets	2,203	--	--	--
Interest payable on other debt	--	40	21	--
General obligation bonds payable and other tax supported debt	1,478	759	497	--
Revenue bonds payable from restricted assets	8,215	--	--	--
Customer and escrow deposits payable from restricted assets	1,935	301	--	--
Accrued landfill closure and postclosure costs	--	--	--	--
Deferred credits and other liabilities	--	43	--	--
Total current liabilities	17,204	5,536	1,579	--
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	96	62	81	--
Advances from other funds	1,940	--	25	--
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	25,496	9,734	3,658	--
Revenue bonds payable, net of discount and inclusive of premium	208,440	--	--	--
Pension obligation payable	1,400	2,970	287	--
Other post employment benefits payable	2,669	3,935	--	--
Accrued landfill closure and postclosure costs	--	--	--	--
Deferred credits and other liabilities	4,222	--	--	--
Total noncurrent liabilities	244,263	16,701	4,051	--
Total liabilities	261,467	22,237	5,630	--
NET ASSETS				
Invested in capital assets, net of related debt	35,401	123,574	5,877	--
Restricted for:				
Debt service	2,101	--	--	--
Strategic Reserve	6,824	--	--	--
Capital projects	--	11,818	595	--
Renewal and replacement	770	--	--	--
Operating reserve	2,163	--	--	--
Unrestricted	46,329	56,684	(1,437)	18
Total net assets	\$ 93,588	192,076	5,035	18

(Continued)

	<u>Parks and Recreation</u>	<u>Primary Care</u>	<u>Solid Waste Services</u>	<u>Trans- portation</u>	<u>2009 Total</u>
LIABILITIES					
Current liabilities:					
Accounts payable	16	--	2,612	1,228	4,744
Accounts and retainage payable from restricted assets	--	--	1,340	--	3,888
Accrued payroll	143	--	1,278	985	4,186
Accrued compensated absences	110	--	1,584	1,324	5,536
Due to other funds	--	--	--	--	1,093
Accrued interest payable from restricted assets	--	--	--	--	2,203
Interest payable on other debt	--	--	502	16	579
General obligation bonds payable and other tax supported debt	--	--	6,054	1,877	10,665
Revenue bonds payable from restricted assets	--	--	--	--	8,215
Customer and escrow deposits payable from restricted assets	--	--	889	--	3,125
Accrued landfill closure and postclosure costs	--	--	10,494	--	10,494
Deferred credits and other liabilities	--	--	--	292	335
Total current liabilities	269	--	24,753	5,722	55,063
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	4	--	--	32	275
Advances from other funds	--	--	1,528	--	3,493
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	--	--	44,676	11,653	95,217
Revenue bonds payable, net of discount and inclusive of premium	--	--	--	--	208,440
Pension obligation payable	213	--	3,121	2,427	10,418
Other post employment benefits payable	--	--	5,783	4,973	17,360
Accrued landfill closure and postclosure costs	--	--	7,718	--	7,718
Deferred credits and other liabilities	--	--	--	--	4,222
Total noncurrent liabilities	217	--	62,826	19,085	347,143
Total liabilities	486	--	87,579	24,807	402,206
NET ASSETS					
Invested in capital assets, net of related debt	65	--	21,673	5,545	192,135
Restricted for:					
Debt service	--	--	--	--	2,101
Strategic Reserve	--	--	--	--	6,824
Capital projects	--	--	--	--	12,413
Renewal and replacement	--	--	--	--	770
Operating reserve	--	--	--	--	2,163
Unrestricted	78	--	(20,298)	4,715	86,089
Total net assets	143	--	1,375	10,260	302,495

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the year ended September 30, 2009
(In thousands)

	Convention Center	Drainage	Golf	Hospital
OPERATING REVENUES				
User fees and rentals	\$ 16,258	53,924	5,556	--
Total operating revenues	<u>16,258</u>	<u>53,924</u>	<u>5,556</u>	<u>--</u>
OPERATING EXPENSES				
Operating expenses before depreciation	31,758	40,042	4,811	12
Depreciation and amortization	8,227	4,063	626	--
Total operating expenses	<u>39,985</u>	<u>44,105</u>	<u>5,437</u>	<u>12</u>
Operating income (loss)	<u>(23,727)</u>	<u>9,819</u>	<u>119</u>	<u>(12)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenues	2,415	1,667	18	--
Interest on revenue bonds and other debt	(12,792)	(499)	(160)	--
Interest capitalized during construction	933	834	3	--
Amortization of bond issue cost	(246)	(1)	(1)	--
Other nonoperating revenue (expense)	(55)	(23)	(27)	--
Total nonoperating revenues (expenses)	<u>(9,745)</u>	<u>1,978</u>	<u>(167)</u>	<u>--</u>
Income (loss) before contributions and transfers	<u>(33,472)</u>	<u>11,797</u>	<u>(48)</u>	<u>(12)</u>
Capital contributions	--	2,708	1,149	--
Transfers in	35,818	377	--	--
Transfers out	(200)	(633)	--	--
Change in net assets	<u>2,146</u>	<u>14,249</u>	<u>1,101</u>	<u>(12)</u>
Total net assets - beginning	<u>91,442</u>	<u>177,827</u>	<u>3,934</u>	<u>30</u>
Total net assets - ending	<u>\$ 93,588</u>	<u>192,076</u>	<u>5,035</u>	<u>18</u>

	Parks and Recreation	Primary Care	Solid Waste Services	Trans- portation	2009 Total
OPERATING REVENUES					
User fees and rentals	4,563	--	65,940	36,815	183,056
Total operating revenues	4,563	--	65,940	36,815	183,056
OPERATING EXPENSES					
Operating expenses before depreciation	4,665	(27)	60,308	43,617	185,186
Depreciation and amortization	22	--	5,884	1,994	20,816
Total operating expenses	4,687	(27)	66,192	45,611	206,002
Operating income (loss)	(124)	27	(252)	(8,796)	(22,946)
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	8	--	179	194	4,481
Interest on revenue bonds and other debt	--	--	(1,675)	(201)	(15,327)
Interest capitalized during construction	--	--	295	49	2,114
Amortization of bond issue cost	--	--	(8)	(2)	(258)
Other nonoperating revenue (expense)	(11)	--	(329)	(16)	(461)
Total nonoperating revenues (expenses)	(3)	--	(1,538)	24	(9,451)
Income (loss) before contributions and transfers	(127)	27	(1,790)	(8,772)	(32,397)
Capital contributions	--	--	652	103	4,612
Transfers in	186	--	831	8,409	45,621
Transfers out	--	(431)	(782)	(655)	(2,701)
Change in net assets	59	(404)	(1,089)	(915)	15,135
Total net assets - beginning	84	404	2,464	11,175	287,360
Total net assets - ending	143	--	1,375	10,260	302,495

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Convention Center	Drainage	Golf	Hospital
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 16,525	53,747	5,556	--
Cash payments to suppliers for goods and services	(20,146)	(11,529)	(2,230)	(15)
Cash payments to employees for services	(12,531)	(25,829)	(2,501)	--
Net cash provided (used) by operating activities	(16,152)	16,389	825	(15)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	35,818	377	--	--
Transfers out	(200)	(633)	--	--
Loan repayments to other funds	(252)	--	(106)	--
Loan repayments from other funds	--	155	22	--
Net cash provided (used) by noncapital financing activities	35,366	(101)	(84)	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the sale of general obligation bonds and other tax-supported debt	6,000	--	440	--
Principal paid on long-term debt	(6,049)	(689)	(546)	--
Purchased interest received	--	--	2	--
Interest paid on revenue bonds and other debt	(12,555)	(502)	(203)	--
Acquisition and construction of capital assets	(9,492)	(14,594)	(218)	--
Contributions (to) from municipality	--	--	--	--
Contributions in aid of construction	--	4,324	135	--
Bond issuance costs	(51)	--	(3)	--
Bond premiums	45	--	7	--
Net cash provided (used) by capital and related financing activities	\$ (22,102)	(11,461)	(386)	--

	Parks and Recreation	Primary Care	Solid Waste Services	Trans- portation	2009 Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	4,563	--	64,366	35,923	180,680
Cash payments to suppliers for goods and services	(1,302)	(106)	(24,798)	(22,909)	(83,035)
Cash payments to employees for services	(3,323)	(1,050)	(27,788)	(17,733)	(90,755)
Net cash provided (used) by operating activities	(62)	(1,156)	11,780	(4,719)	6,890
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	186	--	831	8,409	45,621
Transfers out	--	(431)	(782)	(655)	(2,701)
Loan repayments to other funds	--	--	(398)	--	(756)
Loan repayments from other funds	--	--	--	--	177
Net cash provided (used) by noncapital financing activities	186	(431)	(349)	7,754	42,341
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	--	26,770	8,288	41,498
Principal paid on long-term debt	--	--	(4,433)	(1,417)	(13,134)
Purchased interest received	--	--	83	16	101
Interest paid on revenue bonds and other debt	--	--	(1,615)	(300)	(15,175)
Acquisition and construction of capital assets	(13)	--	(12,309)	(7,365)	(43,991)
Contributions (to) from municipality	--	--	--	(103)	(103)
Contributions in aid of construction	--	--	947	--	5,406
Bond issuance costs	--	--	(186)	(60)	(300)
Bond premiums	--	--	468	190	710
Net cash provided (used) by capital and related financing activities	(13)	--	9,725	(751)	(24,988)

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Convention Center	Drainage	Golf	Hospital
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	\$ (19,676)	--	--	--
Proceeds from sale and maturities of investment securities	17,121	--	--	--
Interest on investments	2,415	1,667	18	--
Net cash provided (used) by investing activities	(140)	1,667	18	--
Net increase (decrease) in cash and cash equivalents	(3,028)	6,494	373	(15)
Cash and cash equivalents, October 1	70,736	69,437	224	33
Cash and cash equivalents, September 30	67,708	75,931	597	18
RECONCILIATION OF OPERATING INCOME TO NET				
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	(23,727)	9,819	119	(12)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	8,227	4,063	626	--
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	114	(189)	--	--
Increase (decrease) in allowance for doubtful accounts	(8)	12	--	--
Decrease in inventory	--	--	--	--
Decrease in prepaid expenses and other assets	(92)	--	22	--
Increase (decrease) in accounts payable	(2,255)	89	(5)	(3)
Increase in accrued payroll and compensated absences	152	(42)	15	--
Decrease in advances from other funds	(11)	--	--	--
Increase (decrease) in pension obligations payable	363	668	62	--
Increase in other post employment benefits payable	1,335	1,969	--	--
Increase in deferred credits and other liabilities	(414)	--	(14)	--
Increase in customer deposits	164	--	--	--
Total adjustments	7,575	6,570	706	(3)
Net cash provided (used) by operating activities	\$ (16,152)	16,389	825	(15)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Decrease in deferred assets/expenses	\$ (195)	--	--	--
Capital assets contributed to other funds	--	--	(6)	--
Increase in the fair value of investments	645	--	--	--
Amortization of bond issue costs	(246)	(1)	(1)	--
Amortization of bond discounts and premiums	(471)	(26)	(43)	--
Amortization of deferred loss on refundings	756	28	1	--
Loss on disposal of assets	(55)	(23)	(27)	--

(Continued)

	Parks and Recreation	Primary Care	Solid Waste Services	Trans- portation	2009 Total
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investment securities	--	--	--	--	(19,676)
Proceeds from sale and maturities of investment securities	--	--	--	--	17,121
Interest on investments	8	--	68	194	4,370
Net cash provided (used) by investing activities	8	--	68	194	1,815
Net increase (decrease) in cash and cash equivalents	119	(1,587)	21,224	2,478	26,058
Cash and cash equivalents, October 1	445	1,587	4,333	11,366	158,161
Cash and cash equivalents, September 30	564	--	25,557	13,844	184,219
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(124)	27	(252)	(8,796)	(22,946)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	22	--	5,884	1,994	20,816
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	--	(1,666)	(892)	(2,633)
Increase (decrease) in allowance for doubtful accounts	--	--	48	13	65
Decrease in inventory	--	127	--	(193)	(66)
Decrease in prepaid expenses and other assets	--	--	--	1	(69)
Increase (decrease) in accounts payable	(11)	(234)	1,690	(271)	(1,000)
Increase in accrued payroll and compensated absences	6	(1,076)	12	90	(843)
Decrease in advances from other funds	--	--	--	--	(11)
Increase (decrease) in pension obligations payable	47	--	742	555	2,437
Increase in other post employment benefits payable	--	--	2,894	2,488	8,686
Increase in deferred credits and other liabilities	(2)	--	2,384	292	2,246
Increase in customer deposits	--	--	44	--	208
Total adjustments	62	(1,183)	12,032	4,077	29,836
Net cash provided (used) by operating activities	(62)	(1,156)	11,780	(4,719)	6,890
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Decrease in deferred assets/expenses	--	--	(178)	--	(373)
Capital assets contributed to other funds	--	--	--	103	97
Increase in the fair value of investments	--	--	--	--	645
Amortization of bond issue costs	--	--	8	(2)	(242)
Amortization of bond discounts and premiums	--	--	(174)	4	(710)
Amortization of deferred loss on refundings	--	--	39	(16)	808
Loss on disposal of assets	(11)	--	(329)	--	(445)





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 City and other agencies on a cost-reimbursement basis.

The internal service funds are as follows:

- Capital Projects Management Fund, which manages the City's capital improvement projects;
- Combined Transportation, Emergency and Communications Center Fund (CTECC), which supports the operation of shared critical emergency communications and transportation management for the region;
- Employee Benefits Fund, which includes activities related to the health, dental, and life insurance costs of City employees;
- Fleet Maintenance Fund, which accounts for City vehicle and equipment services;
- Information Systems Fund, which includes activities of the Communications and Technology Management Department;
- Liability Reserve Fund, which provides coverage of the City's major claims liabilities;
- Support Services Fund, which accounts for the activities of the various support service departments;
- Wireless Communication Fund, which accounts for communication support activities; and
- Workers' Compensation Fund, which accounts for workers' compensation costs.



Internal Service Funds
Combining Statement of Net Assets
September 30, 2009
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
ASSETS					
Current assets:					
Cash	\$ 2	--	--	1	--
Pooled investments and cash	3,001	657	31,843	7,034	4,097
Cash held by trustee	--	--	599	--	--
Accounts receivable	218	889	--	318	214
Less allowance for doubtful accounts	--	--	--	(222)	--
Net accounts receivable	218	889	--	96	214
Due from other funds	--	--	--	--	--
Inventories, at cost	--	--	--	1,040	--
Prepaid expenses	6	4	--	--	509
Total current assets	3,227	1,550	32,442	8,171	4,820
Noncurrent assets:					
Advances to other funds	--	--	--	--	--
Capital assets					
Land and other nondepreciable assets	--	--	--	240	--
Property, plant, and equipment in service	1,099	11,491	--	17,540	19,670
Less accumulated depreciation	(787)	(1,270)	--	(9,140)	(10,934)
Net property, plant, and equipment in service	312	10,221	--	8,400	8,736
Construction in progress	--	--	--	1,060	--
Total capital assets	312	10,221	--	9,700	8,736
Deferred costs and expenses, net of amortization	--	--	--	4	--
Total noncurrent assets	312	10,221	--	9,704	8,736
Total assets	\$ 3,539	11,771	32,442	17,875	13,556

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	2009 Total
ASSETS					
Current assets:					
Cash	--	11	1	--	15
Pooled investments and cash	18,597	9,788	1,035	15,531	91,583
Cash held by trustee	--	--	--	--	599
Accounts receivable	--	6	502	--	2,147
Less allowance for doubtful accounts	--	--	--	--	(222)
Net accounts receivable	--	6	502	--	1,925
Due from other funds	--	11	--	--	11
Inventories, at cost	--	13	161	--	1,214
Prepaid expenses	--	19	--	--	538
Total current assets	18,597	9,848	1,699	15,531	95,885
Noncurrent assets:					
Advances to other funds	--	45	--	--	45
Capital assets					
Land and other nondepreciable assets	--	521	--	--	761
Property, plant, and equipment in service	--	8,429	13,806	--	72,035
Less accumulated depreciation	--	(4,419)	(5,425)	--	(31,975)
Net property, plant, and equipment in service	--	4,010	8,381	--	40,060
Construction in progress	--	--	--	--	1,060
Total capital assets	--	4,531	8,381	--	41,881
Deferred costs and expenses, net of amortization	--	--	--	--	4
Total noncurrent assets	--	4,576	8,381	--	41,930
Total assets	18,597	14,424	10,080	15,531	137,815

(Continued)

Internal Service Funds
Combining Statement of Net Assets
September 30, 2009
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 32	305	1,216	1,521	842
Accrued payroll	944	124	--	559	914
Accrued compensated absences	1,180	174	--	751	1,378
Claims payable	--	--	9,260	--	--
Due to other funds	--	--	--	--	27
Interest payable on other debt	--	--	--	21	--
General obligation bonds payable and other tax supported debt	--	--	--	392	--
Deferred credits and other liabilities	--	29	493	--	--
Total current liabilities	2,156	632	10,969	3,244	3,161
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	--	--	--	114
Claims payable	--	--	--	--	--
Advances from other funds	--	--	--	123	27
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	--	--	--	4,703	--
Total noncurrent liabilities	--	--	--	4,826	141
Total liabilities	2,156	632	10,969	8,070	3,302
NET ASSETS					
Invested in capital assets, net of related debt	312	10,221	--	4,609	8,736
Restricted for:					
Capital projects	--	--	--	2,232	--
Unrestricted	1,071	918	21,473	2,964	1,518
Total net assets	\$ 1,383	11,139	21,473	9,805	10,254

(Continued)

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	2009 Total
LIABILITIES					
Current liabilities:					
Accounts payable	116	2,046	465	144	6,687
Accrued payroll	--	2,451	118	--	5,110
Accrued compensated absences	--	3,335	127	--	6,945
Claims payable	2,555	--	--	5,755	17,570
Due to other funds	--	131	--	--	158
Interest payable on other debt	--	1	--	--	22
General obligation bonds payable and other tax supported debt	--	36	--	--	428
Deferred credits and other liabilities	3,600	357	66	--	4,545
Total current liabilities	6,271	8,357	776	5,899	41,465
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	245	55	--	414
Claims payable	4,410	--	--	8,297	12,707
Advances from other funds	--	594	--	--	744
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	--	371	--	--	5,074
Total noncurrent liabilities	4,410	1,210	55	8,297	18,939
Total liabilities	10,681	9,567	831	14,196	60,404
NET ASSETS					
Invested in capital assets, net of related debt	--	4,124	8,381	--	36,383
Restricted for:					
Capital projects	--	--	--	--	2,232
Unrestricted	7,916	733	868	1,335	38,796
Total net assets	7,916	4,857	9,249	1,335	77,411

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the year ended September 30, 2009
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
OPERATING REVENUES					
Billings to departments	\$ 25,330	6,294	102,318	44,347	24,912
Employee contributions	--	--	36,057	--	--
Operating revenues from other governments	--	2,970	--	--	--
Other operating revenues	211	--	--	1,972	183
Total operating revenues	25,541	9,264	138,375	46,319	25,095
OPERATING EXPENSES					
Operating expenses before depreciation	24,150	9,690	132,395	33,970	25,766
Depreciation and amortization	92	813	--	882	5,516
Total operating expenses	24,242	10,503	132,395	34,852	31,282
Operating income (loss)	1,299	(1,239)	5,980	11,467	(6,187)
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	24	4	--	518	75
Interest on bonds and other debt	--	--	--	(270)	--
Amortization of bond issue cost	--	--	--	1	--
Other nonoperating revenue (expense)	(2)	(11)	--	(6,289)	(821)
Total nonoperating revenues (expenses)	22	(7)	--	(6,040)	(746)
Income (loss) before contributions and transfers	1,321	(1,246)	5,980	5,427	(6,933)
Capital contributions	--	7,933	--	--	(11,842)
Transfers out	--	--	--	--	(2,679)
Change in net assets	1,321	6,687	5,980	5,427	(21,454)
Total net assets - beginning	62	4,452	15,493	4,378	31,708
Total net assets - ending	\$ 1,383	11,139	21,473	9,805	10,254

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	2009 Total
OPERATING REVENUES					
Billings to departments	3,514	55,599	4,998	7,879	275,191
Employee contributions	--	--	--	--	36,057
Operating revenues from other governments	--	--	518	--	3,488
Other operating revenues	--	412	1,829	16	4,623
Total operating revenues	3,514	56,011	7,345	7,895	319,359
OPERATING EXPENSES					
Operating expenses before depreciation	3,460	56,622	6,855	8,351	301,259
Depreciation and amortization	--	547	1,530	--	9,380
Total operating expenses	3,460	57,169	8,385	8,351	310,639
Operating income (loss)	54	(1,158)	(1,040)	(456)	8,720
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	--	96	17	--	734
Interest on bonds and other debt	--	(20)	--	--	(290)
Amortization of bond issue cost	--	3	--	--	4
Other nonoperating revenue (expense)	--	(402)	(3)	--	(7,528)
Total nonoperating revenues (expenses)	--	(323)	14	--	(7,080)
Income (loss) before contributions and transfers	54	(1,481)	(1,026)	(456)	1,640
Capital contributions	--	--	1,686	--	(2,223)
Transfers out	--	(3,640)	--	--	(6,319)
Change in net assets	54	(5,121)	660	(456)	(6,902)
Total net assets - beginning	7,862	9,978	8,589	1,791	84,313
Total net assets - ending	7,916	4,857	9,249	1,335	77,411

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 25,538	9,833	138,375	46,263	25,041
Cash payments to suppliers for goods and services	(4,293)	(6,908)	(51,621)	(22,279)	(6,499)
Cash payments to employees for services	(19,696)	(2,868)	--	(12,582)	(19,295)
Cash payments to claimants/beneficiaries	--	--	(79,498)	--	--
Net cash provided (used) by operating activities	1,549	57	7,256	11,402	(753)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	--	--	--	--	(2,679)
Loan repayments to other funds	--	--	--	(28)	(27)
Net cash provided (used) by noncapital financing activities	--	--	--	(28)	(2,706)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	--	--	(370)	(2)
Interest paid on revenue bonds and other debt	--	--	--	(264)	(44)
Acquisition and construction of capital assets	(5)	(20)	--	(6,799)	(87)
Contributions from municipality	--	--	--	--	(8,469)
Net cash provided (used) by capital and related financing activities	\$ (5)	(20)	--	(7,433)	(8,602)

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	2009 Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	3,514	56,009	6,932	7,895	319,400
Cash payments to suppliers for goods and services	(2,880)	(4,969)	(4,336)	(4,022)	(107,807)
Cash payments to employees for services	--	(52,189)	(2,562)	--	(109,192)
Cash payments to claimants/beneficiaries	(1,461)	--	--	(4,119)	(85,078)
Net cash provided (used) by operating activities	(827)	(1,149)	34	(246)	17,323
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	--	(3,640)	--	--	(6,319)
Loan repayments to other funds	--	(158)	--	--	(213)
Net cash provided (used) by noncapital financing activities	--	(3,798)	--	--	(6,532)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	(40)	--	--	(412)
Interest paid on revenue bonds and other debt	--	(20)	--	--	(328)
Acquisition and construction of capital assets	--	(29)	(658)	--	(7,598)
Contributions from municipality	--	--	--	--	(8,469)
Net cash provided (used) by capital and related financing activities	--	(89)	(658)	--	(16,807)

(Continued)

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2009
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	\$ 24	4	--	518	75
Net cash provided (used) by investing activities	24	4	--	518	75
Net increase (decrease) in cash and cash equivalents	1,568	41	7,256	4,459	(11,986)
Cash and cash equivalents, October 1	1,435	616	25,186	2,576	16,083
Cash and cash equivalents, September 30	3,003	657	32,442	7,035	4,097
RECONCILIATION OF OPERATING INCOME TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	1,299	(1,239)	5,980	11,467	(6,187)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	92	813	--	882	5,516
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(3)	572	--	(56)	(54)
Decrease in due from other funds	--	--	--	--	--
Decrease in inventory	--	--	--	246	--
Decrease in prepaid expenses and other assets	--	--	--	--	(509)
Decrease in deferred costs and other expenses	--	(3)	--	--	--
Increase in other long-term assets	--	--	--	1	--
Increase (decrease) in accounts payable	(9)	(32)	(3,130)	(1,003)	294
Increase in accrued payroll and compensated absences	170	(54)	--	(135)	187
Increase (decrease) in claims payable	--	--	4,464	--	--
Increase (decrease) in deferred credits and other liabilities	--	--	(58)	--	--
Total adjustments	250	1,296	1,276	(65)	5,434
Net cash provided (used) by operating activities	\$ 1,549	57	7,256	11,402	(753)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital assets contributed to other funds	\$ --	7,933	--	--	6,611
Amortization of bond issue costs	--	--	--	1	--
Loss on disposal of assets	(2)	--	--	--	(821)
Decrease in deferred credits and other liabilities	--	--	--	--	--
Debt obligations transferred to other funds	--	--	--	--	(10,065)

(Continued)

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	2009 Total
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	--	96	17	--	734
Net cash provided (used) by investing activities	--	96	17	--	734
Net increase (decrease) in cash and cash equivalents	(827)	(4,940)	(607)	(246)	(5,282)
Cash and cash equivalents, October 1	19,424	14,739	1,643	15,777	97,479
Cash and cash equivalents, September 30	18,597	9,799	1,036	15,531	92,197
RECONCILIATION OF OPERATING INCOME TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	54	(1,158)	(1,040)	(456)	8,720
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	--	547	1,530	--	9,380
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	(2)	(319)	--	138
Decrease in due from other funds	--	11	--	--	11
Decrease in inventory	--	--	(14)	--	232
Decrease in prepaid expenses and other assets	--	(1)	--	--	(510)
Decrease in deferred costs and other expenses	--	--	--	--	(3)
Increase in other long-term assets	--	--	--	--	1
Increase (decrease) in accounts payable	2	(889)	(18)	(24)	(4,809)
Increase in accrued payroll and compensated absences	--	223	(11)	--	380
Increase (decrease) in claims payable	(883)	--	--	234	3,815
Increase (decrease) in deferred credits and other liabilities	--	120	(94)	--	(32)
Total adjustments	(881)	9	1,074	210	8,603
Net cash provided (used) by operating activities	(827)	(1,149)	34	(246)	17,323
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed to other funds	--	--	--	--	14,544
Amortization of bond issue costs	--	3	--	--	4
Loss on disposal of assets	--	(402)	--	--	(1,225)
Decrease in deferred credits and other liabilities	--	--	(94)	--	(94)
Debt obligations transferred to other funds	--	--	--	--	(10,065)





FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations, or governmental units. Included in the fiduciary funds are private-purpose trust funds and agency funds.

Private-purpose trust funds accounts are used to report trust arrangements under which principal and interest income benefits individuals, private organizations, or other governments.

Agency funds are purely custodial and thus do not involve measurement of results of operations.

See next page for descriptions of the individual funds.

Private-Purpose Trust Funds

General Government

Unclaimed Property - Purpose is to account for unclaimed City of Austin checks.

Transportation, Planning and Sustainability

Voluntary Utility Assistance - Purpose is to account for contributions for the benefit of indigent utility customers. Contributions are received with electric bill payments.

Public Recreation and Culture

Barbara Jordan Memorial Fund - Purpose is to account for donations for a future memorial.

First Step-A Community Project - Accounts for programs and activities to improve community relations.

Science Fest - Purpose is to account for all contributions, registration fees and other donations received for the Regional Science Festival.

Urban Growth Management

Leveraged Loan Pool - Purpose is to hold funds used to leverage private capital and state or federal resources to stimulate business investments.

Telecommunity Partnership Fund - Purpose is to account for addressing the training needs of the Austin community and creating opportunities for individuals through partnerships with local employers.

Agency Funds

BCCP Permit Fund - Purpose is to hold BCCP Permit fees collected on behalf of Travis County.

Campaign Financing Fund - Purpose is to account for donations and fees for the Austin Fair Campaign Ordinance.

Municipal Court Fund - Purpose is to record service fees collected at Municipal Court that will be remitted to the State Comptroller of Public Accounts.

Neighborhood Revitalization Funds - Purpose is to account for escrow deposits and payments to loan recipients.

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Assets
September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit H-1

	Assets					Net Assets Held in Trust
	Pooled Investments and Cash	Other Assets	Total Assets	Other Liabilities	Total Liabilities	
General government						
Unclaimed Property	\$ 730	--	730	647	647	83
Total general government	<u>730</u>	<u>--</u>	<u>730</u>	<u>647</u>	<u>647</u>	<u>83</u>
Transportation, planning, and sustainability						
Voluntary Utility Assistance	105	--	105	--	--	105
Total transportation, planning, and sustainability	<u>105</u>	<u>--</u>	<u>105</u>	<u>--</u>	<u>--</u>	<u>105</u>
Public recreation and culture						
Science Fest	42	--	42	--	--	42
Barbara Jordan Memorial	1	--	1	--	--	1
First Step - A Community Project	14	--	14	--	--	14
Total public recreation and culture	<u>57</u>	<u>--</u>	<u>57</u>	<u>--</u>	<u>--</u>	<u>57</u>
Urban growth management						
Leveraged Loan Pool	433	121	554	--	--	554
Telecommunity Partnership	15	--	15	--	--	15
Total urban growth management	<u>448</u>	<u>121</u>	<u>569</u>	<u>--</u>	<u>--</u>	<u>569</u>
2009 Total	<u>\$ 1,340</u>	<u>121</u>	<u>1,461</u>	<u>647</u>	<u>647</u>	<u>814</u>

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Assets
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit H-2

	Additions			Deductions	Net Increase (Decrease)	Net Assets at Beginning of Year	Net Assets at End of Year
	Contributions	Interest and Other	Total Additions	Benefit Payments			
General government							
Unclaimed Property	\$ --	15	15	1	14	69	83
Total general government	--	15	15	1	14	69	83
Transportation, planning, and sustainability							
Voluntary Utility Assistance	348	3	351	312	39	66	105
Total transportation, planning, and sustainability	348	3	351	312	39	66	105
Public recreation and culture							
Science Fest	101	--	101	88	13	29	42
Barbara Jordan Memorial	--	--	--	--	--	1	1
First Step - A Community Project	--	--	--	1	(1)	15	14
Total public recreation and culture	101	--	101	89	12	45	57
Urban growth management							
Leveraged Loan Pool	--	10	10	--	10	544	554
Telecommunity Partnership	--	--	--	--	--	15	15
Total urban growth management	--	10	10	--	10	559	569
2009 Total	\$ 449	28	477	402	75	739	814

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended September 30, 2009
(In thousands)

City of Austin, Texas
Exhibit H-3

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
BCCP Permit Fund				
Assets				
Pooled investments and cash	\$ 988	1,119	2,094	13
Total assets	988	1,119	2,094	13
Liabilities				
Due to other governments	970	2,135	3,105	--
Deposits and other liabilities	18	30	35	13
Total liabilities	988	2,165	3,140	13
Campaign Financing Fund				
Assets				
Pooled investments and cash	7	24	--	31
Total assets	7	24	--	31
Liabilities				
Deposits and other liabilities	7	49	25	31
Total liabilities	7	49	25	31
Municipal Courts				
Assets				
Pooled investments and cash	2,848	13,664	13,215	3,297
Other Assets	--	1	1	--
Total assets	2,848	13,665	13,216	3,297
Liabilities				
Accounts payable	53	12,121	12,082	92
Due to other governments	2,349	22,564	22,191	2,722
Deposits and other liabilities	446	3,230	3,193	483
Total liabilities	2,848	37,915	37,466	3,297
Neighborhood Revitalization				
Assets				
Pooled investments and cash	344	--	--	344
Total assets	344	--	--	344
Liabilities				
Deposits and other liabilities	344	--	--	344
Total liabilities	344	--	--	344
Total Agency Funds				
Assets				
Pooled investments and cash	4,187	14,807	15,309	3,685
Other Assets	--	1	1	--
Total assets	4,187	14,808	15,310	3,685
Liabilities				
Accounts payable	53	12,121	12,082	92
Due to other governments	3,319	24,699	25,296	2,722
Deposits and other liabilities	815	3,309	3,253	871
Total liabilities	\$ 4,187	40,129	40,631	3,685





**SUPPLEMENTAL SCHEDULES-
UNAUDITED**

Enterprise Related Grants
Combining Balance Sheet
September 30, 2009
(In thousands)

	Assets			Liabilities and Fund Balances				Total Liabilities and Fund Balances
	Pooled Investments and Cash	Receivables from Other Governments	Total Assets	Advanced Pooled Investments and Cash	Other Liabilities	Total Liabilities	Fund Balances	
ELECTRIC RELATED								
U.S. Environmental Protection Agency	\$ --	274	274	--	274	274	--	274
U.S. Department of Energy	--	14	14	--	14	14	--	14
State Energy Conservation Office	--	226	226	--	226	226	--	226
Texas Commission of the Arts	--	12	12	--	12	12	--	12
Propane Education and Research Council	--	20	20	--	20	20	--	20
Total Electric	--	546	546	--	546	546	--	546
AIRPORT RELATED								
U.S. Department of Transportation	--	563	563	--	563	563	--	563
U.S. Department of Homeland Security	--	342	342	--	342	342	--	342
Internal Revenue Service	--	--	--	--	--	--	--	--
Propane Education and Research Council	--	--	--	--	--	--	--	--
Total Airport	--	905	905	--	905	905	--	905
DRAINAGE RELATED								
U.S. Department of Agriculture	--	--	--	--	--	--	--	--
U.S. Environmental Protection Agency	--	3	3	--	3	3	--	3
U.S. Department of Homeland Security	--	--	--	--	--	--	--	--
U.S. Department of Interior	--	--	--	--	--	--	--	--
Total Drainage	--	3	3	--	3	3	--	3
SOLID WASTE RELATED								
Capital Area Council of Governments	--	--	--	--	--	--	--	--
Total Solid Waste	--	--	--	--	--	--	--	--
AUSTIN WATER RELATED								
U.S. Environmental Protection Agency	303	--	303	--	303	303	--	303
Total Austin Water	--	--	--	--	--	--	--	--
Total grants, enterprise related	\$ --	1,454	1,454	--	1,454	1,454	--	1,454

NOTE: These grants have been reported in the enterprise fund financial statements.

**Enterprise Related Grants
Combining Schedule of Expenditures
From Inception to September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit I-2**

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	In-Kind		Total	Grant	In-Kind	In-Kind		Total	In-Kind		Total
	Grant	Match				Grant	Match		Grant	Match	
ELECTRIC RELATED											
U.S. Department of Energy	172	105	277	110	138	282	243	525	830	418	1,248
U.S. Environmental Protection Agency	28	18	46	258	151	286	169	455	354	236	590
Propane Education & Research Council	--	--	--	87	2	87	2	89	127	15	142
State Energy Conservation Office	115	100	215	62	--	177	100	277	215	150	365
Texas Commission of the Arts	38	--	38	3	--	41	--	41	42	--	42
Osborn & Barr Comm. Inc.	--	--	--	17	--	17	--	17	18	--	18
Total Electric	353	223	576	537	291	890	514	1,404	1,586	819	2,405
AIRPORT RELATED											
U.S. Department of Transportation	30,312	8,433	38,745	10,940	3,420	41,252	11,853	53,105	64,329	18,662	82,991
U.S. Department of Homeland Security	4,023	--	4,023	726	--	4,749	--	4,749	7,091	--	7,091
Internal Revenue Service	10	--	10	--	--	10	--	10	19	--	19
Propane Education and Research Council	300	--	300	--	--	300	--	300	300	--	300
Total Airport	34,645	8,433	43,078	11,666	3,420	46,311	11,853	58,164	71,739	18,662	90,401
WATERSHED-DRAINAGE RELATED											
U.S. Department of Agriculture	50	50	100	--	--	50	50	100	50	50	100
U.S. Environmental Protection Agency	1,099	1	1,100	277	75	1,376	76	1,452	1,154	134	1,288
U.S. Department of Homeland Security	7,274	58	7,332	1,112	1,831	8,386	1,889	10,275	8,707	2,902	11,609
U.S. Department of Interior	17	6	23	--	--	17	6	23	25	9	34
Texas Water Development Board	--	--	--	99	--	99	--	99	401	198	599
Total Drainage	8,440	115	8,555	1,488	1,906	9,928	2,021	11,949	10,337	3,293	13,630
AUSTIN WATER UTILITIES											
U.S. Environmental Protection Agency	--	--	--	711	785	711	785	1,496	959	785	1,744
Total Austin Water	--	--	--	711	785	711	785	1,496	959	785	1,744
SOLID WASTE RELATED											
Capital Area Council of Governments	--	--	--	46	32	46	32	78	46	32	78
Total Solid Waste	--	--	--	46	32	46	32	78	46	32	78
Total grants, enterprise related	\$ 43,438	8,771	52,209	14,448	6,434	57,886	15,205	73,091	84,667	23,591	108,258

NOTE: These grants have been reported in the enterprise fund financial statements.

**Schedule of General Obligation Bonds
Authorized and Unissued
Year ended September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit I-3**

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2009
10-22-83	Brackenridge 2000	\$ 50,000	40,785	--	9,215
09-08-84	Parks improvements	9,975	9,648	--	327
01-19-85	Cultural arts	20,285	14,890	--	5,395
11-07-00	Street improvements	150,000	105,002	28,000	16,998
11-07-06	Transportation	103,100	10,000	39,860	53,240
11-07-06	Drainage improvements	145,000	37,000	46,000 (2)	62,000
11-07-06	Parks improvements	84,700	8,675	22,770	53,255
11-07-06	Cultural arts	31,500	--	11,000	20,500
11-07-06	Affordable housing	55,000	5,000	8,500	41,500
11-07-06	Central library	90,000	--	500	89,500
11-07-06	Public safety facility	58,100	21,850	19,000	17,250
		<u>\$ 797,660</u>	<u>252,850</u>	<u>175,630</u>	<u>369,180</u>

Source: Bond Sale Official Statements

(1) This schedule displays only those previously issued bonds that relate to bond authorizations included herein.

It does not display all debt previously issued and still outstanding or refunding bonds. It includes general obligation bonds reported in the government-wide governmental activities and in proprietary funds.

(2) Includes a premium of \$220,000 related to the Build America Bonds. This amount is included in the City's total bond authorization.

**Schedule of Revenue Bonds Authorized,
Deauthorized and Unissued
Year ended September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit I-4**

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2009
ELECTRIC UTILITY						
10-22-83	Hydrogeneration power plant and electric system	\$ 39,000	--	10,620	--	28,380
03-01-84	Electric system, South Texas Nuclear Project	605,000	--	315,232	--	289,768
09-08-84	Electric improvements (gas turbines)	32,775	--	31,237	--	1,538
09-08-84	Electric improvements (western coal plant)	47,725	--	31,199	--	16,526
09-08-84	Electric transmission and reliability improvements	39,945	--	20,040	--	19,905
12-14-85	Transmission lines and substations	175,130	--	96,017	--	79,113
12-14-85	Overhead and underground distribution	76,055	--	46,845	--	29,210
12-14-85	Miscellaneous	25,891	--	10,443	--	15,448
08-10-92	Electrical distribution and street lighting	82,500	--	--	--	82,500
Total Electric Utility		1,124,021	--	561,633	--	562,388
WATER UTILITY						
09-11-82	Green water treatment plant, water lines and reservoir	40,300	--	28,885	--	11,415
09-11-82	Ullrich water treatment plant, water lines and reservoir	49,100	--	42,210	--	6,890
09-11-82	Davis water treatment plant, water lines and reservoir	40,800	--	32,274	--	8,526
09-11-82	Waterworks system rehabilitation and improvements	12,800	--	9,164	--	3,636
09-08-84	Waterworks north central, northeast, and east service area	39,385	17,000	3,990	--	18,395
09-08-84	Waterworks northwest service area	14,970	--	11,430	--	3,540
09-08-84	Water improvements in north central and northwest service area	14,470	--	2,745	--	11,725
09-08-84	Waterworks system improvements	141,110	--	36,513	--	104,597
09-08-84	Ullrich water treatment plant improvements to South Austin	47,870	--	23,245	--	24,625
09-08-84	Water lines, reservoir improvements to south corridor area	12,570	--	6,585	--	5,985
09-08-84	Water lines, pump station improvements to North Austin area	7,945	--	7,765	--	180
09-08-84	Waterworks system rehabilitation and improvements	26,500	--	3,665	--	22,835
12-14-85	Northeast area improvements	37,950	10,000	7,493	--	20,457
12-14-85	South/southeast area improvements	42,090	14,000	6,035	--	22,055
12-14-85	Improvements/extensions	9,775	--	3,689	--	6,086
08-10-92	Improvements to meet EPA safe drinking water act	23,000	--	--	--	23,000
08-10-92	Improvements and replacement of deteriorated water system facilities	5,000	--	--	--	5,000
08-10-92	General utility relocation	2,000	--	--	--	2,000
05-03-97	Improvements/extensions to City's waterworks and wastewater system	35,000	--	--	--	35,000
05-06-98	Improvements/extensions to City's waterworks and wastewater system	65,000	--	--	--	65,000
11-03-98	Water improvements, upgrade, replace	64,900	--	--	--	64,900
11-03-98	Water expansion and improvement	49,940	--	--	--	49,940
11-03-98	Water improvements and extensions	19,800	--	--	--	19,800
Total Water Utility		\$ 802,275	41,000	225,688	--	535,587

(Continued)

(1) This schedule displays only those previously issued bonds which relate to bond authorizations included herein. It does not display all debt previously issued and still outstanding, refunding bonds, or commercial paper.

**Schedule of Revenue Bonds Authorized,
Deauthorized and Unissued
Year ended September 30, 2009
(In thousands)**

**City of Austin, Texas
Exhibit I-4**

(Continued)

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2009
WASTEWATER UTILITY						
11-20-76	Sewer system improvements	\$ 46,920	--	38,920	--	8,000
09-11-82	Govalle sewage treatment plant, sewer lines and improvements to Canterbury lift station	28,300	--	24,658	--	3,642
09-11-82	Onion Creek sewage treatment plant and sewer lines	57,000	--	49,345	--	7,655
09-11-82	Sewer lines for north central and northwest Austin	20,700	--	17,975	--	2,725
09-11-82	Walnut Creek sewage treatment plant additions	20,400	--	17,971	--	2,429
09-11-82	Sewer system rehabilitation and improvements	4,800	--	3,930	--	870
09-08-84	Sewer system rehabilitation and improvements	43,515	--	36,950	--	6,565
09-08-84	Onion Creek and Walnut Creek sewage treatment plant improvements	44,795	--	42,284	--	2,511
09-08-84	Sewer system rehabilitation and improvements	46,230	--	14,925	--	31,305
05-06-85	Sewer system improvements	54,000	--	33,106	--	20,894
12-14-85	Advanced wastewater treatment	34,500	--	--	--	34,500
12-14-85	Northeast area improvements	47,035	32,300	1,857	--	12,878
12-14-85	Southeast area improvements	9,200	4,200	757	--	4,243
12-14-85	Improvements/extensions	24,725	--	12,621	--	12,104
12-14-85	Walnut Creek WWTP expansion	46,000	--	13,717	--	32,283
12-14-85	Bear Creek interceptor	1,840	1,511	265	--	64
08-10-92	Improvement to Hornsby Bend beneficial re-use program	11,000	--	--	--	11,000
08-10-92	Replacement and rehabilitation of deteriorated wastewater facilities	3,000	--	--	--	3,000
11-03-98	Wastewater improvements, upgrades and replacements	77,000	--	--	--	77,000
11-03-98	Wastewater improvements and expansion	121,000	--	--	--	121,000
Total Wastewater Utility		741,960	38,011	309,281	--	394,668
Total Utility		2,668,256	79,011	1,096,602	--	1,492,643
AIRPORT						
11-03-87	Relocation/construction of new airport	728,000	--	30,000	--	698,000
05-01-93	Construction of new municipal airport at Bergstrom AFB site	400,000	--	362,205	--	37,795
Total Airport		1,128,000	--	392,205	--	735,795
CONVENTION CENTER						
07-29-89	New convention center	69,000	--	68,240	--	760
Total Convention Center		69,000	--	68,240	--	760
Total revenue bonds		\$ 3,865,256	79,011	1,557,047	--	2,229,198

Source: Bond sale official statements





STATISTICAL SECTION - UNAUDITED

This section of the City of Austin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial condition.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables 1 - 5)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Tables 6 - 12)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables 13 - 17)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. (Tables 18 - 19)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Tables 20 - 22)

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2002; schedules presenting government-wide and debt ratio information include information beginning in that year.



Net Assets by Component
Last Eight Fiscal Years (in thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 1

	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities								
Invested in capital assets, net of related debt	1,111,491	1,204,877	1,333,779	1,360,509	1,399,316	1,530,124	1,526,481	1,545,216
Restricted	28,492	100,469	53,482	68,848	84,218	69,982	76,478	95,641
Unrestricted (deficit)	107,454	42,781	51,244	65,561	77,564	28,115	1,553	(56,971)
Total governmental activities net assets	<u>1,247,437</u>	<u>1,348,127</u>	<u>1,438,505</u>	<u>1,494,918</u>	<u>1,561,098</u>	<u>1,628,221</u>	<u>1,604,512</u>	<u>1,583,886</u>
Business-type activities								
Invested in capital assets, net of related debt	1,196,098	1,505,479	1,569,489	1,563,831	1,538,572	1,648,758	1,825,599	1,902,398
Restricted	202,651	216,459	197,174	410,975	469,238	492,356	497,927	488,413
Unrestricted	757,955	575,473	477,081	378,537	551,838	562,899	558,625	495,318
Total business-type activities net assets	<u>2,156,704</u>	<u>2,297,411</u>	<u>2,243,744</u>	<u>2,353,343</u>	<u>2,559,648</u>	<u>2,704,013</u>	<u>2,882,151</u>	<u>2,886,129</u>
Primary government								
Invested in capital assets, net of related debt	2,307,589	2,710,356	2,903,268	2,924,340	2,937,888	3,178,882	3,352,080	3,447,614
Restricted	231,143	316,928	250,656	479,823	553,456	562,338	574,405	584,054
Unrestricted	865,409	618,254	528,325	444,098	629,402	591,014	560,178	438,347
Total primary government net assets	<u>3,404,141</u>	<u>3,645,538</u>	<u>3,682,249</u>	<u>3,848,261</u>	<u>4,120,746</u>	<u>4,332,234</u>	<u>4,486,663</u>	<u>4,470,015</u>

Note: The City implemented GASB Statement No. 34 in fiscal year 2002.
Until ten years of data are available, the City will report only the available years.

Changes in Net Assets
Last Eight Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 2

	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Governmental activities								
General government	75,941	43,405	46,607	73,233	84,693	76,136	97,945	80,819
Public safety	279,533	292,411	292,678	320,942	373,361	397,583	440,345	442,690
Transportation, planning and sustainability	15,694	17,119	15,879	17,247	25,426	48,758	49,426	79,840
Public health	75,033	80,808	48,733	104,361	94,697	94,158	102,188	81,773
Public recreation and culture	71,863	58,199	56,408	58,962	65,453	72,082	87,975	90,307
Urban growth management	54,287	59,949	64,631	77,340	81,439	93,185	123,115	121,237
Unallocated depreciation expense	34,074	35,414	35,833	58,722	35,357	--	--	--
Interest on debt	35,771	39,296	40,199	41,331	38,766	39,166	40,954	42,435
Total governmental activities expenses	<u>642,196</u>	<u>626,601</u>	<u>600,968</u>	<u>752,138</u>	<u>799,192</u>	<u>821,068</u>	<u>941,948</u>	<u>939,101</u>
Business-Type activities:								
Electric	610,374	754,393	774,702	804,658	918,369	929,057	1,070,999	1,089,632
Water	132,665	130,119	155,472	142,061	161,516	162,158	202,900	200,162
Wastewater	118,506	115,284	137,227	122,176	132,005	144,573	147,059	160,962
Airport	76,546	79,558	77,541	87,538	78,487	80,368	91,557	98,403
Convention	36,344	40,621	52,336	38,844	41,992	43,956	52,911	52,219
Environmental and health services	61,764	63,527	100,343	45,739	50,290	55,386	69,805	67,097
Public recreation	10,433	9,107	9,295	9,408	9,225	9,800	10,169	10,274
Urban growth management	43,321	47,129	48,204	60,562	63,981	69,293	84,886	89,306
Total business-type expenses	<u>1,089,953</u>	<u>1,239,738</u>	<u>1,355,120</u>	<u>1,310,986</u>	<u>1,455,865</u>	<u>1,494,591</u>	<u>1,730,286</u>	<u>1,768,055</u>
Total primary government expenses	<u>1,732,149</u>	<u>1,866,339</u>	<u>1,956,088</u>	<u>2,063,124</u>	<u>2,255,057</u>	<u>2,315,659</u>	<u>2,672,234</u>	<u>2,707,156</u>
Program Revenues								
Governmental activities								
Charges for services:								
General government	12,964	4,791	210	7,334	9,718	2,633	9,572	11,319
Public safety	36,226	36,579	37,071	37,825	40,314	40,529	45,880	51,710
Transportation, planning and sustainability	4,948	5,142	5,027	2,689	3,186	3,260	3,531	3,960
Public health	6,969	8,100	7,617	59,948	45,610	40,238	43,122	25,181
Public recreation and culture	2,499	2,551	2,716	3,208	3,339	2,998	3,749	3,819
Urban growth management	20,743	18,306	22,020	31,953	37,609	43,012	43,840	45,000
Operating grants and contributions	53,374	55,122	52,068	67,494	77,923	57,331	65,782	54,022
Capital grants and contributions	1,203	3,956	2,546	5,702	1,111	2,942	3,652	85,085
Total governmental activities program revenues	<u>138,926</u>	<u>134,547</u>	<u>129,275</u>	<u>216,153</u>	<u>218,810</u>	<u>192,943</u>	<u>219,128</u>	<u>280,096</u>
Business-type activities:								
Charges for services:								
Electric	745,095	921,649	829,018	972,846	1,070,606	1,056,488	1,217,735	1,162,286
Water	122,035	130,424	119,254	140,356	164,561	138,350	181,515	195,480
Wastewater	107,499	111,941	114,710	129,314	141,676	154,118	183,608	196,416

Changes in Net Assets
Last Eight Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 2
(Continued)

	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Airport	72,777	71,693	75,916	82,220	87,473	96,562	102,519	96,618
Convention	10,376	15,040	10,404	11,169	14,692	14,577	17,572	16,258
Environmental and health services	61,969	56,368	60,883	44,550	45,078	46,310	49,190	65,940
Public recreation	10,210	9,323	8,955	9,117	8,968	8,784	9,760	10,119
Urban growth management	44,794	52,178	60,425	69,859	77,381	79,252	83,779	90,739
Capital grants and contributions	43,537	48,325	47,570	48,544	69,804	50,898	76,881	71,819
Total business-type revenues	<u>1,218,292</u>	<u>1,416,941</u>	<u>1,327,135</u>	<u>1,507,975</u>	<u>1,680,239</u>	<u>1,645,339</u>	<u>1,922,559</u>	<u>1,905,675</u>
Total primary government revenues	<u>1,357,218</u>	<u>1,551,488</u>	<u>1,456,410</u>	<u>1,724,128</u>	<u>1,899,049</u>	<u>1,838,282</u>	<u>2,141,687</u>	<u>2,185,771</u>
Net (Expense)/Revenue								
Governmental activities	(503,270)	(492,054)	(471,693)	(535,985)	(580,382)	(628,125)	(722,820)	(659,005)
Business-type activities	128,339	177,203	(27,985)	196,989	224,374	150,748	192,273	137,620
Total primary government net expense	<u>(374,931)</u>	<u>(314,851)</u>	<u>(499,678)</u>	<u>(338,996)</u>	<u>(356,008)</u>	<u>(477,377)</u>	<u>(530,547)</u>	<u>(521,385)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	224,396	233,130	240,536	220,304	236,146	258,943	268,802	309,888
Sales tax	115,441	110,454	117,725	123,617	139,289	153,098	154,445	139,795
Franchise fees and gross receipts tax	62,576	63,049	63,509	69,120	79,755	87,180	93,236	85,183
Grants and contributions not restricted to specific programs	19,137	94,210	81,937	83,365	90,083	73,711	80,178	-- (3)
Interest and other	23,746	24,975	26,799	24,753	35,315	54,963	29,287	20,827
Special items	(4,000) (1)	--	(7,700) (2)	(2,639) (2)	--	--	--	--
Transfers	104,519	66,926	39,264	73,879	65,974	67,353	73,163	82,686
Total general revenues and transfers	<u>545,815</u>	<u>592,744</u>	<u>562,070</u>	<u>592,399</u>	<u>646,562</u>	<u>695,248</u>	<u>699,111</u>	<u>638,379</u>
Business-type activities:								
Interest and other	58,180	30,430	16,582	23,932	47,905	60,970	59,028	27,938
Special items	--	--	(3,000) (2)	(37,443) (2)	--	--	--	--
Transfers	(104,519)	(66,926)	(39,264)	(73,879)	(65,974)	(67,353)	(73,163)	(82,686)
Total business-type activities	<u>(46,339)</u>	<u>(36,496)</u>	<u>(25,682)</u>	<u>(87,390)</u>	<u>(18,069)</u>	<u>(6,383)</u>	<u>(14,135)</u>	<u>(54,748)</u>
Total primary government	<u>499,476</u>	<u>556,248</u>	<u>536,388</u>	<u>505,009</u>	<u>628,493</u>	<u>688,865</u>	<u>684,976</u>	<u>583,631</u>
Change in Net Assets								
Governmental activities	42,545	100,690	90,377	56,414	66,180	67,123	(23,709)	(20,626)
Business-type activities	82,000	140,707	(53,667)	109,599	206,305	144,365	178,138	82,872
Total primary government	<u>124,545</u>	<u>241,397</u>	<u>36,710</u>	<u>166,013</u>	<u>272,485</u>	<u>211,488</u>	<u>154,429</u>	<u>62,246</u>

Note: The City implemented GASB Statement No. 34 in fiscal year 2002.

Until ten years of data are available, the City will report only the available years.

(1) 2002 Purchases land lease rights

(2) Travis County Hospital District reserve payments

(3) Beginning in 2009, these amounts were assigned to the appropriate programs

Program Revenues by Function/Program
Last Eight Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
 Table 3

	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Function/Program								
Governmental activities:								
General government	13,286	5,084	586	7,755	10,933	5,678	13,338	15,524
Public safety	41,227	42,903	42,847	48,596	62,287	52,317	53,565	64,997
Transportation, planning and sustainability	5,649	6,319	5,828	7,055	3,246	3,260	3,531	57,178
Public health	22,862	27,095	27,444	82,395	67,839	61,221	66,680	42,750
Public recreation and culture	8,283	6,225	5,620	6,593	4,849	4,505	5,253	7,846
Urban growth management	47,619	46,921	46,950	63,759	69,656	65,962	76,761	91,801
Subtotal governmental activities	<u>138,926</u>	<u>134,547</u>	<u>129,275</u>	<u>216,153</u>	<u>218,810</u>	<u>192,943</u>	<u>219,128</u>	<u>280,096</u>
Business-type activities:								
Electric	748,831	925,086	833,302	978,115	1,083,758	1,065,001	1,228,542	1,168,242
Water	137,928	148,638	139,156	154,837	182,801	153,148	216,654	225,881
Wastewater	119,019	129,412	131,303	138,652	157,973	167,851	189,823	211,080
Airport	81,682	79,217	82,033	97,786	103,490	104,462	113,368	112,804
Convention	10,376	15,040	10,404	11,459	14,968	14,577	17,572	16,258
Environmental and health services	62,270	56,411	60,246	44,887	46,350	46,640	50,311	66,592
Public recreation	10,049	9,408	9,038	9,230	9,225	9,073	11,134	11,268
Urban growth management	48,137	53,729	61,653	73,009	81,674	84,587	95,155	93,550
Subtotal business-type activities	<u>1,218,292</u>	<u>1,416,941</u>	<u>1,327,135</u>	<u>1,507,975</u>	<u>1,680,239</u>	<u>1,645,339</u>	<u>1,922,559</u>	<u>1,905,675</u>
Total primary government	<u>1,357,218</u>	<u>1,551,488</u>	<u>1,456,410</u>	<u>1,724,128</u>	<u>1,899,049</u>	<u>1,838,282</u>	<u>2,141,687</u>	<u>2,185,771</u>

Note: The City implemented GASB Statement No. 34 in fiscal year 2002.
 Until ten years of data are available, the City will report only the available years.

Fund Balances, Governmental Funds
Last Eight Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 4

	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$
General Fund								
Reserved	6,052	5,112	5,534	6,504	6,761	9,458	3,566	4,510
Unreserved	87,566	88,094	100,753	98,838	105,043	97,352	85,124	87,651
Total general fund	<u>93,618</u>	<u>93,206</u>	<u>106,287</u>	<u>105,342</u>	<u>111,804</u>	<u>106,810</u>	<u>88,690</u>	<u>92,161</u>
All Other Governmental Funds								
Reserved (1)	101,490	122,106	97,372	75,227	83,065	108,338	106,399	134,194
Unreserved, reported in:								
Special revenue fund	23,686	25,388	26,010	27,994	50,020	48,916	56,008	56,385
Debt service funds (1)	16,451	--	--	--	--	--	--	--
Capital projects funds	147,876	104,442	79,152	100,663	104,209	46,054	77,469	168,328
Permanent funds	284	313	370	332	443	660	844	819
Total all other governmental funds	<u>289,787</u>	<u>252,249</u>	<u>202,904</u>	<u>204,216</u>	<u>237,737</u>	<u>203,968</u>	<u>240,720</u>	<u>359,726</u>

Note: The City implemented GASB Statement No. 34 in fiscal year 2002.
 Until ten years of data are available, the City will report only the available years.

(1) The debt service funds classification was changed from unreserved designated to reserved in 2003.

Changes in Fund Balances, Governmental Funds
Last Eight Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 5

	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Property taxes	215,838	232,573	243,370	220,694	234,555	251,470	277,886	308,292
Sales taxes	115,441	110,454	117,725	123,617	139,289	153,098	154,445	139,795
Franchise fees and other taxes	62,435	63,050	63,509	69,168	79,755	87,180	93,236	85,183
Fine, forfeitures and penalties	21,690	20,966	21,774	21,932	23,697	20,959	24,574	25,380
Licenses, permits and inspections	14,670	14,737	15,317	17,399	22,131	25,635	24,268	20,531
Charges for services/goods	40,799	39,866	42,279	100,099	88,789	87,936	96,076	84,905
Intergovernmental	62,141	74,392	73,428	88,661	94,955	73,886	91,765	62,802
Property owners' participation and contributions	13,214	10,937	3,798	6,152	9,486	2,639	7,065	12,161
Interest and other	25,401	29,745	26,544	23,192	34,386	55,522	31,830	31,187
Total revenues	571,629	596,720	607,744	670,914	727,043	758,325	801,145	770,236
Expenditures								
General government	55,441	44,295	41,411	44,044	50,825	59,043	67,597	53,000
Public safety	263,258	278,297	288,152	324,815	359,613	383,685	399,060	409,579
Transportation, planning and sustainability	13,818	14,113	13,208	8,623	4,839	5,559	9,370	7,675
Public health	75,053	80,470	49,676	101,917	93,725	90,719	91,863	70,762
Public recreation and culture	59,655	52,836	50,567	53,315	54,865	62,578	72,760	74,477
Urban growth management	57,520	59,561	63,581	76,142	76,565	77,928	101,492	106,149
Debt service:								
Principal	44,382	49,340	48,862	50,608	57,651	59,929	61,800	69,809
Interest	36,566	38,529	40,109	41,233	39,023	39,156	40,954	42,170
Fees and commissions	7	8	14	10	10	10	-	8
Capital outlay	174,239	155,517	151,768	81,507	87,931	94,228	119,290	96,342
Total expenditures	779,939	772,966	747,348	782,214	825,047	872,835	964,186	929,971
Excess (deficiency) of revenues over expenditures	(208,310)	(176,246)	(139,604)	(111,300)	(98,004)	(114,510)	(163,041)	(159,735)
Other financing sources (uses)								
Issuance of tax supported debt	254,505	70,323	70,040	26,940	67,735	--	104,060	191,310
Issuance of refunding bonds	14,685	62,514	--	148,125	--	--	156,038	--
Bond premiums	--	--	28	13,750	11	--	15,090	1,897
Payment to escrow agent	(14,685)	(62,514)	--	(161,875)	--	--	(171,128)	--
Capital leases	--	891	646	932	--	--	--	--
Transfers in	176,878	129,258	128,874	142,404	142,064	171,995	173,627	175,250
Transfers out	(67,464)	(62,176)	(88,548)	(58,609)	(71,823)	(96,248)	(96,014)	(86,245)
Total other financing sources (uses)	363,919	138,296	111,040	111,667	137,987	75,747	181,673	282,212
Net change in fund balances	155,609	(37,950)	(28,564)	367	39,983	(38,763)	18,632	122,477
Debt service as a percentage of noncapital expenditures	13.4%	14.2%	14.9%	13.1%	13.1%	12.7%	12.2%	13.4%

Note: The City implemented GASB Statement No. 34 in fiscal year 2002.
Until ten years of data are available, the City will report only the available years.

**Tax Revenue by Source, Governmental Funds
Last Eight Fiscal Years (In thousands)
(Modified accrual basis of accounting)**

City of Austin, Texas
Table 6

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Mixed Drink Tax</u>	<u>Franchise Fees and Gross Receipts Tax</u>	<u>Total</u>
	\$	\$	\$	\$	\$
2002	215,838	115,441	3,693	58,742	393,714
2003	232,573	110,454	3,679	59,371	406,077
2004	243,370	117,725	3,946	59,563	424,604
2005	220,694	123,617	4,242	64,926	413,479
2006	234,555	139,289	4,605	75,150	453,599
2007	251,470	153,098	5,186	81,994	491,748
2008	277,886	154,445	5,541	87,695	525,567
2009	308,292	139,795	5,651	79,532	533,270
Change 2002-2009	42.83%	21.10%	53.02%	35.39%	

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Note: The City implemented GASB Statement No. 34 in fiscal year 2002.

Until ten years of data are available, the City will report only the available years.

**Property Appraised Value, Taxable Value, Tax Rates,
Tax Levies, and Tax Collections
Last Ten Fiscal Years**

**City of Austin, Texas
Table 7**

Fiscal Year Ended	Valuation Date	Ratio of Taxable Value to Appraised Value	Total Appraised Value at January 1	Less Exemptions (October 1)	Total Taxable Value (October 1)	Percent of Growth In Taxable Value	Tax Rate (per \$100 Valuation)			Percentage Change in Tax Rate
							General Fund	Debt Service Fund	Total	
Sept. 30	(January 1)	%	\$	\$	\$	%	\$	\$	\$	%
2000	1999	93.26	38,174,620,330	2,571,780,004	35,602,840,326	9.69	0.3222	0.1812	0.5034	(2.15)
2001	2000	91.14	45,443,558,474	4,024,244,188	41,419,314,286	16.34	0.3011	0.1652	0.4663	(7.96)
2002	2001	89.28	53,519,128,940	5,736,255,844	47,782,873,096	15.36	0.3041	0.1556	0.4597	(1.44)
2003	2002	91.33	55,579,008,513	4,819,357,845	50,759,650,668	6.23	0.2969	0.1628	0.4597	--
2004	2003	93.53	52,348,646,852	3,384,371,844	48,964,275,008	(3.54)	0.3236	0.1692	0.4928	6.72
2005 (1)	2004	93.31	53,268,024,350	3,565,117,828	49,702,906,522	1.51	0.2747	0.1683	0.4430	(11.24)
2006	2005	85.47	61,246,465,280	8,896,822,983	52,349,642,297	5.33	0.2841	0.1589	0.4430	--
2007	2006	84.61	71,515,572,939	11,003,244,050	60,512,328,889	15.59	0.2760	0.1366	0.4126	(7.37)
2008	2007	85.81	80,103,507,188	11,366,716,262	68,736,790,926	13.59	0.2730	0.1304	0.4034	(2.28)
2009	2008	86.54	88,688,319,460	11,936,311,723	76,752,007,737	11.66	0.2749	0.1263	0.4012	(0.55)
2010 (2)	2009	87.78	92,883,777,371	11,350,581,435	81,533,195,936	6.23	0.2950	0.1259	0.4209	4.68

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Fiscal Year Ended	Valuation Date	Total Tax Levy (October 1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Outstanding Delinquencies	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
Sept. 30	(January 1)	\$	\$	%	\$	\$	%	\$	%
2000	1999	179,224,698	177,574,166	99.08	1,385,668	178,959,834	99.85	7,532,647	4.20
2001	2000	193,138,262	191,173,307	98.98	1,191,262	192,364,569	99.60	7,318,463	3.79
2002	2001	219,657,867	217,043,867	98.81	927,864	217,971,731	99.23	7,435,974	3.39
2003	2002	233,342,114	230,629,853	98.84	1,774,736	232,404,589	99.60	7,990,337	3.42
2004	2003	241,295,947	239,017,055	99.06	(366,274)	238,650,781	98.90	8,297,267	3.44
2005 (1)	2004	220,183,876	217,913,724	98.97	1,393,387	219,307,111	99.60	8,411,887	3.82
2006	2005	231,908,915	230,867,812	99.55	1,772,470	232,640,282	100.32	9,867,232	4.25
2007	2006	249,673,869	248,705,821	99.61	1,456,561	250,162,382	100.20	8,717,040	3.49
2008	2007	277,284,215	274,903,217	99.14	1,152,041	276,055,258	99.56	9,338,671	3.37
2009	2008	307,929,055	304,956,471	99.03	1,262,543	306,219,014	99.44	9,626,876	3.13
2010 (2)	2009	343,173,222	**	**	**	**	**	**	**

** Information not yet available for fiscal year 2010.

Note: Appraisal district appraises property at market value.

- (1) Tax rate decreased by 6.35 cents per \$100 valuation for the value of services transferred to the Travis County Hospital District.
- (2) Appraised value at January 1, 2010, is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.

**Assessed Taxable Property Value by Class
Last Ten Fiscal Years (In thousands)**

**City of Austin, Texas
Table 8**

Fiscal Year	Single Family Property	Multi-Family Property	Land	Commercial Property	Personal Property	Total Assessed Taxable Value	Tax Rates (per \$100 Assessed Value)
	\$	\$	\$	\$	\$	\$	
2000	14,227,062	4,638,146	1,168,399	10,030,605	5,433,851	35,498,063	0.5034
2001	16,497,153	5,360,050	1,268,012	12,121,113	6,121,057	41,367,385	0.4663
2002	19,448,909	6,019,972	1,548,993	12,897,940	7,031,967	46,947,781	0.4597
2003	22,403,879	6,744,964	1,652,991	13,775,926	6,563,965	51,141,725	0.4597
2004	23,075,733	6,152,987	1,520,231	12,319,063	6,131,395	49,199,409	0.4928
2005	24,636,792	6,234,367	1,520,474	11,469,167	6,135,499	49,996,299	0.4430
2006	25,951,700	6,635,199	1,352,469	12,585,937	5,880,307	52,405,612	0.4430
2007	28,790,589	7,888,961	1,532,388	15,684,225	6,333,882	60,230,045	0.4126
2008	33,316,022	8,839,048	1,524,308	17,725,306	6,779,068	68,183,752	0.4034
2009	37,453,292	9,896,356	1,389,608	19,800,799	7,915,406	76,455,461	0.4012

Source: July certified tax rolls received from Travis and Williamson County Appraisal Districts. Excludes exemptions and appeal adjustments made between January 1 appraisal date and July certified roll date.

Note: Does not reflect appeal adjustments between July and October 1 assessment date. See Table 7 for additional property tax information.

Property Taxes and Tax Levies for Direct and Overlapping Governments with Applicable Percentages Over 10% Last Ten Fiscal Years

**City of Austin, Texas
Table 9**

Government	Tax Rates (per 000's Assessed Value) for Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	0.5034	0.4663	0.4597	0.4597	0.4928	0.4430	0.4430	0.4126	0.4034	0.4012
Austin Community College	0.0500	0.0500	0.0500	0.0500	0.0771	0.0900	0.0991	0.0965	0.0958	0.0954
Austin Independent School District	1.5486	1.5486	1.5486	1.5964	1.6137	1.6230	1.6230	1.4930	1.1630	1.2020
Del Valle Independent School District	1.6140	1.6040	1.6949	1.7785	1.7968	1.8063	1.8700	1.7277	1.4800	1.4800
Eanes Independent School District	1.6697	1.6964	1.7485	1.7312	1.7778	1.6705	1.6610	1.5625	1.2025	1.2025
Leander Independent School District	1.6317	1.6211	1.6500	1.7220	1.8300	1.7900	1.7500	1.6438	1.3334	1.3792
Manor Independent School District	1.6900	1.4770	1.6954	1.7141	1.7291	1.8262	1.8000	1.7680	1.5150	1.5350
North Austin MUD #1	0.5803	0.5500	0.5100	0.5000	0.5000	0.4500	0.4500	0.4500	0.4180	0.4050
Northwest Austin MUD #1	0.3620	0.3620	0.3577	0.3150	0.2632	0.2600	0.3000	0.2900	0.2750	0.2525
Northwest Travis County RD #3	0.2248	0.1600	0.1646	0.1500	0.1660	0.1800	0.1650	0.1300	0.1100	0.1100
Pflugerville Independent School District	1.5200	1.3875	1.4700	1.6900	1.8500	1.8300	1.8500	1.6800	1.4700	1.4600
Round Rock Independent School District	1.7111	1.7086	1.7387	1.7924	1.8643	1.8572	1.8335	1.6406	1.3238	1.3324
Travis County (1)	0.4988	0.4670	0.4460	0.4660	0.4918	0.4872	0.4993	0.4499	0.4216	0.4122
Travis County Healthcare District	--	--	--	--	--	0.0779	0.0779	0.0734	0.0693	0.0679

Government	Tax Levies (in 000's) for Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	179,225	193,138	219,658	233,342	241,296	220,184	231,909	249,674	277,284	307,929
Austin Community College	19,209	20,571	23,323	24,863	37,321	44,345	49,521	70,836	72,389	79,189
Austin Independent School District	455,559	525,477	593,189	644,948	627,876	627,876	636,792	702,291	732,434	704,839
Del Valle Independent School District	27,669	31,807	39,203	37,453	36,980	36,719	38,980	43,792	43,898	47,600
Eanes Independent School District	67,712	82,177	99,104	105,139	104,611	99,760	106,455	116,394	100,971	111,930
Leander Independent School District	49,930	61,759	79,203	101,605	114,260	123,587	129,115	140,287	142,085	173,078
Manor Independent School District	22,806	23,222	28,127	26,803	25,144	26,742	28,499	33,568	35,816	37,916
North Austin MUD #1	2,375	2,855	2,856	2,808	2,736	2,753	1,196	2,765	2,873	2,859
Northwest Austin MUD #1	136	1,046	1,093	874	883	867	1,105	1,226	1,230	1,216
Northwest Travis County RD #3	670	590	654	626	611	621	627	601	524	546
Pflugerville Independent School District	36,708	42,040	57,038	76,052	83,918	89,397	96,641	97,889	95,934	104,552
Round Rock Independent School District	140,689	171,110	214,202	239,813	247,373	254,174	268,176	268,063	247,325	272,758
Travis County (1)	209,688	231,415	256,710	287,478	293,345	293,753	320,020	339,590	361,662	391,696
Travis County Healthcare District	--	--	--	--	--	50,416	60,798	55,520	59,543	64,629

Source: Travis Central Appraisal District, Williamson Central Appraisal District, Hays Central Appraisal District, and taxing entities.

Note: 2005 was initial year for Travis County Healthcare District Levy.

(1) Includes taxes and levies for Travis County and Farm to Market Roads.

**Principal Property Taxpayers
Current Year and Nine Years Ago**

**City of Austin, Texas
Table 10**

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Taxpayer	Type of Property	2009			2000		
		January 1, 2008 Assessed Valuation	Rank	Percent of Total Assessed Valuation of \$90,548,994,663	January 1, 1999 Assessed Valuation	Rank	Percent of Total Assessed Valuation of \$35,602,840,326
		\$		%	\$		%
Samsung Austin Semiconductor LLC	Manufacturing	1,389,941,494	1	1.54	354,851,044	4	1.00
TPG-300 West 6th Street LLC	Commercial	530,752,756	2	0.59			
Freescale Semiconductor, Inc. (1)	Manufacturing	341,325,166	3	0.38			
Advanced Micro Devices, Inc.	Manufacturing	281,357,924	4	0.31	674,991,266	2	1.90
IBM Corporation	Manufacturing	253,136,376	5	0.28	296,778,290	6	0.83
Spansion LLC (2)	Manufacturing	237,133,802	6	0.26			
Columbia/St. Davids Health Care	Hospital/Medical	228,928,926	7	0.25			
Shopping Center at Gateway LP	Commercial	211,160,347	8	0.23			
Brandywine Acquisition Partners LP	Commercial	202,117,918	9	0.22			
Riata Holdings LP	Commercial	198,567,361	10	0.22			
Motorola, Inc.	Manufacturing				777,535,430	1	2.18
Applied Materials Inc.	Manufacturing				431,370,908	3	1.21
AT&T	Telephone Utility				303,074,783	5	0.85
Crescent Real Estate	Commercial				248,754,982	7	0.70
Solectron Texas	Manufacturing				209,416,210	8	0.59
Minnesota Mining & Manufacturing	Manufacturing				202,921,328	9	0.57
Hub Properties	Commercial				188,581,495	10	0.53
Total Assessed Valuation		3,874,422,070		4.28	3,688,275,736		10.36

Source: Travis Central Appraisal District

Williamson County Appraisal District

(1) Created from the Semiconductor Products Sector of Motorola in 2004.

(2) Formed by the integration of AMD's and Fujitsu's Flash memory operations in 2003.

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	City Direct Rate (1)	Capital Metro Rate (2)	State of Texas Rate (3)
	%	%	%
2000	1.00	1.00	6.25
2001	1.00	1.00	6.25
2002	1.00	1.00	6.25
2003	1.00	1.00	6.25
2004	1.00	1.00	6.25
2005	1.00	1.00	6.25
2006	1.00	1.00	6.25
2007	1.00	1.00	6.25
2008	1.00	1.00	6.25
2009	1.00	1.00	6.25

Sources: Capital Metro, Comptroller of Public Accounts, City of Austin

(1) City of Austin 1% sales tax levy effective January 1, 1968

(2) Capital Metro 1% sales tax levy effective October 1, 1995

(3) State of Texas 6.25% sales tax levy effective July 1, 1990

**Taxable Sales by Category
Last Ten Fiscal Years (In thousands)**

**City of Austin, Texas
Table 12**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
			(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1) (2)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	88,278	99,878	30,183	1,630	3,723	5,150	5,371	6,825	7,557	7,291
Mining	60	--	--	6,106	7,667	7,615	10,401	8,709	6,537	4,470
Construction	343,974	362,703	239,625	202,671	225,303	249,306	359,737	443,140	451,755	354,342
Manufacturing	423,823	462,283	542,662	599,202	617,381	727,618	822,040	949,189	1,024,217	931,304
Transportation, communications, utilities	688,341	787,612	470,133	413,629	326,942	328,064	385,957	447,221	550,944	486,403
Wholesale trade	1,079,271	840,042	635,326	569,457	635,171	771,209	889,774	918,281	949,908	790,625
Retail trade	6,405,092	6,489,980	5,137,925	4,706,239	4,868,230	5,208,302	5,783,258	6,121,104	6,212,390	5,682,533
Finance, insurance, real estate	29,313	24,367	142,414	178,707	172,609	189,551	215,778	237,328	249,738	228,743
Services	1,363,167	1,438,068	1,090,947	957,930	972,095	1,024,086	1,142,224	1,254,442	1,340,878	1,216,923
Public administration	1,691	1,591	209,178	286,631	328,949	334,059	388,714	402,852	433,151	419,841
Unclassified establishments	2,116	2,384	412	8	5	12	--	--	--	--
Other	360	4	1,602,792	2,149,571	2,156,024	2,134,406	2,207,109	2,085,437	2,162,079	2,135,950
	<u>10,425,486</u>	<u>10,508,912</u>	<u>10,101,597</u>	<u>10,071,781</u>	<u>10,314,099</u>	<u>10,979,378</u>	<u>12,210,363</u>	<u>12,874,528</u>	<u>13,389,154</u>	<u>12,258,425</u>

Source: State of Texas Comptroller of Public Accounts

Note: Data subject to change as more precise numbers become available.

(1) Category methodology changed by State Comptrollers Office effective January 1, 2002.

(2) Data not available for fourth quarter FY2009. Figures are estimates.

**Ratios of Outstanding Debt by Type
Last Eight Fiscal Years (In thousands)**

Governmental Activities					
Fiscal Year Ended Sept. 30 (1)	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capital Lease Obligations	Total Governmental Activities
	\$	\$	\$	\$	\$
2002	671,300	99,309	24,593	--	795,202
2003	708,200	95,328	26,230	793	830,551
2004	738,533	91,021	33,970	813	864,337
2005	727,011	82,549	31,077	960	841,597
2006	709,172	101,334	37,229	514	848,249
2007	659,761	94,919	32,227	475	787,382
2008	726,678	71,925	31,413	482	830,498
2009	845,741	78,525	28,456	468	953,190

Business-Type Activities										
Fiscal Year Ended Sept. 30 (1)	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Other Tax Supported Debt	Commercial Paper Notes	Revenue Notes	Revenue Bonds	Contract Revenue Bonds	Capital Lease Obligations	Total Business-Type Activities
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2002	21,654	36,856	11,136	12,761	358,351	28,000	2,965,902	22,755	16,637	3,474,052
2003	23,019	34,701	9,640	11,527	128,484	28,000	3,201,903	16,177	15,165	3,468,616
2004	20,240	58,616	14,575	10,369	315,616	28,000	2,969,758	13,740	12,753	3,443,667
2005	21,277	52,006	23,198	9,261	356,923	28,000	3,026,009	11,708	9,367	3,537,749
2006	18,796	49,760	33,514	8,405	239,958	28,000	3,197,996	3,134	5,984	3,585,547
2007	16,593	47,413	29,154	7,768	309,003	28,000	3,191,180	2,423	4,572	3,636,106
2008	24,370	34,971	29,211	7,178	213,200	28,000	3,406,897	1,683	2,782	3,748,292
2009	21,510	42,877	60,195	6,650	339,999	28,000	3,442,342	914	1,981	3,944,468

Fiscal Year Ended Sept. 30 (1)	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	\$	%	\$
2002	4,269,254	0.14	6,362
2003	4,299,167	0.14	6,372
2004	4,308,004	0.13	6,302
2005	4,379,346	0.13	6,293
2006	4,433,796	0.12	6,208
2007	4,423,488	0.12	6,040
2008	4,578,790	0.12	6,137
2009	4,897,658	0.13	6,358

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 During fiscal year 2002, the City repaid \$15.4 million in tax notes sold in fiscal year 2001.
 Population and personal income statistics can be found in Table 18.

(1) Data not available prior to 2002.

**Ratios of Net General Bonded Debt Outstanding
Last Eight Fiscal Years (In thousands except per capita)**

**City of Austin, Texas
Table 14**

Fiscal Year Ended Sept. 30 (1)	General Bonded Debt Outstanding			Resources Restricted for Repayment of Outstanding Debt Principal	Net General Bonded Debt	Percentage of Actual Taxable Value (1) of Property	Net General Bonded Debt Per Capita (2)
	General Obligation Bonds	Other Tax Supported Debt	Total				
	\$	\$	\$	\$	\$	%	\$
2002	692,954	184,655	877,609	13,972	863,637	1.81	1,287.01
2003	731,219	177,426	908,645	12,634	896,011	1.77	1,327.98
2004	758,773	208,551	967,324	12,168	955,156	1.95	1,397.34
2005	748,288	198,091	946,379	13,199	933,180	1.88	1,341.01
2006	727,968	230,242	958,210	14,898	943,312	1.80	1,320.73
2007	676,354	211,481	887,835	17,861	869,974	1.44	1,187.87
2008	751,048	174,698	925,746	18,079	907,667	1.32	1,216.54
2009	867,251	216,703	1,083,954	18,389	1,065,565	1.39	1,383.32

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 7 for property value data.

(2) Population data can be found in Table 18

**Direct and Overlapping Governmental Activities Debt
As of September 30, 2009**

**City of Austin, Texas
Table 15**

Name of Governmental Unit	Net Debt Outstanding as of September 30, 2009 (in 000's) \$	Percent Applicable to City of Austin %	Amount Applicable to City of Austin (in 000's) \$
Governmental activities debt			
General obligation bonds	845,741		
Certificates of obligation	78,525		
Contractual obligations	28,456		
Total governmental activities debt	<u>952,722</u> (1)	100.00	<u>952,722</u>
Greater than 10%			
Austin Community College	95,504	71.12	67,922
Austin Independent School District	742,011	93.97	697,268
Del Valle Independent School District	162,275	68.31	110,850
Eanes Independent School District	125,205	29.89	37,424
Leander Independent School District	949,185	11.07	105,075
Manor Independent School District	194,052	69.65	135,157
Northwest Travis County RD #3	2,780	100.00	2,780
Pflugerville Independent School District	375,345	37.63	141,242
Round Rock Independent School District	665,862	33.39	222,331
Travis County	522,990	69.92	365,675
Subtotal greater than 10%	<u>3,835,209</u>		<u>1,885,724</u>
Less than 10%			
Williamson County	763,345	9.85	75,189
Subtotal less than 10%	<u>763,345</u>		<u>3,778,715</u>
Total direct and overlapping debt	<u>5,551,276</u>		<u>2,913,635</u>
Ratio of total direct and overlapping debt to assessed valuation (2)		3.80 %	
Per capita overlapping debt (3)		\$ 3,782.49	

Source: Taxing jurisdictions, Travis Central Appraisal District and Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimated the portion of the outstanding debt of those overlapping governments that is borne by the City residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Excludes general obligation debt reported in proprietary funds. See Footnote 10.

(2) Based on assessed valuation of \$76,752,007,737 provided by the Travis Central Appraisal District and Williamson County Appraisal District.

(3) Based on 2009 estimated population of 770,296.

**Legal Debt Margin Information
Last Ten Fiscal Years (in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed taxable value (1)	<u>\$ 75,984,488</u>
Debt limit	11,190,400 (2)
Debt applicable to limit:	
General obligation debt	1,062,060
Less: Amount set aside for repayment of general obligation debt	<u>(18,389)</u>
Total net debt applicable to limit	<u>1,043,671</u>
Legal debt margin	<u>\$ 10,146,729</u>

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	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt limit	5,190,874	6,038,917	6,966,722	7,400,733	7,138,962	7,246,657	7,632,549	10,330,201	10,021,785	11,190,400
Total net debt applicable to limit	596,407	608,190	851,443	872,917	931,297	906,446	936,104	846,455	878,798	1,043,671
Legal debt margin	4,440,863	5,248,709	5,922,613	6,313,239	6,040,147	6,169,474	6,696,445	9,483,746	9,142,987	10,146,729
Total net debt applicable to the limit as a percentage of debt limit	11.49%	10.07%	12.22%	11.80%	13.05%	12.51%	12.26%	8.19%	8.77%	9.33%

Note - Ad valorem tax limitations: The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including payment of principal and interest on general obligation long-term debt. However, under the City Charter, a limitation on taxes levied for general governmental services, exclusive of payments of principal and interest on general obligation long-term debt, has been established at \$1.00 per \$100 per assessed valuation. A practical limitation on taxes levied for debt service of \$1.50 per \$100 of addressed valuation is established by referring to the State Statute and City Charter limitations.

- (1) Assessed value 100% of estimated market value as of January 1, 2008 of \$76,572,008 at a 99% collection rate.
- (2) Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2008 for collections of \$75,984,488 results in tax revenues of \$1,139,767. This revenue could service the debt on \$11,190,400 issued as 8% - 20-year serial bonds with level debt service payments.

**Pledged-Revenue Coverage
Last Ten Fiscal Years (In thousands)**

**City of Austin, Texas
Table 17**

Fiscal Year Ended Sept. 30	Electric Revenue Bonds						Water and Wastewater Revenue Bonds					
	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
				Principal	Interest					Principal	Interest	
				\$	\$					\$	\$	
2000	820,608	420,075	400,533	78,899	96,155	2.29	249,950	96,366	153,584	17,892	43,972	2.48
2001	854,090	458,686	395,404	83,724	86,192	2.33	233,451	102,412	131,039	17,633	46,863	2.03
2002	783,811	401,439	382,372	80,449	93,890	2.19	239,177	112,340	126,837	18,426	61,755	1.58
2003	943,729	554,235	389,494	67,746	83,352	2.58	245,943	109,416	136,527	19,080	58,370	1.76
2004	841,541	516,857	324,684	93,374	80,927	1.86	234,970	109,555	125,415	28,337	63,066	1.37
2005	989,534	614,219	375,315	89,949	67,907	2.38	270,867	116,478	154,389	40,796	59,135	1.54
2006	1,103,665	695,271	408,394	75,906	63,057	2.94	309,188	129,599	179,589	42,585	63,258	1.70
2007	1,096,869	711,181	385,688	101,312	66,674	2.30	296,475	134,824	161,651	45,208	66,252	1.45
2008	1,260,817	858,317	402,500	81,366	61,834	2.81	367,444	154,215	213,229	56,091	87,544	1.48
2009	1,179,688	869,247	310,441	78,773	93,170	1.81	393,771	172,438	221,333	59,018	88,089	1.51

Fiscal Year Ended Sept. 30	Airport Revenue Bonds						Convention Center Revenue Bonds						
	Service Charges (1)	Other Available Funds (5)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	User Fees and Revenue Transfers (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
					Principal	Interest					Principal	Interest	
					\$	\$					\$	\$	
2000	80,537	n/a	33,325	47,212	--	25,065	1.88	42,758	12,527	30,231	2,670	10,043	2.38
2001	84,610	n/a	39,363	45,247	--	23,754	1.90	54,311	15,646	38,665	4,642	12,076	2.31
2002	76,816	6,993	37,265	46,544	3,255	23,131	1.76	37,262	18,927	18,335	3,090	13,626	1.10
2003	74,177	7,332	40,786	40,723	5,630	22,793	1.43	39,193	21,778	17,415	3,255	13,466	1.04
2004	77,832	7,384	38,517	46,699	7,195	21,685	1.62	34,015	18,192	15,823	5,210	12,062	0.92
2005	85,769	7,327	41,320	51,776	7,650	22,097	1.74	39,055	19,468	19,587	3,520	12,599	1.22
2006	93,245	7,066	45,714	54,597	14,790	17,326	1.70	49,711	23,092	26,619	2,330	9,899	2.18
2007	104,110	6,820	47,298	63,632	9,555	16,320	2.46	55,932	24,115	31,817	1,260	9,829	2.87
2008	108,983	6,879	52,993	62,869	11,780	19,414	2.02	59,951	31,472	28,479	3,440	12,047	1.84
2009	100,798	7,146	57,296	50,648	12,325	22,779	1.44	54,491	31,758	22,733	4,720	11,330	1.42

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Operating revenue, rental tax revenue, hotel tax revenue, passenger facility charge revenue, and interest income.

(2) Operating expenses other than interest on debt, depreciation and amortization.

(3) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements.

(4) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest payments made during each fiscal year. Coverage includes prior subordinate, and separate lien bonds only.

(5) Pursuant to bond ordinance, Airport is authorized to use "other available funds" in the calculation of revenue bond coverage.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	City of Austin Population (1)	Area of Incorporation (Sq. Miles) (1)	Population MSA (2) (3)	Income (MSA) (thousands of dollars) (2)	Median Household Income MSA (3)	Per Capita Personal Income MSA (2)	Unemployment Rate (MSA) (4)
				\$	\$	\$	%
2000	628,667	265	1,265,846	41,157,290	36,321	32,514	3.0
2001	661,639	266	1,325,305	42,489,015	39,811	32,060	4.3
2002	671,044	273	1,355,241	41,908,425	47,089	30,923	5.9
2003	674,719	276	1,385,723	43,104,097	41,909	31,106	6.0
2004	683,551	291	1,423,161	46,134,871	39,227	32,417	5.1
2005	695,881	294	1,464,563	51,058,588	40,335	34,863	4.5
2006	714,237	296	1,527,040	55,636,235	40,888	36,434	4.2
2007	732,381	297	1,592,590	59,305,518	42,263	37,238	3.7
2008	746,105	298	1,652,602	62,486,683	46,340	37,811	4.4
2009	770,296	302	1,659,847	66,217,138 (5)	47,520	38,518 (5)	6.7
2000-2009 Change	22.53%	14.08%	31.13%	60.89%	30.83%	18.47%	

Note: Prior year statistics are subject to change as more precise numbers become available.

(1) Source : City Demographer, City of Austin, Neighborhood Planning and Zoning Department based on full purpose area as of September 30.

(2) Source: Bureau of Economic Analysis

(3) Source: Claritas, a Nielsen company

(4) Source: Bureau of Labor Statistics, United States Dept. of Labor

(5) Data not available for 2009. Figures are estimated.

**Principal Employers
Current Year and Nine Years Ago**

**City of Austin, Texas
Table 19**

10 Largest Employers	Industry	2009			2000		
		Rank	Employees (1)	Percent of MSA Total (2) %	Rank	Employees (1)	Percent of MSA Total(2) %
State Government (3)	Government	1	37,754	4.87			
The University of Texas at Austin	Education	2	25,313	3.27	2	20,277	3.09
Dell Computer Corporation	Computers	3	16,000	2.07	1	20,800	3.17
City of Austin	Government	4	12,406	1.60	3	10,566	1.61
Federal Government	Government	5	11,991	1.55			
Austin Independent School District	Education	6	11,322	1.46	5	9,417	1.44
HEB Grocery	Grocery retail/distribution	7	10,904	1.41	6	7,500	1.14
Seton Healthcare Network	Healthcare	8	9,793	1.26	7	6,756	1.03
IBM Corporation	Computers	9	6,200	0.80	8	6,500	0.99
St. David's Healthcare Partnership	Healthcare	10	6,043	0.78			
Motorola, Inc.	Electronic Components				4	10,500	1.60
Internal Revenue Service	Government				9	5,800	0.88
Advanced Micro Devices	Electronic Components				10	4,600	0.70
			<u>147,726</u>	<u>19.07</u>		<u>102,716</u>	<u>15.65</u>

(1) Source: Texas Education Agency 2008-09 District Performance Report, Austin Chamber of Commerce, City of Austin Budget Documents 2008-2009, University of Texas at Austin, Texas State Auditor's Office

(2) Total refers to a Metropolitan Statistical Area (MSA) work force of 774,500 for 2009 and 656,170 for 2000. Source: Texas Workforce Commission

(3) FY 2009 MSA data not available by state agency. FY 2000 data not available by MSA totals.

**Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 20**

Function/Program	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities										
General government	183	183	181	169	151	152	147	157	171	169
Public safety	3,209	3,377	3,535	3,519	3,581	3,591	3,790	3,844	3,959	3,954
Transportation planning and sustainability	3	3	3	3	3	5	5	5	5	5
Public health	805	819	837	828	799	836	893	913	953	484
Public recreation	820	861	853	763	690	694	703	796	838	865
Urban growth management	369	551	554	451	402	308	314	335	373	373
Total governmental employees	5,389	5,794	5,963	5,733	5,626	5,586	5,852	6,050	6,299	5,850
Business-type activities										
Electric	1,315	1,373	1,449	1,459	1,472	1,538	1,561	1,605	1,679	1,719
Water	519	474	493	504	470	462	460	461	481	521
Wastewater	526	558	551	540	535	558	573	574	555	536
Airport	330	374	387	393	377	372	328	340	348	352
Convention	127	154	228	228	224	202	203	209	221	241
Environmental and health services	376	385	377	450	447	414	423	431	448	463
Public recreation	83	108	105	102	89	76	71	90	91	88
Urban growth management	600	438	454	485	489	611	631	645	661	659
Total proprietary programs	3,876	3,864	4,044	4,161	4,103	4,233	4,250	4,355	4,484	4,579
Internal Services (1)	1,313	1,397	1,458	1,412	1,306	1,283	1,323	1,390	1,453	1,502
Total full-time equivalent employees	10,578	11,055	11,465	11,306	11,035	11,102	11,425	11,795	12,236	11,931

(1) Internal service activities are allocated to other programs and functions on a government-wide basis.
Source: Budget Office

Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities										
General government										
Municipal court cases filed	448,830	431,678	436,000	437,561	410,924	402,243	414,018	346,223	424,239	431,958
Central booking cases magistrated/arraigned	67,951	65,533	88,831	89,443	95,831	93,071	86,067	98,892	92,764	101,649
Warrants issued	111,203	127,209	100,368	120,652	128,741	125,284	118,949	121,704	139,831	159,038
Number of warrants prepared	129,534	145,166	122,550	130,358	120,114	117,022	77,687	70,651	109,239	140,668
Jail cases prepared	75,034	66,723	97,307	100,894	111,070	109,613	106,379	113,811	119,140	125,406
Public safety										
Number of law offenses	116,192	117,927	125,474	130,478	169,221	146,457	160,316	189,581	173,180	161,167
Physical arrests	55,457	51,359	52,253	51,774	56,462	54,472	58,759	60,983	59,000	46,762
Traffic violations	215,462	234,156	228,291	233,571	230,823	260,698	231,169	179,505	239,781	262,700
Fire emergency responses	55,569	59,307	59,108	58,988	58,943	64,771	68,335	75,748	76,347	74,211
Fires responses	2,752	2,291	2,402	2,262	2,186	2,295	2,799	2,241	2,767	2,816
Fire inspections	14,972	26,911	28,680	26,895	26,627	28,527	26,663	25,728	26,834	25,523
EMS response units dispatched	76,203	81,246	80,217	80,285	85,562	103,325	107,162	116,850	116,897	113,410
EMS 911 calls received	76,084	84,240	80,535	81,368	85,453	97,254	100,796	101,787	108,478	106,477
EMS ground patient transports	40,181	41,402	43,939	41,402	42,495	48,787	50,631	56,378	55,738	56,127
Transportation, planning and sustainability										
Engineering studies completed in school zones	62	13	54	50	87	52	51	76	118	35
Number of children receiving safety training	16,646	6,288	16,552	19,277	29,987	44,880	45,028	47,019	49,077	44,480
Injuries to children in school zones	0	0	0	0	1	2	0	1	0	0
Public health										
Number of permits issued (food, pools, temporary events)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,805	10,858	10,586
Number of animals sheltered	23,347	23,534	21,877	23,960	24,800	25,489	24,357	27,163	24,663	22,150
Birth and death certificates	104,033	108,225	119,151	122,089	131,205	131,025	130,526	134,229	121,787	96,421
STD patient clinic visits	10,879	11,000	14,781	11,498	12,007	12,463	13,046	12,856	12,696	13,248
Immunizations shots administered	20,000	20,000	45,012	46,694	46,786	39,542	41,464	48,563	62,949	40,600
Women and children service encounters	247,893	260,430	300,861	323,331	336,142	349,210	352,540	363,624	375,008	433,133
Participants receiving basic needs services	13,467	18,048	N/A	10,855	9,394	10,691	7,587	7,965	8,291	1,098
Food establishment permits issued	3,489	4,095	4,150	N/A	4,760	4,803	4,634	5,016	5,355	5,783
Pregnancy rate/1000 female teens (13-17 years old)	44	44	37	34	27	32	32	32	28	30
HIV clients	3,582	6,722	2,858	1,562	3,267	3,411	3,732	3,950	4,110	4,300
HIV client visits	29,726	27,200	28,500	35,282	26,378	28,190	18,825	15,000	23,478	31,173

(Continued)

Operating Indicators by Function/Program
Last Ten Fiscal Years, continued

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public recreation and culture										
Volumes in library collection	1,375,246	1,416,044	1,477,881	1,550,145	1,614,460	1,652,303	1,705,805	1,490,814	1,469,288	1,455,793
Library volumes borrowed	3,076,001	3,164,580	3,282,517	3,332,645	3,230,357	3,355,351	3,373,408	3,552,013	3,791,515	4,197,963
Registered library borrowers	367,854	410,102	446,272	484,075	516,666	420,461	456,009	489,649	494,757	561,112
Meals served to senior citizens	152,188	148,100	142,040	143,000	126,311	118,066	114,770	107,101	119,224	64,821
Participant hours in nature center program	282,614	242,000	122,487	140,463	149,103	142,709	118,994	113,159	103,241	133,390
Visitors to garden center	586,470	633,500	426,357	388,549	402,645	385,160	392,181	411,540	426,032	463,095
Participant hours in summer playground program	214,098	245,700	210,365	189,185	157,272	151,230	151,230	178,667	124,566	200,400
Urban growth management										
One-stop shop customers served development assistance	N/A	N/A	N/A	N/A	N/A	23,421	20,702	23,534	30,447	26,531
Neighborhood plans adopted	3	1	8	8	7	5	9	5	2	2
Zoning applications processed	N/A	231	201	179	186	259	268	222	232	101
Building inspections performed-development and regulation	195,190	173,573	150,946	157,461	155,360	177,909	207,389	213,799	226,841	177,854
One-stop shop building permits issued	N/A	N/A	N/A	N/A	N/A	82,439	98,827	75,078	111,735	92,396
Households served by community development activities (3)	N/A	N/A	N/A	N/A	16,408	11,688	11,325	11,166	5,574	4,000
Renters assisted through S.M.A.R.T. construction/rehabilitation units	N/A	N/A	N/A	321	221	284	270	294	2,110	1,026
Homebuyers assisted through S.M.A.R.T. housing	441	213	266	262	294	218	135	66	109	119
S.M.A.R.T. housing units completed	N/A	49	400	1,694	1,612	1,725	1,692	1,470	3,473	1,341
Owner-occupied homes retained through rehabilitation/construction	1,079	816	926	717	980	995	903	917	833	904
Business-type activities										
Electric										
Electric sales (in millions of KWH)	10,726	10,430	10,153	10,321	10,262	10,904	11,248	11,325	12,184	12,103
Number of metered customers	333,903	346,795	353,072	359,526	365,874	372,735	380,696	388,626	396,791	407,926
Water										
Actual water pumpage (in millions of gallons)	52,326	50,185	50,883	51,111	48,469	51,374	56,603	45,867	53,921	53,331
Average daily consumption (thousands of gallons)	134,216	121,222	122,024	119,020	113,826	120,179	135,537	112,394	145,386	129,600
Average daily consumption per capita	194	172	159	155	145	150	165	134	130	147
Peak daily capacity (thousands of gallons)	250,000	250,000	260,000	260,000	260,000	260,000	260,000	310,000	285,000	286,000
Wastewater										
Average daily sewage treatment (millions of gallons)	83,836	93,942	93,942	87,165	81,431	85,436	77,805	97,598	83,000	82,038
Combined daily capacity (thousands of gallons)	130,000	130,000	130,000	130,000	130,000	135,000	135,000	150,000	150,000	135,000
Airport										
Enplanements (1)	3,938,644	3,690,835	3,439,302	3,436,944	3,707,864	3,866,383	4,141,580	4,552,481	4,619,630	4,113,544
Deplanements (1)	3,720,027	3,508,487	3,281,366	3,270,137	3,530,781	3,704,881	3,984,670	4,332,910	4,419,445	4,107,354
Cargo (in millions of pounds) (1)	357	321	286	252	254	242	230	211	202	156

(Continued)

Operating Indicators by Function/Program
Last Ten Fiscal Years, continued

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Convention										
Convention contracts executed	155	235	242	276	257	261	308	263	285	281
Pre-event plans produced	206	235	315	343	438	577	705	674	558	475
Vehicles parked	176,467	211,913	233,666	250,504	218,669	284,070	345,896	335,551	488,916	539,098
Environment and health services										
Tons of garbage collected	112,738	116,860	118,264	118,580	122,695	126,047	132,458	138,801	143,950	128,519
Tons of recyclables collected	32,547	34,000	35,420	N/A	N/A	N/A	30,058	31,877	34,691	49,811
Tons of brush collected	2,081	1,850	3,495	4,116	5,050	4,737	5,938	6,614	7,380	7,683
Tons of bulk items collected	4,472	6,750	8,739	8,293	7,687	7,697	8,035	7,434	7,792	8,219
Tons of yard trimmings collected	16,686	16,747	18,636	17,754	18,262	19,230	20,697	20,315	24,027	19,497
Public recreation										
Golf rounds played	314,154	258,607	308,950	287,244	270,767	253,479	226,172	194,289	231,231	230,852
Sports teams	2,206	3,162	3,200	N/A	N/A	1,678	1,813	2,133	2,379	2,051
Estimated participant hours for community recreation program	2,829,957	2,862,738	3,455,493	3,241,960	2,461,425	3,335,339	2,210,843	2,274,456	2,103,611	2,238,370
Urban growth management										
Storm Water Discharge permits issued to businesses	1,200	N/A	1,244	1,207	1,151	1,194	1,165	1,144	1,160	1,183
Residential ponds provided vegetation control	297	350	370	384	409	481	500	515	519	522
Residential ponds maintained	153	160	161	220	244	522	555	531	575	733
Acres treated with stormwater improvements (cumulative)	4,492	4,667	4,559	4,667	4,559	4,676	4,868	5,283	5,327	5,947
Litter and debris collection on Lady Bird Town Lake (in tons)	225	371	222	215	231	251	222	243	209	270
Miles of creeks maintained	62	65	63	63	63	63	64	63	64	64
Stormwater sites successfully sampled and analyzed	662	837	681	727	1,002	1,009	871	1,503	1,312	903
Feet of pipeline cleaned	43,131	50,000	51,900	40,893	53,013	81,040	87,770	75,554	77,283	74,164
Potholes repaired	2,003	4,620	2,203	3,231	1,478	1,072	672	1,073	784	638
Signal studies	219	254	246	266	250	277	270	280	281	281
Signal modifications	117	74	59	93	35	86	52	38	32	22
Traffic sign installations	15,057	13,707	14,280	15,361	20,540	18,784	33,709	30,820	28,002	23,144
Citizen requests for traffic improvement completed	1,645	1,229	966	1,151	1,303	1,319	1,227	1,474	1,840	1,433
Parking tickets	140,717	133,654	137,232	132,775	123,160	117,004	130,267	118,663	126,941	115,837

(Continued)

Operating Indicators by Function/Program
Last Ten Fiscal Years, continued

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Internal services activities (2)										
Internal services										
Vehicles sold	425	522	423	282	150	230	224	344	326	306
Rental units	2,531	2,800	1,934	1,780	740	1,547	1,580	1,426	1,537	1,436
Payment transactions processed	296,000	269,506	274,980	250,993	249,435	262,282	306,783	259,527	243,338	216,340
Payroll payments	346,736	212,753	332,725	327,328	323,754	328,819	492,843	420,985	434,578	435,034
Units of mail processed	2,621,150	3,076,920	2,844,605	2,505,959	1,804,358	1,977,488	2,003,607	2,003,607	2,251,672	1,939,554
Employees enrolled in medical benefit plans	7,323	8,256	8,619	7,710	7,111	7,051	7,046	7,288	7,730	7,693
Requests for council action processed	680	250	1,063	2,235	2,161	2,242	2,300	2,074	2,685	2,114
Active construction projects managed in-house	24	50	50	293	297	310	338	319	300	312
Land parcels acquired	111	75	184	127	176	130	148	239	100	218

Sources: Various city departments; budget documents and performance reports

N/A Information not available

- (1) Data provided is based on a calendar year versus a fiscal year.
- (2) Internal service activities are allocated to other programs and functions on a government-wide basis.
- (3) For Fiscal Year 2009, amended budget estimate is used where final statistic is unavailable.

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities										
Public safety										
Police stations	3	3	3	3	4	4	4	4	5	8
Police zone offices	6	7	7	7	9	9	9	9	9	9
Patrol units	280	232	290	318	340	333	351	352	355	355
Fire stations	40	40	40	41	41	42	43	44	44	44
EMS stations	23	26	28	28	29	30	30	31	33	33
Public health										
Health facilities (sq. ft.)	299,819	291,465	362,155	362,155	334,419	341,607	318,462	331,462	331,462	331,726
Program vehicles	65	65	66	66	57	59	61	61	76	76
Public recreation and culture										
Libraries	21	21	22	22	22	22	22	22	22	22
District parks	11	11	11	11	11	11	11	11	11	13
Metropolitan parks	10	10	10	11	11	18	11	11	11	12
Natural preserves	14	14	15	15	15	15	13	13	13	13
Greenbelts	25	25	25	25	25	32	26	26	26	29
Neighborhood parks	80	80	84	85	85	85	90	90	90	96
Special parks (museums, etc.)	22	23	27	26	27	27	30	27	28	28
Youth entertainment complexes	1	1	1	1	1	1	1	1	1	1
Recreation centers	18	16	17	17	17	17	17	18	18	20
Senior activity sites	20	20	20	20	18	21	21	21	21	23
Open fields	88	88	88	89	89	89	90	90	90	89
Senior activity centers	3	3	3	3	3	3	3	3	3	3
Veloway (miles)	3	3	3	3	3	3	3	3	3	3
Hike and bike trails (miles)	44	51	51	75	117	117	117	117	117	117
Tennis courts	106	106	102	102	102	102	102	102	102	114
Swimming pools	47	47	47	47	47	47	47	46	46	50
Business-type activities										
Electric										
Overhead distribution (miles)	5,478	5,485	5,493	5,532	5,546	5,549	5,540	5,527	5,489	5,493
Underground distribution (miles)	3,824	3,943	4,140	4,517	4,762	5,011	5,236	5,429	5,700	5,786
Water										
Treatment plants	3	3	3	3	3	3	3	3	2	2
Water mains (miles)	3,709	2,825	2,872	2,995	2,871	2,791	3,449	3,514	3,594	3,626
Booster pumps	29	42	46	45	47	47	45	44	45	45
Fire hydrants	24,794	25,838	26,303	27,647	27,134	28,115	29,204	30,479	31,348	32,232
Wastewater										
Sanitary sewers (miles)	2,723	2,202	2,226	2,311	2,265	2,200	2,490	2,544	2,607	2,634
Connections	160,744	173,000	168,159	169,330	174,593	178,574	181,330	186,675	191,297	196,842

(Continued)

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years, continued**

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities, continued										
Airport										
Buildings maintained (sq. ft.)	3,130,000	3,130,000	2,290,563	2,288,130	2,288,130	2,288,130	2,288,130	2,306,130	2,306,130	2,306,130
Facility (terminal) maintained (sq. ft.)	720,000	720,000	754,000	754,000	754,000	754,000	1,016,000	1,016,000	1,016,000	1,016,000
Acres I air side	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Convention										
Convention facilities (sq. ft.)	1,651,941	1,732,298	1,877,000	1,877,000	1,877,000	2,126,249	2,126,249	2,126,249	2,126,249	2,126,249
Environment and health services										
Refuse collection trucks	90	103	97	88	102	96	93	108	64	62
Recycle collection trucks	45	51	42	44	34	34	30	34	53	31
Public recreation										
Golf courses	6	6	6	6	6	6	6	5	5	5
Athletic fields	87	87	87	87	87	87	176	176	176	185
Softball fields	16	16	16	16	16	16	16	16	16	35
Urban growth management										
Residential ponds	434	480	442	480	491	577	599	612	630	710
Street (miles) (2)	6,251	6,277	6,502	6,599	6,789	6,908	7,037	7,266	7,349	7,626
Bridges	N/A	N/A	N/A	302	310	323	323	337	366	424
Traffic signals	712	750	772	798	811	824	827	836	852	865
Metered parking spaces	3,410	3,408	3,586	3,675	3,747	3,805	3,859	3,865	3,772	4,017
Internal Services (1)										
Fleet facilities (sq. ft.)	11,860	11,860	11,860	11,860	11,860	123,117	123,117	123,117	123,117	123,117
Secured computer workstations (2)	8,000	8,000	8,000	8,000	6,200	7,542	7,700	8,963	5,614	8,000
Number of network end use devices	5,161	5,161	5,277	5,186	5,892	5,994	6,030	6,031	11,654	10,021
City facilities insured	1,063	1,076	1,100	1,077	1,113	1,102	1,074	1,111	1,101	1,129
Facilities maintained (sq. ft.)	790,522	967,194	967,194	962,994	1,250,994	1,448,379	1,621,921	1,621,921	1,621,921	1,539,244

Sources: Various city departments; budget documents and performance reports

N/A Information not available

(1) Internal service activities are allocated to other programs and functions on a government-wide basis.

(2) For Fiscal Year 2009, amended budget estimate is used where final statistic is unavailable.