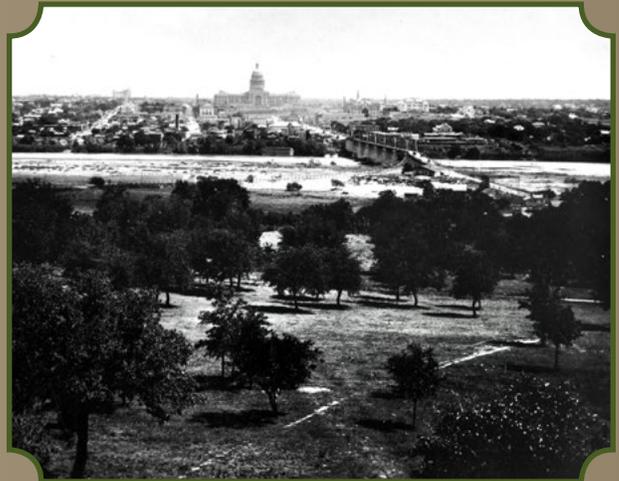


CITY OF AUSTIN, TEXAS

Comprehensive Annual Financial Report



Austin at 25 years



Austin at 50 years



Austin at 75 years



Austin at 100 years

For the year ended September 30, 2014



All cover photographs provided by the Austin History Center, except for the photo of Austin current day, which was provided by Austin Energy Archives, City of Austin. See back page for individual photo details. Thank you to the Austin Parks Foundation for allowing the City to use the 175th Anniversary logo displayed throughout the document. The logo was designed and donated to the Austin Parks Foundation by GSD&M.

Comprehensive Annual Financial Report



City of Austin, Texas

*For the year ended
September 30, 2014*

*Prepared by:
Financial Services Department*

*Elaine Hart, CPA
Chief Financial Officer*

*Greg Canally
Deputy Chief Financial Officer*

*Ed Van Eenoo
Deputy Chief Financial Officer*

*Diana Thomas, CPA
Controller*

*Members of the Government Finance Officers Association
of the United States and Canada*



City Council

at September 30, 2014

Lee Leffingwell

Mayor

Term expires January 5, 2015

Sheryl Cole

Mayor Pro Tem

Term expires January 5, 2015

Council Members

Chris Riley	January 5, 2015
Mike Martinez	January 5, 2015
Kathie Tovo	January 5, 2015
Laura Morrison	January 5, 2015
Bill Spelman	January 5, 2015

Marc A. Ott

City Manager

**CITY OF AUSTIN, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2014**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTION (Unaudited)		
Letter of Transmittal	--	i
City Organization Chart	--	x
Certificate of Achievement	--	xi
 FINANCIAL SECTION		
Independent Auditors' Report	--	1
Management's Discussion and Analysis (Unaudited)	--	3
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	16
Statement of Activities	A-2	18
Fund Financial Statements:		
Governmental Funds Balance Sheet	B-1	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	B-1.1	21
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	B-2.1	23
Proprietary Funds Statement of Net Position	C-1	24
Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position	C-2	30
Proprietary Funds Statement of Cash Flows	C-3	32
Fiduciary Funds Statement of Fiduciary Net Position	D-1	38
Fiduciary Funds Statement of Changes in Fiduciary Net Position	D-2	39
Notes to Basic Financial Statements:		
Note 1 Summary of Significant Accounting Policies	--	40
Note 2 Pooled Investments and Cash	--	51
Note 3 Investments and Deposits	--	51
Note 4 Property Taxes	--	57
Note 5 Capital Assets and Infrastructure	--	59
Note 6 Debt and Non-Debt Liabilities	--	66
Note 7 Retirement Plans	--	86
Note 8 Other Post Employment Benefits	--	88
Note 9 Derivative Instruments	--	90
Note 10 Deficits in Fund Balances and Net Position	--	96
Note 11 Interfund Balances and Transfers	--	97
Note 12 Selected Revenues	--	98
Note 13 Commitments and Contingencies	--	99
Note 14 Litigation	--	104
Note 15 Conduit Debt	--	104
Note 16 Segment Information - Convention Center	--	105
Note 17 Discretely Presented Component Units	--	106
Note 18 Restatement as a Result of the Implementation of a New Accounting Standard	--	107
Note 19 Subsequent Events	--	107
Required Supplementary Information (RSI) (Unaudited)		
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual-Budget Basis	RSI	110
Notes to Required Supplementary Information (RSI-1) - Budget Basis Reporting	RSI	111
Retirement Plans-Trend Information	RSI	112
Other Post Employment Benefits-Trend Information	RSI	112

**CITY OF AUSTIN, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2014**

TABLE OF CONTENTS (continued)

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, Continued		
Combining and Individual Fund Financial Statements and Schedules		
General Fund		
Schedule of Revenues - Budget and Actual-Budget Basis	E-1	113
Schedule of Expenditures - Budget and Actual-Budget Basis	E-2	114
Schedule of Transfers - Budget and Actual-Budget Basis	E-3	116
Nonmajor Governmental Funds		
Combining Balance Sheet	E-4	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-5	119
Special Revenue Funds		
Combining Balance Sheet	E-6	121
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-7	122
Combining Balance Sheet - All Special Revenue Grants	E-8	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Special Revenue Grants	E-9	124
Combining Schedule of Expenditures - All Special Revenue Grants	E-10	125
Other - Combining Balance Sheet	E-11	126
Other - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-12	132
Other - Combining Schedule of Revenues, Expenditures, and Transfers - Budget and Actual-Budget Basis	E-13	138
Debt Service Funds		
Combining Balance Sheet	E-14	144
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-15	145
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual-Budget Basis	E-16	146
Capital Projects Funds		
Combining Balance Sheet	E-17	148
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-18	154
Permanent Funds		
Combining Balance Sheet	E-19	162
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-20	163
Nonmajor Enterprise Funds		
Combining Statement of Net Position	F-1	166
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	F-2	170
Combining Statement of Cash Flows	F-3	172
Internal Service Funds		
Combining Statements of Net Position	G-1	178
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	G-2	180
Combining Statement of Cash Flows	G-3	182

**CITY OF AUSTIN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2014**

TABLE OF CONTENTS (continued)

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, Continued		
Fiduciary Funds		
Private-purpose Trust Funds		
Combining Statement of Fiduciary Net Position	H-1	187
Combining Statement of Changes in Fiduciary Net Position	H-2	188
Agency Funds		
Combining Statement of Changes in Assets and Liabilities	H-3	189
Supplemental Schedules		
Budgetary General Fund - Supplementary Schedule of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual-Budget Basis	I-1	191
Enterprise Related Grants - Combining Balance Sheet	I-2	195
Enterprise Related Grants - Combining Schedule of Expenditures	I-3	196
Schedule of General Obligation Bonds Authorized and Unissued	I-4	197
Schedule of Revenue Bonds Authorized, Deauthorized and Unissued	I-5	198
 STATISTICAL SECTION (Unaudited)		
	<u>Table</u>	<u>Page</u>
Financial Trends		
Net Position by Component - Last Ten Fiscal Years	1	201
Changes in Net Position - Last Ten Fiscal Years	2	202
Program Revenues by Function/Program - Last Ten Fiscal Years	3	204
Fund Balances, Governmental Funds - Last Ten Fiscal Years	4	205
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	5	206
Revenue Capacity		
Tax Revenues By Source, Governmental Funds - Last Ten Fiscal Years	6	207
Property Appraised Value, Taxable Value, Tax Rates, Tax Levies, and Tax Collections - Last Ten Fiscal Years	7	208
Assessed Taxable Property Value by Class - Last Ten Fiscal Years	8	209
Property Taxes and Tax Levies for Direct and Overlapping Governments With Applicable Percentages Over 10% - Last Ten Fiscal Years	9	210
Principal Property Taxpayers - Current Year and Nine Years Ago	10	211
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	11	212
Taxable Sales by Category - Last Ten Fiscal Years	12	213
Debt Capacity		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	13	214
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	14	215
Direct and Overlapping Governmental Activities Debt	15	216
Legal Debt Margin Information - Last Ten Fiscal Years	16	217
Pledged-Revenue Coverage - Last Ten Fiscal Years	17	218
Demographic and Economic Information		
Demographic and Economic Statistics - Last Ten Fiscal Years	18	219
Principal Employers - Current Year and Nine Years Ago	19	220
Operating Information		
Full-time Equivalent Employees by Function/Program - Last Ten Fiscal Years	20	221
Operating Indicators by Function/Program - Last Ten Fiscal Years	21	222
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	22	225

This page intentionally blank.



INTRODUCTION



City of Austin

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

March 24, 2015

Honorable Mayor, Mayor Pro Tem and Councilmembers, and Citizens of Austin
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, 2014. 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 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.

AUSTIN'S GOVERNMENT AND THE REPORTING ENTITY

General Information

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

A change in governance affecting Council size, composition, and term duration was approved by the voters with the passage of Propositions 1 – 3 on November 6, 2012. Under the new governance, the Mayor remains elected at large and ten Councilmembers are elected by geographic district with all serving four-year staggered terms subject to a maximum of two consecutive terms. The voters also approved moving elections from May to November in even-numbered years, the first of which was held in November 2014. Currently half of the Councilmembers are serving a two-year term as a part of the transition to this new Council structure which became effective January 6, 2015.

Austin, the capital of Texas, is the fourth largest city in the state (behind Houston, Dallas, and San Antonio) and the eleventh largest in the nation with a September 2014 population of 878,002 according to the City's estimates. Over the past ten years, Austin's population has increased by approximately 26.2% or 182,121 residents. Geographically, Austin consists of approximately 321 square miles. The current estimated median household income for Austin residents is \$49,227 according to Public Financial Management, Inc. Austin's per capita income is estimated to be \$46,990 based on analysis of the Bureau of Economic Analysis information.

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 draws its special character from its physical setting along the Balcones Escarpment, a city wedged between coastal plains and dramatic cliffs, canyons, and juniper-carpeted rolling hills; it exists as a physical and cultural oasis where talented, entrepreneurial, hard-working people are drawn from all over the world. Austin's quality of life has become its biggest economic development engine, and the City's diverse demographic structure serves to support and enrich its quality of life.

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 45.6% of adults twenty-five years or older holding a bachelor's or advanced degree, compared to 28.8% for the U.S. as a whole. Higher education is a significant aspect of life in the Austin area which is host to six universities, a robust community college system, and numerous other institutions of higher learning. The University of Texas at Austin (UT), the sixth largest public university in the nation, is known as a world-class center of education and research and was ranked 17th among public universities in the 2015 *U.S. News and World Report* survey of undergraduate programs.

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 if different from the entity name): the Austin Housing Finance Corporation (Housing Assistance Fund), the Austin Industrial Development Corporation, the Mueller Local Government Corporation, and the Urban Renewal Agency. These entities are reported as governmental activities. Additionally, the financial statements include Austin-Bergstrom Landhost Enterprises, Inc., Austin Convention Enterprises, Inc., and Waller Creek Local Government Corporation. These separate legal entities are reported as discrete component units on the government-wide statements.

THE ECONOMIC OUTLOOK AND MAJOR INITIATIVES

Local Economy

The Austin metropolitan area is consistently recognized among the most inventive, creative, wired, educated, fit, and loved cities in which to live and work. The Milken Institute ranked the Austin metropolitan area number 2 in its *2014 Best-Performing Cities* report, which ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The index "was designed to measure objectively which U.S. metropolitan areas are promoting economic vitality based on job creation and retention, the quality of new jobs, and other criteria." In its report the Institute noted that, "Austin is the most consistent Top 5 finisher in the history of our Best-Performing Cities index".

From job growth to population growth to real estate, the Austin metropolitan area continues to boom and the trends reflect it. The Brookings *Metro Monitor* ranks Austin's economic performance from the recession until the second quarter of 2014 as the best in the nation based on an analysis of jobs, unemployment, gross product, and home prices. Austin's overall growth is expected to continue into the future. During 2014, *U.S. Metro Economies* prepared by IHS Global Insight for the US Conference of Mayors projected that Austin will have the highest level of growth in real gross metro product in the country through 2020 growing at an average annual rate of 4.4%.

In January 2015, Forbes confirmed Austin's popularity as a great place to live and work as the City was ranked second on its list of "America's Fastest-Growing Cities 2015". Austin has ranked first or second on this list for the last five years. During 2014, the City's demographer estimated that the population was growing at the rate of 110 people per day.

The Texas economy has been strong for well over a decade, adding 2.1 million jobs since 2000 or 30% of total jobs added in the United States during that period. Moody's Analytics economic research firm expects Texas job growth to continue to lead the nation over the next five years, expanding at an annual rate of 2.7%. In November 2014, Forbes listed Texas as the Best State for Job Growth. Forbes has indicated that Texas "ranks first for both its current economic climate and growth prospects in our annual study on the Best States for Business." Texas is

home to 5 of the top 10 best-performing large cities and 3 of the top 10 best performing small cities according to the Milken Institute index.

Employment - Virtually all Texas metro areas had more jobs in December 2014 than in December 2013. Texas' employment growth at 4% continues to outpace the nation at 2.2%. The Austin metro area employment is also growing faster than the national rate at 2.9%. Austin's unemployment rate was at 3.4% in December 2014, down from 4.5% in December 2013. The State and National unemployment rates in December 2014 were 4.6% and 5.6%, respectively.

Over the last five years, the Austin metro area has created more than 151,000 new jobs, an increase of over 18%. This growth has been shared by all levels of wage earners. During fiscal year 2014 Forbes listed the Austin area at or near the top of several lists: "Best Cities for Future Job Growth 2014"; "Cities Creating the Most Middle Class Jobs" (7.6% since 2007); "Blue Collar Hot Spots" (10% since 2010); and "Cities Creating the Most Tech Jobs" (over 41% 2001 – 2013). According to the Milken *2014 Best-Performing Cities* report, "the Austin MSA is a technology center that benefits from "an employment multiplier of close to 5 (meaning one tech position generates four other jobs), among the highest of all sectors."

This growth is expected to continue through 2017 according to *America's Job Outlook* published by Careerbuilder and Economic Modeling Services, Inc. (EMSI). This report projects total job growth of 9.7% in the Austin metro area, well ahead of the national level of 4.4% for the period 2013 through 2017. In addition, high-wage jobs are expected to grow at a rate of 9.4%, the second highest level in the nation. The report states, "Austin's position as one of the strongest markets for high-wage job growth, and job growth overall, has been fueled by its diverse industry mix."

Economic Development - The City's economic development efforts have greatly contributed to job growth. In early 2014, City Council approved several economic incentive agreements which will result in 1,247 new full-time jobs. The combined economic impact of such agreements since the beginning of 2012 is over 6,700 direct jobs and \$396 million in capital investment.

Over the next several years a medical school will be constructed at the University of Texas at Austin. The University is partnering with the Seton Healthcare Family, who will build a teaching hospital, and Central Health (the Travis County Healthcare District) who will purchase services from the medical school for the population it serves. The plan is supported by a broad cross-section of the community including the voters who approved a tax increase for Central Health to help fund these initiatives. In 2014, the first dean of the medical school was selected, long-term affiliation agreements between the parties were approved, and construction of both the Dell Medical School and the teaching hospital, Seton Medical Center at the University of Texas, was begun. The school is scheduled to accept its first class in 2016 and the hospital will open in 2017.

An economic analysis by TXP, Inc. estimates the economic impact of the school to be almost \$1 billion in direct annual spending and 6,900 direct jobs. In December 2014 City Council directed the City Manager to explore creation of an innovation zone in the northeast quadrant of downtown to leverage the economic potential created by the medical school. Such zones have been successful economic engines in other major U.S. cities such as Seattle and Raleigh-Durham.

Tourism - Austin continues to be a destination for both business and recreational activities. Austin is known around the world as the "Live Music Capital of the World" with over 250 live music venues. In March 2014, South by Southwest (SXSW) hosted its 28th annual festival, conference, and trade show, providing a unique convergence of original music, independent films, and emerging technologies and more recently education and sustainability. According to an economic impact analysis prepared by Greyhill Advisors, SXSW was responsible for injecting more than \$315 million into the Austin economy. In October 2013, the Austin City Limits Music Festival expanded to two weekends increasing opportunities for attendance and hence the economic impact of that festival from \$102 million in 2012 to \$182 million in 2013.

During 2014 the Circuit Of The Americas™ (COTA) complex in southeast Austin, a state-of-the-art motorsports and entertainment venue, generated \$897 million in economic impact to the Austin area according to Greyhill, Advisors. The major event at this facility continues to be the United States Formula One™ Grand Prix race (F1) which drew a total attendance of over 237,000 in the fall of 2014. Other major events hosted at the facility

throughout the year included MotoGP Grand Prix of the Americas, the ESPN X Games (year one of four), the Lone Star Lemans and numerous national touring bands.

The growing local economy in Austin relies on quality air service to foster business, government, and leisure travel. During 2014 Austin's airport, ABIA, set a new record for annual traffic for the fourth consecutive year, a 7% increase over the previous year's record. In 2014 over 10.7 million passengers passed through ABIA, enjoying over 1,100 live music performances, 62 tons of brisket and 600,000 breakfast tacos. A milestone was reached in July when for the first time over a million passengers traveled through the airport in a single month. Air carriers continue to add direct flights to Austin and in March 2014, British Airways offered the first transatlantic air service between London and Austin, facilitating connections with over 70 countries throughout Europe, Africa, the Middle East, and Asia. To accommodate this growth, ABIA is expanding the east terminal to provide up to a 30% increase in aircraft operational capacity. The lower level of this project was completed in December 2014 and includes a new Customs Facility which more than doubles the capacity to process international arrivals.

Hotel motel tax revenues continue to grow and in 2014 were 15% greater than the previous year. High occupancy rates have spurred construction of new hotels across the Austin metro area. The greatest concentration is downtown where over 3,000 rooms are currently under construction by hoteliers such as JW Marriott, Fairmont, Westin, Kimpton and several others.

Real Estate - All sectors of the real estate market are performing well. Austin area home sales for 2014 were up 2% over 2013 and set a record for annual single-family home sales. As of the end of December the market featured 2.2 months of housing inventory, slightly higher than last year but below the levels considered to represent a balanced housing market. As a result, the median price for a single family home continues to rise, up about 8% over the previous year from \$223,890 to \$242,500. According to the National Association of Home Builders, despite housing price increases Austin has the second most affordable housing of the major Texas cities when median family income is factored into the equation.

Opinions about Austin's real estate market are mixed. Both Fitch and Trulia.com believe that Austin's real estate market is overpriced by up to 20%. However, an analysis by Forbes Inc. and Local Market Monitor indicated Austin as the "Best Buy City", a place to invest in housing in 2015. The study indicated that in the Austin market, prices are slightly "overheated" but investment was "still a safe bet" given other economic factors. The City considers affordability a prime consideration when making decisions that impact the citizens who live here and the businesses that operate here. Whether setting taxes or utility rates, taking actions that provide affordable housing, or providing services and programs to the underprivileged members of the community, affordability is always part of the discussion.

As the result of over 9,000 new apartments coming on the market in 2014, multifamily occupancy rates are near 94%, down from the 2013 high of 97%. With occupancy rates still strong, rents per square foot are at an all-time high. In June 2014 these rates were at \$1.25, having risen over 3% in six months. The office market is also strong with an average occupancy rate of over 91% at the end of 2014. The retail market ended 2014 with occupancy at almost 96%, the highest overall occupancy rate in a decade. According to *Emerging Trends in Real Estate 2015* copublished by PricewaterhouseCoopers US and the Urban Land Institute, Austin will be one of the two top markets to watch in 2015 along with Houston. Among other things, those interviewed for this survey were attracted by Austin's appeal to the millennial generation, diverse employee base, and the lower cost of doing business here.

Sales Taxes - Sales tax revenue has shown positive growth over the past five fiscal years. Fiscal year 2014 experienced a robust 7.5% increase over fiscal year 2013, which was a 7.3 % increase over 2012.

Recognition - In addition to the rankings mentioned above, Austin has ranked at the top of lists such as Jones Lang LaSalle, NerdWallet, WalletHub, and others in regards to career choice, recreation opportunities, income, and business opportunities:

#1 Small Business Vitality
WalletHub – May 2014

#3 America's Coolest Cities 2014
Forbes – August 2014

#6 Top 10 U.S. Labor Markets
Career Builder & EMSI –
February 2015

#2 Best Cities for Millennials
Niche.com – Spring 2014

#4 America's Most Creative Cities
Forbes – July 2014

8 Best Run Cities in America
24/7 Wall St. - January 2014

#2 Baby Boomtowns: The U.S.
Cities Attracting the Most Families
Forbes – September 2014

#3 Cities Stealing Jobs from
Wall Street
Newgeography.com – June 2014

#2 Best Large Cities for Women in
the Workforce
NerdWallet.com – June 2014

#7 World's 20 Most Dynamic Cities
City Momentum Index
Jones Lang LaSalle - January 2014

#1 Metro Areas with Most Economic
Momentum Going Into 2014
Forbes – December 2013

#3 Top US Cities for Tech
Acquisitions (since 2012)
CBInsights.com – October 2014

Major Initiatives

The City of Austin's vision is to be the most livable City in the country. The following policy priorities were adopted in April 2007 by the Austin City Council and amended in 2009:

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

Best Managed City - To achieve the vision of making Austin the most livable city in the country and to support City Council's policies and initiatives, the employees of the City – whether they be executives, managers, or front-line service providers – have the singular mission of making the City of Austin the best managed city in the country. This mission is implemented through transparent business practices, excellence in public service, innovative leadership, and providing services that are reliable, safe, efficient, and above national standards.

City staff is committed to creating a work environment that fosters creative thinking and innovation throughout the organization, thereby better positioning the workforce to more effectively respond to new challenges as well as new opportunities. City employees take enormous pride in their work. PRIDE reflects the City's core values of public service and how employees relate to customers and each other. The elements of PRIDE include: **P**ublic Service & Engagement; **R**esponsibility & Accountability; **I**nnovation & Sustainability; **D**iversity & Inclusion; and **E**thics & Integrity.

Being “best managed” means everyone in the organization is providing the best service possible to the community. Reflecting the PRIDE that the City's employees take in their work, Austin ranks 26 percentage points above the national average for customer service and is at or above the national average in 34 of 46 the City's benchmark indicators.

Imagine Austin - Austin residents share a sense of community pride and a determination that the City's vision is not just a slogan, but a reality for everyone who lives here. In 2012, after an extensive public process, the City Council unanimously voted to adopt Imagine Austin, the City's comprehensive plan for Austin's future. The plan defines where the City is today and where we want to go, setting a context to guide decision-makers for the next 30 years. The resulting plan adheres to 6 core principles established by Austin citizens:

- ❖ Grow as a compact, connected city
- ❖ Integrate nature into the city
- ❖ Provide paths to prosperity for all
- ❖ Develop as an affordable and healthy community
- ❖ Sustainably manage water, energy, and other environmental resources
- ❖ Think creatively and work together

Implementing this vision will take many incremental steps over time. Cross-departmental and cross-jurisdictional action teams have been created for these areas and the 2014 budget and capital plan included funding to support these principles. Further, a number of the initiatives discussed below also directly support Imagine Austin. In 2014 the American Planning Association bestowed its first ever “Sustainable Plan Award” to the City of Austin in partnership with the plan consultants, Wallace, Roberts, and Todd, for Imagine Austin for showing exemplary scholarship, leadership, and inspiration in sustainability planning and implementation.

Development – In addition to its economic development efforts, the City has been committed to the redevelopment of a number of its downtown properties. Beginning with the development of six blocks in the warehouse district in the early 2000's, Austin's participation in joint public/private partnerships continues to contribute to a vibrant downtown and an enhanced tax base. Current downtown redevelopment focused in the Seaholm District includes:

- Construction of a new 198,000 square-foot central library. This “library for the future” will have advanced sustainable features and is expected to be completed in 2016;
- Extensive improvements to Shoal Creek in the Seaholm area to facilitate bicycle and pedestrian use;
- Construction of a \$130 million mixed-used development that will involve renovation and reuse of the historical and architecturally-significant Seaholm power plant. As the result of one of the City's economic development agreements, the offices of athenahealth, Inc., a software company, moved into the renovated power plant in February 2015.
- Kick-off of the redevelopment of the Green Water Treatment Plant site with the sale and transfer of the first portion of the site to the development team who will construct a 38-floor mixed-use tower, including affordable living units. The first phase of this project also includes completion of the street grid in the district to enhance connectivity to Seaholm. Ultimately this pivotal waterfront project is slated to add 1.7 million square feet of mixed use development.

In 2015, the City will finalize construction of the Waller Creek Tunnel Project on the eastern edge of downtown. This mile-long stormwater bypass tunnel will address problems of flooding, erosion, and water pollution along lower Waller Creek. By taking nearly 28 acres of prime downtown land out of the 100-year floodplain, the project is expected to spur redevelopment and revitalization in the area. In addition, the City partnered with the Waller Creek Conservancy to create the Waller Creek District along the creek from the mouth of Lady Bird Lake north to the University of Texas. The Conservancy is at work implementing a number of amenities including pedestrian and bicycle paths, interactive playscapes, and a restored native creek ecology.

Several miles from downtown, the City continues its public/private partnership to redevelop the site of the previous airport, Mueller. This 700 acre, vibrant, mixed-use urban village includes residential neighborhoods, retail, and office spaces, extensive parks, and trails. The development, which is sustainable, transit-oriented, and offers affordable housing opportunities, is more than one-third complete, and has a current assessed value of over \$680 million. Demand for housing at Mueller has been high due to its proximity to downtown and many amenities. In addition to the homes being constructed, recent openings in the development include a new children's museum, an expansion of the Dell Children's Hospital, a market district, and the Austin Independent School District's performing arts center.

Transparency – The City's ongoing commitment to transparency of financial transactions and processes is exemplified by Austin Finance Online (AFO). Since its inception in 2011, AFO has been recognized by the Texas State Comptroller for achieving the highest standards in financial transparency online by awarding the City's website. After receiving the Gold Level Leadership Circle Award for four consecutive years, in January 2015 the City received the newly created Platinum Leadership Award. AFO provides a one-stop web-based portal containing an extensive library of budget and financial documents, an online contract catalog, payment register information, and other City financial information.

Innovation - In the summer of 2014 the City received recognition for its technological innovations in several of its geographic information systems, (GIS), applications. First the Environmental Systems Research Institute awarded the City with a Special Achievement in GIS award for its adoption of the ArcGIS Online configuration to help the City of Austin manage water resources while dealing with a major drought and rapid growth in the area. The City also received a 2014 Technology Solutions Award for significant achievement from the Public Technology Institute, (PTI), for the Austin Infrastructure Management, Mapping, Planning and Coordination Tool which provides key coordination of the mapping of infrastructure projects to identify possible conflicts and opportunities for collaboration reducing the City's infrastructure repair and rehabilitation costs. In total, the PTI recognized the City for five different applications including among others the Strategic Capital Investments Analysis tool and the MetroRapid Traffic Signal Priority project.

The City has also received recognition for its policies. In October, Austin was one of two cities that received the 2014 Robert C. Larson Housing Policy Leadership Award for exceptional public policy from the Urban Land

Institute's Terwilliger Center for Housing. The award description states, "the City of Austin is tackling its affordable housing shortage through a variety of mechanisms...securing affordability for more than 18,000 units since focusing on this crucial issue."

Climate Protection - The City of Austin has long been a national leader in the climate protection arena through the efforts of City leaders, the city-owned electric utility (Austin Energy), and the participation of customers from residential to other governmental entities and private businesses. As a result of these efforts and partnerships, Austin Energy led all public power utilities in the country for sales of renewable energy again in 2013. In 2012, Austin became the first large city in America to power all of its city-owned buildings 100% with renewable energy, a goal set five years earlier. In January 2015 the EPA's Green Power Partnership program ranked Austin third in the country among all local government program partners using the most renewable energy, and 15th among all participants including some Fortune 500 companies. Austin Energy also received the EPA's 2014 Energy Star Partner of the year Award for Sustained Excellence for outstanding contributions to energy efficiency for the tenth consecutive year.

In early 2014, with the approval of a contract to purchase 300 additional megawatts of wind power, Austin Energy is poised to achieve its 35% of renewable energy goal in 2016, four years ahead of schedule. The utility is now focusing on its solar power goals and has awarded a contract to a solar project developer to create a 150 megawatt solar facility that will be Texas' largest.

FINANCIAL INFORMATION

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.

Financial Policies

The City has adopted a comprehensive set of Financial Policies to ensure that the City's financial resources are managed in a prudent manner and to provide a foundation for financial sustainability. These policies dictate that current revenue will be sufficient to support current expenditures (defined as "structural balance"). Assigned and unassigned fund balances in excess of what is required shall normally be used to fund capital items in the operating and capital budgets. The City maintains the goal of a structurally balanced budget to achieve long-term financial stability for the Austin community. Compliance with these policies is reviewed annually as part of the budget process. The policies and results of the review are published in the Approved Budget document.

Long-term Financial Planning

Austin leaders are continually looking towards and planning for the future. The Austin approach of balancing the budget by not relying on one-time solutions, while at the same time making key investments in our community, our infrastructure, our economy, our sustainability, and our employees is providing a 21st century "best-managed" model for cities all around the country. 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 tool to develop the following year's operating budget. As directed by the financial policies, the City's budgeting approach emphasizes fiscal responsibility by limiting spending in a given year to projected revenue collections.

In addition, the City annually prepares a five-year Capital Improvement Project (CIP) Plan that outlines all capital projects in progress, those that will be implemented in the five-year horizon, and related funding sources. During 2014 the City completed its first Long-Range CIP Strategic Plan which covers a 10-year planning horizon, improving the transparency of the City's long-term infrastructure plans. This plan further aligns the City's CIP investments with the Imagine Austin Comprehensive Plan as the City strives to strike a balance between ongoing capital needs necessary to maintain services for a growing community and strategic investments that support community priorities.

On November 5, 2013, voters approved \$65 million in general obligation debt for affordable rental and ownership housing as well as preservation of existing affordable housing stock. The City is implementing projects authorized by this election as well projects authorized in the November 2012 election, when Austin voters approved a \$307 million general obligation bond program that includes transportation and mobility projects, as well as projects for open space and watershed protection, parks and recreation, public safety, health and human services, and library, museum and cultural arts facilities. This bond program is being overseen by the Council-appointed Bond Oversight Committee, which is charged with ensuring efficiency, equity, timeliness, and accountability in the implementation of the program.

Maintaining sound financial and economic development policies within the City organization allows for a high level of services to the community. Because of consistent adherence to our financial policies, the City's bond ratings for General Obligation bonds continue to be "AAA" for all three bond rating agencies, Moody's (Aaa), Standard & Poor's and Fitch Investors. In November 2012, Austin Energy improved its Standard & Poor's credit rating from A+ to AA-, a reflection of a rate increase and the utility's diverse portfolio, as well as Austin's robust economy.

Budgetary Control

The annual operating budget is proposed by the City Manager and approved by the City Council after public discussion. Annual budgets are legally required for the General Fund, debt service funds, and certain special revenue funds. While not legally required, annual budgets are also adopted for the enterprise and internal service funds. Annual updates to the Capital Improvements Program budgets follow a similar process. Multi-year budgets are adopted for capital projects and grant funds.

Throughout the year, primary responsibility for fiscal analysis of budget to actual expense or revenue and overall program fiscal standing rests with the department operating the program. The City Manager is authorized to transfer appropriation balances within a fund and department of the City. The City Council must approve amendments to the budget and transfers of appropriations from one fund and department to another. As demonstrated by the statements and schedules included in the City's 2014 CAFR, the City continues to meet its responsibility for sound financial management.

Budgetary Information

The 2015 Budget was developed in a manner true to the City's unwavering commitment to openness, transparency, and public engagement. The City's Budget is organized around activities and services. The budget development process integrates the City's finances with business planning, performance measurement, and resident input, thereby elevating budget discussions to meaningful conversations about outcomes that impact our residents. Input was gathered and evaluated to address the many issues, concerns, and priorities identified by Austin's citizens, employees, and Councilmembers. The result was a budget built around the ideals of livability, affordability and inclusivity that dictate the operations of Austin's City government and form the basis of the budget.

The structurally balanced fiscal year 2015 Approved Budget totals \$3.5 billion and includes \$854 million for the General Fund, providing for the continuation of high-quality public safety, health, library, parks, water, energy, infrastructure, development, and other services to the citizens of Austin. The 2015 budget was approved with a decrease to the property tax rate of more than 2 cents, from 50.27 to 48.09 cents per \$100 of taxable value. The approved tax rate balances the tax impact to property owners with the need to invest in our community and continue providing the outstanding services Austinites have come to expect.

Included in the approved budget are a 3.5 % pay increases for non-sworn employees. Sworn EMS employees and Austin Police Association members will receive a base wage increase of 1% as well as step and longevity pay as established in labor contracts in 2013. The City does not have a current contract with the Austin Firefighters' Association but has included a budget placeholder for potential wage increases at the same levels as Police and EMS. The approved budget enhances public safety by adding 59 new police officers, 21 new 911 dispatcher positions, and 15 civilian positions to address forensics workload issues. Funding was provided to continue a multiyear strategy to better manage demands on service delivery resulting from the City's growth in recent years. Finally, the budget projects growth in General Fund reserves from their current level of 12% to 13.5% in 2015 to ensure the financial health of the municipal government.

The City's largest enterprise department, Austin Energy, is the eighth largest municipal-owned electric utility in the United States in terms of customers served. Austin Energy serves more than 420,000 customers within a service territory of approximately 437 square miles in the Greater Austin area. The approved budget for fiscal year 2015 is \$1.43 billion in annual revenues, including transfers. The utility has a diverse generation mix that includes nuclear, coal, natural gas, and an increasing portfolio of renewable energy sources.

The City's second largest enterprise activity is the Austin Water Utility, which provides water and wastewater services to customers within Austin and surrounding areas. The fiscal year 2015 budget projects revenues of \$541.1 million. Growth in revenue is the result of projected customer growth as well as a combined system-wide rate increase of 8.1%. The impact of this increase on customers is expected to be somewhat mitigated by lower water consumption as the on-going drought continues. In December 2014, the utility opened Water Treatment Plant 4. With a capacity of 50 million gallons per day, it provides redundancy in the water system and helps to sustain reliable water services into the future.

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. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its 2013 CAFR. The City has received this award for 7 consecutive years. The certificate is valid for a period of one year only. City management believes that this 2014 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review.

The City also received the GFOA Distinguished Budget Presentation award for the 2014 budget as well as a 2013 Certificate of Excellence in Performance Measurement from the ICMA.

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 Services Department. Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report: the Budget Office and Treasury Office of the Financial 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.

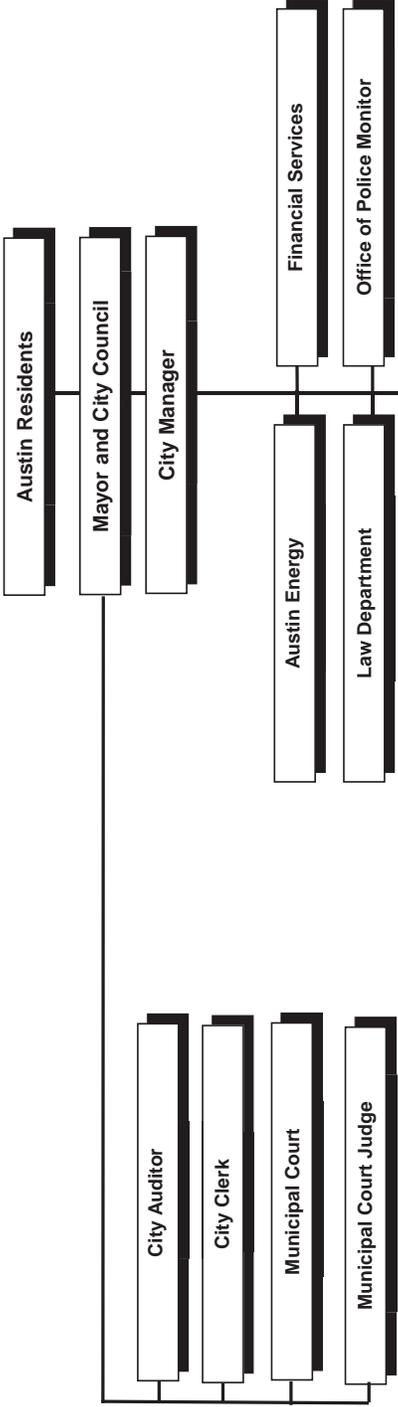


Marc A. Ott
City Manager

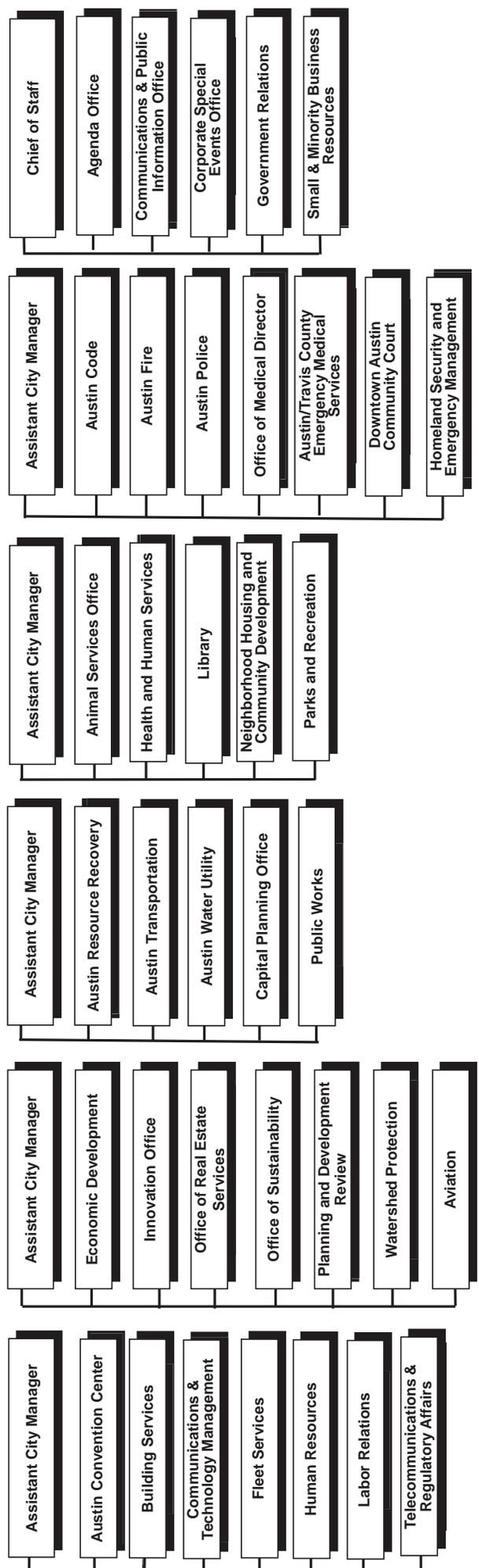


Elaine Hart, CPA
Chief Financial Officer

City of Austin, Texas



Support Services Development Services Infrastructure Services Community Services Public Safety Administrative Services





Government Finance Officers Association

**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, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO

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, 2013.

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 2014 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

This page intentionally blank.



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of discretely presented component units which represents 100% percent of the assets and net position, and 99.8% of revenues of the discretely presented component units. Those statements were audited by other auditors whose reports, one of which (Austin Bergstrom Landhost Enterprises) contains an emphasis of matter paragraph related to a going concern issue, have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Austin, Texas,

as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, beginning net position was restated due to the City's implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended September 30, 2014, which established accounting and financial reporting standards that reclassified, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Deloitte & Touche LLP

March 24, 2015

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, 2014.

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. 67 and No. 70.

FINANCIAL HIGHLIGHTS

Government-wide financial statements

The assets of the City exceeded its liabilities at the end of the fiscal year 2014, resulting in \$4.6 billion of net position. Net position associated with governmental activities is approximately \$1.3 billion, or 28.2% of the total net position of the City. Net position associated with business-type activities is approximately \$3.3 billion, or 71.8% of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is \$3.8 billion, or 82.8% of total net position.

Unrestricted net position, which may be used to meet the City's future obligations, is \$156 million, or 3.4% of the City's total net position. Unrestricted net position for governmental activities is a deficit of \$431.3 million, while unrestricted net position for business-type activities is approximately \$587.4 million, or 17.6% of total business-type net position. The deficit in governmental unrestricted net position is largely due to the recognition of \$435.3 million in other post employment benefit liabilities for governmental activities.

During fiscal year 2014, total net position for the City of Austin increased \$99.7 million or 2.2%. Of this amount, governmental activities decreased \$38.3 million, or 2.8% from the previous year and business-type activities increased \$138 million, or 4.3% from the previous year.

Total revenues for the City increased \$187.5 million; revenues for governmental activities increased \$89.3 million; revenues for business-type activities increased \$98.2 million. Total expenses for the City increased \$172.7 million; expenses for governmental activities increased \$41.8 million; expenses for business-type activities increased \$131 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 required supplementary information in addition to the basic financial statements.

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 Position** presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Austin is improving or deteriorating.
- The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

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), Mueller Local Government Corporation (MLGC), Austin-Bergstrom International Airport (ABIA) Development Corporation, and the Urban Renewal Agency (URA). The operations of AHFC, AIDC, MLGC, ABIA, and URA 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.

The government-wide financial statements also include three discretely presented component units: Austin-Bergstrom Landhost Enterprises, Inc. (ABLE), Austin Convention Enterprises, Inc. (ACE), and Waller Creek Local Government Corporation (WCLGC). These entities are legally separate entities that do not meet the GASB reporting requirements for inclusion as part of the City's operations; therefore, data from these units are shown separately from data of the City. More information on these entities can be found in the notes to the financial statements, including how to get a copy of separately audited financial statements for ACE and ABLE. WCLGC activities are recorded in the City's financial system and city staff prepare the financial reports for this entity.

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.

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 funds 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, Austin EnergyTM, Austin Water Utility, and Austin-Bergstrom International Airport (Airport), as well as the nonmajor enterprise funds.
- 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 (CTECC); 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.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

b -- Fund financial statements, continued

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:

<u>Fund Types/Other</u>	<u>Government-wide</u>	<u>Fund Financials</u>
General Fund	Governmental	Governmental - Major
Special revenue funds	Governmental	Governmental - Nonmajor
Debt service funds	Governmental	Governmental - Nonmajor
Capital projects 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
Austin Energy	Business-type	Proprietary - Major
Austin Water Utility	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
Discrete component units	Discrete component units	Excluded

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 plus five separately budgeted activities, all of which comprise the General Fund for GAAP reporting. 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 position

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

	Condensed Statement of Net Position					
	as of September 30					
	(in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Current assets	\$ 645,341	654,691	1,258,553	1,228,103	1,903,894	1,882,794
Capital assets	2,693,200	2,561,611	7,315,956	7,121,722	10,009,156	9,683,333
Other noncurrent assets	10,930	11,646	992,668	983,931	1,003,598	995,577
Total assets	3,349,471	3,227,948	9,567,177	9,333,756	12,916,648	12,561,704
Deferred outflows of resources	17,616	17,225	193,508	233,413	211,124	250,638
Current liabilities	321,500	311,752	481,782	506,193	803,282	817,945
Noncurrent liabilities	1,728,712	1,581,421	5,215,684	5,171,781	6,944,396	6,753,202
Total liabilities	2,050,212	1,893,173	5,697,466	5,677,974	7,747,678	7,571,147
Deferred inflows of resources	8,681	5,476	734,857	698,842	743,538	704,318
Net position:						
Net investment in capital assets	1,621,208	1,649,431	2,216,347	2,195,358	3,837,555	3,844,789
Restricted	118,335	103,246	524,653	535,490	642,988	638,736
Unrestricted (deficit)	(431,349)	(406,153)	587,362	459,505	156,013	53,352
Total net position	\$ 1,308,194	1,346,524	3,328,362	3,190,353	4,636,556	4,536,877

In the current fiscal year, total assets increased \$354.9 million and deferred outflows of the City decreased by \$39.5 million. Total liabilities increased \$176.5 million and deferred inflows increased by \$39.2 million. Governmental-type total assets increased by \$121.5 million and business-type increased by \$233.4 million, while governmental-type liabilities increased by \$157 million and business-type increased by \$19.5 million.

The most significant increase in governmental total assets resulted from an increase in capital assets of \$131.6 million or 5.1% as the City continues to build out projects from the 2006, 2010, and 2012 bond programs. Factors in the increase of governmental-type liabilities include increases in the bonds payable of \$93 million, related to the 2006 (\$48.4 million), 2010 (\$30 million), and 2012 (\$35 million) bond programs along with other post employment benefits of \$59.3 million.

The most significant factor in the increase of business-type total assets is a result of an increase in capital assets of \$194.2 million or 2.7%. The primary factors in the increase in business-type total liabilities of \$19.5 million include an increase in commercial paper notes payable of \$47.5 million and a decrease in derivative instruments of \$26.6 million as a result of adjustments to fair value.

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4.6 billion at the end of the current fiscal year. However, the largest portion of the City's net position is represented in the net investment in capital assets (e.g. land, building, and equipment offset by related debt), which is \$3.8 billion, or 82.8% of the total amount of the City's net position. 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, \$643 million of the City's net position, represents resources that are subject to external restrictions on how they may be used in the future. The remaining balance, \$156 million of unrestricted net position, may be used to meet the government's future obligations. Unrestricted net position increased \$102.7 million in the current fiscal year.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for business-type activities. However, governmental activities report a deficit of \$431.3 million for unrestricted net position.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

b -- Changes in net position

**Condensed Statement of Changes in Net Position
September 30
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	\$ 141,709	124,660	2,225,860	2,130,307	2,367,569	2,254,967
Operating grants and contributions	50,333	48,567	1,489	3,749	51,822	52,316
Capital grants and contributions	66,856	64,781	65,550	64,124	132,406	128,905
General revenues:						
Property tax	448,083	420,000	--	--	448,083	420,000
Sales tax	189,464	176,198	--	--	189,464	176,198
Franchise fees and gross receipts tax	128,032	114,147	--	--	128,032	114,147
Interest and other	21,275	23,888	5,717	2,269	26,992	26,157
Special item - land sale	15,830	--	--	--	15,830	--
Total revenues	<u>1,061,582</u>	<u>972,241</u>	<u>2,298,616</u>	<u>2,200,449</u>	<u>3,360,198</u>	<u>3,172,690</u>
Program expenses:						
General government	118,074	97,675	--	--	118,074	97,675
Public safety	576,118	580,074	--	--	576,118	580,074
Transportation, planning, and sustainability	83,971	78,594	--	--	83,971	78,594
Public health	80,796	73,186	--	--	80,796	73,186
Public recreation and culture	117,441	104,951	--	--	117,441	104,951
Urban growth management	136,110	137,478	--	--	136,110	137,478
Interest on debt	49,617	48,400	--	--	49,617	48,400
Electric	--	--	1,251,599	1,132,476	1,251,599	1,132,476
Water	--	--	240,838	231,774	240,838	231,774
Wastewater	--	--	213,156	214,580	213,156	214,580
Airport	--	--	108,291	107,389	108,291	107,389
Convention	--	--	58,763	62,884	58,763	62,884
Environmental and health services	--	--	92,997	81,544	92,997	81,544
Public recreation	--	--	6,765	7,185	6,765	7,185
Urban growth management	--	--	125,983	129,583	125,983	129,583
Total expenses	<u>1,162,127</u>	<u>1,120,358</u>	<u>2,098,392</u>	<u>1,967,415</u>	<u>3,260,519</u>	<u>3,087,773</u>
Excess (deficiency) before transfers	(100,545)	(148,117)	200,224	233,034	99,679	84,917
Transfers	62,215	87,761	(62,215)	(87,761)	--	--
Increase (decrease) in net position	<u>(38,330)</u>	<u>(60,356)</u>	<u>138,009</u>	<u>145,273</u>	<u>99,679</u>	<u>84,917</u>
Beginning net position, as previously reported	1,355,433	1,415,237	3,197,015	3,051,742	4,552,448	4,466,979
Restatement adjustment	(8,909)	552	(6,662)	--	(15,571)	552
Beginning net position, as restated	<u>1,346,524</u>	<u>1,415,789</u>	<u>3,190,353</u>	<u>3,051,742</u>	<u>4,536,877</u>	<u>4,467,531</u>
Ending net position	<u>\$ 1,308,194</u>	<u>1,355,433</u>	<u>3,328,362</u>	<u>3,197,015</u>	<u>4,636,556</u>	<u>4,552,448</u>

Total net position of the City increased by \$99.7 million in the current fiscal year. Governmental net position decreased by \$38.3 million. The decrease is attributable to expenses exceeding revenues by \$100.5 million before transfers from other funds of \$62.2 million. Business-type net position increased by \$138 million due to revenues exceeding expenses by \$200.2 million, before transfers to other funds of \$62.2 million.

In addition, the City restated beginning net position for governmental and business-type activities as a result of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. For more information, see Note 18.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

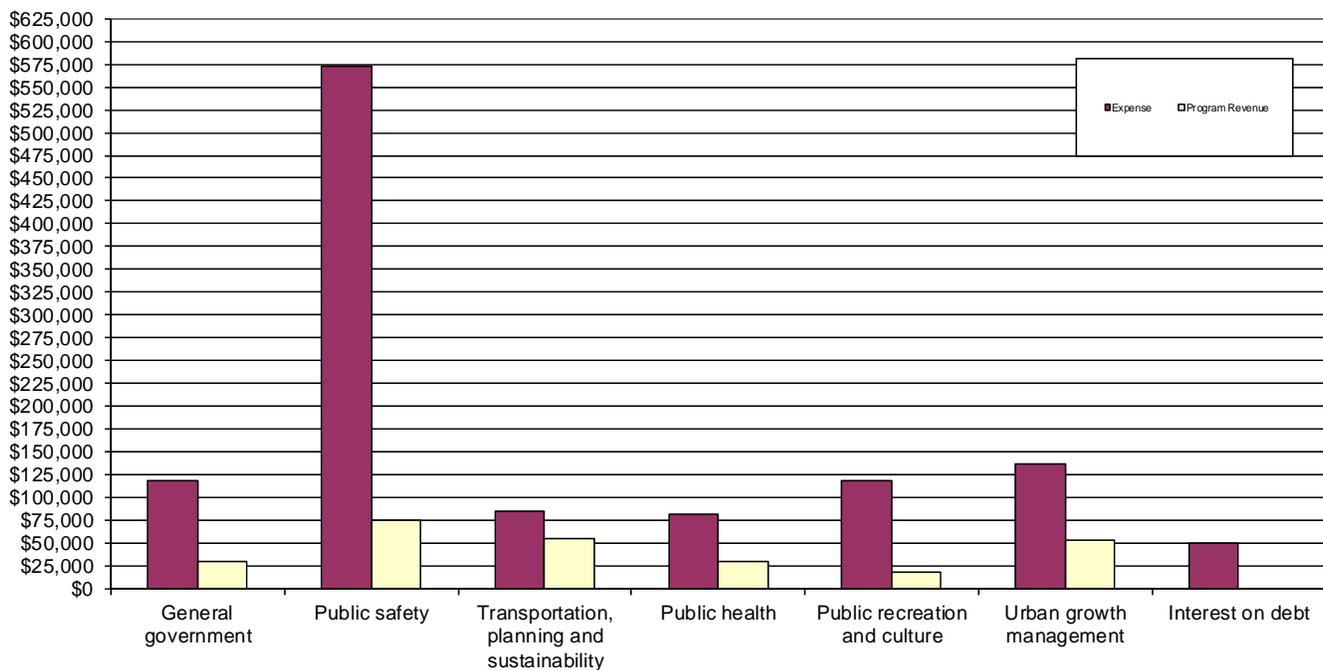
c -- Program revenues and expenses -- governmental activities

Governmental activities decreased the City's net position by \$38.3 million in fiscal year 2014, a 2.8% decrease of governmental net position from the previous year. Key factors for the change from fiscal year 2013 to 2014 are as follows:

- The City's property tax revenue increased by \$28.1 million from the previous year due to an increase in assessed property values of \$5.5 billion, while the property tax rate per \$100 of valuation decreased from 0.5029 to 0.5027.
- Sales tax collections and franchise fees for the year were \$13.3 million and \$13.9, respectively, more than the prior year as result of the continued improvement of the Austin economy.
- The City sold a piece of land for \$15.8 million, which is reported as a special item. See Note 1 for more details.
- General government expenses increased \$20.4 million primarily due to increase in other post employment benefits and salaries. Public health expenses and public recreation and culture expenses increased \$7.6 million and \$12.5 million, respectively, primarily due to increases in salaries. This increase can be attributed to an additional 199 full time equivalents and a 3.5% general wage increase.

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.

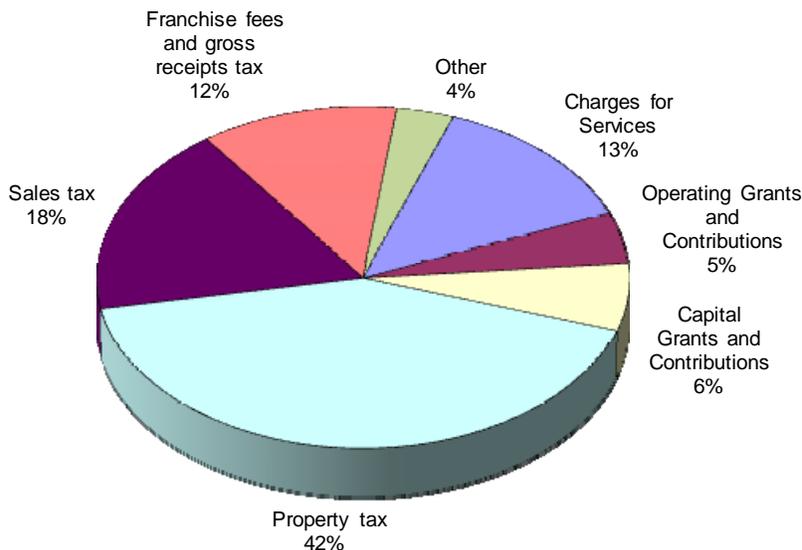
**Government-wide Program Expenses and Revenues – Governmental Activities
(in thousands)**



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

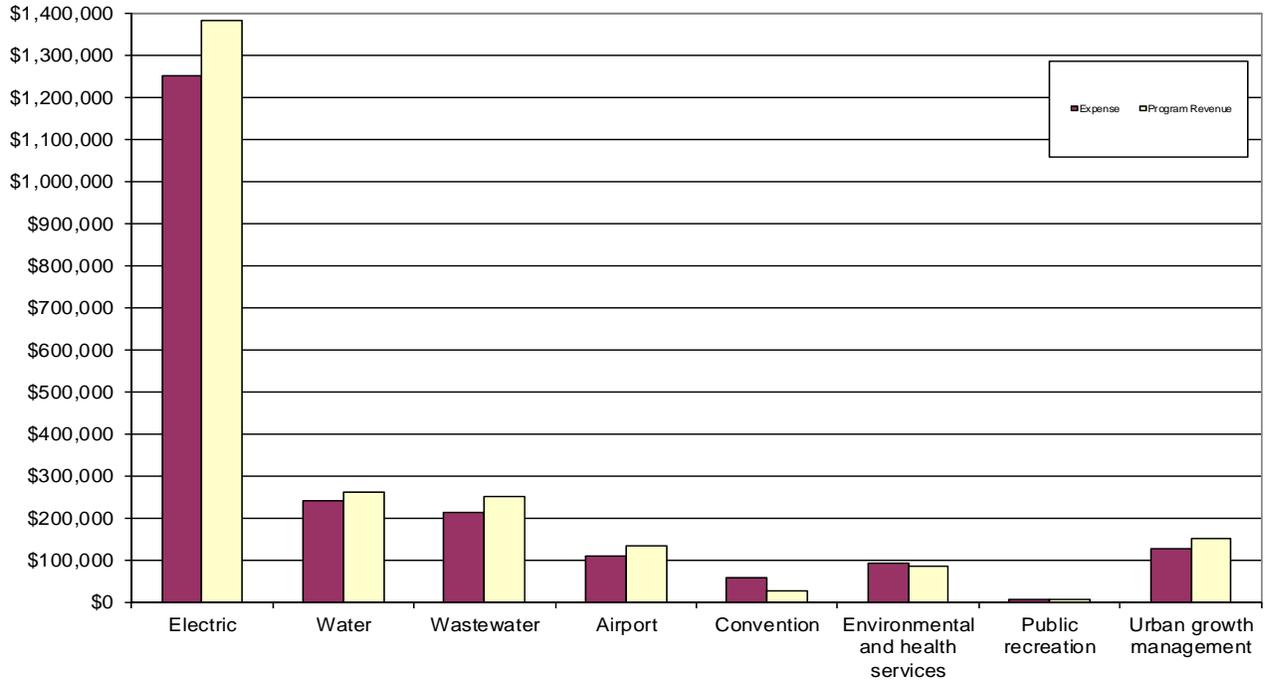
Business-type activities increased the City's net position by approximately \$138 million, accounting for a 3% increase in the City's total net position. Key factors include:

- Austin Energy net position increased approximately \$19.6 million. Revenues increased by approximately 6% in fiscal year 2014 largely due to increases in regulatory revenue and power supply revenue. Expenses increased 10.5% largely due to an increase in transmission costs and power supply costs.
- Austin Water Utility net position increased approximately \$27.9 million. Revenues remained relatively constant. Expenses increased by 1.7% due to increased operations and maintenance costs. Transfers from other funds increased \$17.9 million.
- Airport net position increased approximately \$25.3 million. Revenues increased 4.6% due to an increase in passenger traffic and higher rental and landing fees. Passenger traffic continues to break records with a 7% increase over the previous year. Expenses remained relatively constant.
- Convention Center net position increased approximately \$23.8 million. Revenues and transfers from the Hotel Occupancy and Vehicle Rental Tax Funds increased 8.6% due in part to the growth of several large events, including the Formula 1 event and South by Southwest. Expenses decreased 6.6% due to decreases in operations and maintenance costs.
- Environmental and health services activities are comprised of the Austin Resource Recovery nonmajor enterprise fund. Net position decreased approximately \$7.6 million. Revenues increased by 2.1% due mainly to an increase in the Clean Community Fee of \$0.65 per residential customer account and \$1.30 per commercial customer account. Expenses increased by 14% due mainly to increase operations and support services costs.
- Urban growth management activities are comprised of nonmajor enterprise funds that include the Drainage Fund and Transportation Fund. Net position increased by approximately \$49.3 million. Drainage revenues increased by 5.1% primarily due to a 10% increase in the monthly Drainage Utility Fee. Drainage expenses remained relatively constant. Transportation revenues increased approximately 6.9% primarily due to an increase in population paying the Transportation User Fee. Transportation expenses remained relatively constant.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

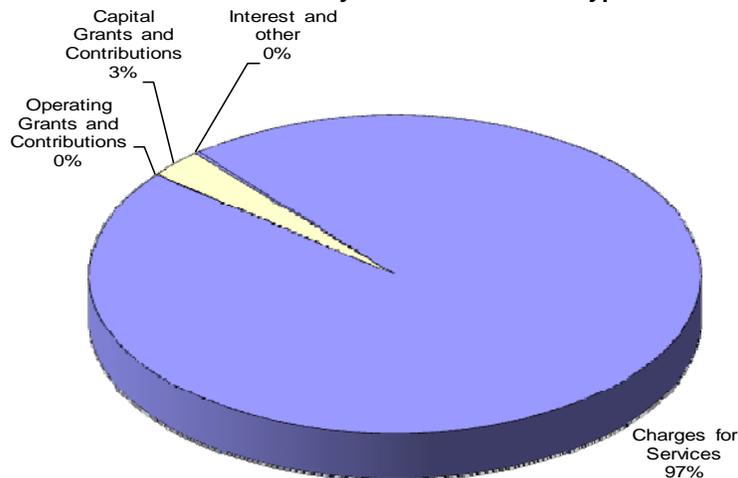
As shown in the following chart, Austin Energy (electric), with expenses of \$1.3 billion is the City's largest business-type activity, followed by water with \$240.8 million, wastewater with \$213.2 million, urban growth management with \$126 million, airport with \$108.3 million, environmental and health services with \$93 million, convention with \$58.8 million, and public recreation with \$6.8 million. For the fiscal year, operating revenues exceeded operating expenses for all business-type activities except convention, environmental and health services and public recreation.

**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 (96.8%), followed by capital grants and contributions (2.9%), operating grants and contributions (0.05%), and interest and other revenues (0.25%).

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, unassigned 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 \$367.6 million, an increase of \$3.4 million from the previous year. Approximately \$2 million is nonspendable, \$162 million is restricted, \$75.6 million is committed, \$41.9 million is assigned, and \$86.1 million is unassigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund reported nonspendable fund balance of \$1 million, committed fund balance of \$9 million, assigned fund balance of \$16.9 million, and unassigned fund balance of \$156.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.4% of total General Fund expenditures of \$807.2 million, and total fund balance represents 22.7% of expenditures. The City's financial policies provide that surplus fund balance be identified for budget stabilization. This amount is a component of unassigned fund balance. The fund balance identified for budget stabilization was \$108.2 million. The balance identified 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 identified amount, with the other two-thirds identified for budget stabilization in future years.

The fund balance of the General Fund increased \$36.4 million during the fiscal year. Significant differences from the previous year include:

- Property tax revenues increased \$22.9 million due to an increase in assessed property.
- Sales tax revenues increased \$13.3 million, and licenses, permits, and inspections increased \$5.1 million.
- Additionally, the City sold a piece of land for \$15.8 million, which is reported as a special item. See Note 1 for more details.

General Fund expenditures increased \$57.1 million, due primarily to an increase in public safety expenditures of \$25.4 million, an increase in general government of \$7 million, and an increase in urban growth management of \$12.1 million. The increase is primarily due to increases in salaries and contractual expenditures.

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 position of the City's enterprise funds increased by \$138.6 million before consolidation of the internal service funds activities.

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

OTHER INFORMATION

a -- General Fund budgetary highlights

The original revenue budget of the General Fund was amended during the fiscal year 2014 to increase Emergency Medical Services charges for services. The original expenditure budget of the General Fund was amended during fiscal year 2014 primarily as the result of increased Emergency Medical Services costs. In addition, the transfer from the General Fund to the Economic Incentives Reserve Fund was reduced.

During the year, revenues were \$32.2 million more than budgeted. Tax collections were \$13.2 million more than budgeted; licenses, permits and inspections were \$8.5 million more than budgeted; and charges for services/goods were \$5.1 million more than budgeted.

Actual budget-basis expenditures were \$11.6 million less than budgeted. Fire exceeded budget by \$89 thousand; while all other departments were under budget. The total budget-basis fund balance at year-end was \$190.8 million.

OTHER INFORMATION, continued

b -- Capital assets

The City's capital assets for governmental and business-type activities as of September 30, 2014, total \$10 billion (net of accumulated depreciation and amortization). Capital assets include buildings and improvements, equipment, vehicles, electric plant, non-electric plant, nuclear fuel, water rights, infrastructure, land, construction in progress, and plant held for future use. The total increase in the City's capital assets for the current fiscal year was \$325 million (3.4%), with an increase of 5.1% for governmental activities and an increase of 2.7% for business-type activities. Additional information on capital assets can be found in Note 5. Capital asset balances are as follows:

**Capital Assets, Net of Accumulated Depreciation
and Amortization
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Building and improvements	\$ 570	516	1,121	1,121	1,691	1,637
Plant and equipment	81	80	2,287	2,243	2,368	2,323
Vehicles	46	42	73	74	119	116
Electric plant	--	--	2,201	2,243	2,201	2,243
Non-electric plant	--	--	135	128	135	128
Nuclear fuel	--	--	40	40	40	40
Water rights	--	--	85	86	85	86
Infrastructure	1,384	1,331	--	--	1,384	1,331
Land and improvements	363	352	555	513	918	865
Construction in progress	226	219	794	649	1,020	868
Plant held for future use	--	--	23	23	23	23
Other assets not depreciated	23	22	2	2	25	24
Total net capital assets	\$ 2,693	2,562	7,316	7,122	10,009	9,684

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

- Governmental capital assets increased \$131 million primarily due to additions of new facilities and improvements to existing facilities. The Boardwalk Trail at Lady Bird Lake, drainage improvements to Williamson Creek, improvements to Bartholomew Pool and other general pool renovations, and the Onion Creek Fire Station were completed. Significant additions and improvements were also made including acquisitions of conservation easements, upgrades to City communication equipment, pedestrian facility improvements, and street reconstructions across the City. Construction on the new Central Library, Seaholm parking garage, and Waller Creek Tunnel has been progressing.
- Business-type activities purchased or completed construction on capital assets of \$194 million. The increase was largely due to plant additions and improvements and land acquisition for Austin Energy, Austin Water, the Airport Fund, and the Drainage Fund. Austin Energy increased the chilled water capacity of the Downtown District Cooling system and upgraded the street light infrastructure throughout the City. Austin Water made improvements to the Jollyville Water Reservoir, completed the Davis Water Treatment Plant Pump Station, completed wastewater lines to the annexed Anderson Mill MUD area, made improvements to water transmission lines around the City, and construction is nearing completion on Water Treatment Plant 4. The Airport Fund invested in terminal improvements, roadways, and a new parking lot. The Drainage Fund acquired properties at risk of flooding in Onion Creek, made improvements to the low water crossing at David Moore Drive, and implemented a work order tracking and management system. In addition, the Golf Fund acquired the Grey Rock Golf Course.

OTHER INFORMATION, continued

c -- Debt administration

At the end of the current fiscal year, the City reported \$5.9 billion in outstanding debt. The table below reflects the outstanding debt at September 30. Additional information can be found in Note 6.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds and other tax supported debt, net	\$ 1,196	1,103	136	132	1,332	1,235
Commercial paper notes, net	--	--	241	194	241	194
Revenue bonds, net	--	--	4,299	4,318	4,299	4,318
Capital lease obligations	--	--	1	1	1	1
Total	\$ 1,196	1,103	4,677	4,645	5,873	5,748

During fiscal year 2014, the City's total outstanding debt increased by \$125 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 by \$93 million. The resulting net increase is a combination of the issuance of \$180.2 million in new debt to be used primarily for street improvements, streets and signals, drainage improvements, capital equipment, transportation projects, and the Waller Creek Tunnel project offset by debt payments during the year.
- Outstanding debt for business-type functions increased by \$32 million. The City issued \$282.2 million in Water and Wastewater System separate lien and subordinate lien debt, \$35.6 million in Airport prior lien revenue refunding bonds to refund prior lien debt, and \$26.5 million of Convention Center subordinate lien revenue refunding bonds to refund prior lien debt.

During the year, Convention Center revenue bonds received favorable bond rating upgrades from Moody's Investors Service and Standard & Poor's from A1 to Aa3 and A to AA-, respectively. The City's commercial paper ratings are related to the ratings of the liquidity providers associated with those obligations; commercial paper ratings were unchanged in the current fiscal year. All other bond ratings were unchanged. Ratings of the City's obligations for various debt instruments at September 30, 2014 and 2013 were as follows:

Debt	Moody's Investors Service, Inc.		Standard & Poor's		Fitch, Inc.	
	2014	2013	2014	2013	2014	2013
General obligation bonds and other tax supported debt	Aaa	Aaa	AAA	AAA	AAA	AAA
Commercial paper notes - tax exempt	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	Aa1	Aa1	AA	AA	AA	AA
Utility revenue bonds - subordinate lien	Aa2	Aa2	AA	AA	AA-	AA-
Utility revenue bonds - separate lien:						
Austin Energy	A1	A1	AA-	AA-	AA-	AA-
Austin Water Utility	Aa2	Aa2	AA	AA	AA-	AA-
Airport system revenue bonds	NUR(1)	NUR(1)	A	A	NUR(1)	NUR(1)
Convention Center revenue bonds	Aa3	A1	AA-	A	NUR(1)	NUR(1)
Convention Center revenue bonds - subordinate	A1	A1	A	A	NUR(1)	NUR(1)

(1) No underlying rating

OTHER INFORMATION, continued

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

Austin's diverse economic base and national reputation as a great place to work and live continues to attract new employers and talented individuals. Both the Austin and the Texas economies continue to outpace the national economy. Partnerships between the City and the business community have been the key to Austin's economic success. The City's economic development efforts have been successful in attracting new firms and new jobs to Austin. As a result, employment growth is steady and expected to continue well ahead of national levels through at least 2017. All sectors of the real estate market are performing well including the hotel market with a number of new rooms under construction to meet increased demand resulting from both business travel and tourism. In 2014 sales taxes increased 7.5% following an 7.3% increase in 2013. While the rate of sales tax collections may slow over the next few years, it is expected to remain positive barring any events at the national or international level that would have an adverse impact.

The City's 2015 budget was developed in a manner true to the City Manager's unwavering commitment to openness, transparency, and public engagement. Input from City Council, City employees, and citizens played a major role in the development of a variety of structural applications designed to positively affect our City's fiscal sustainability over the long term and present a balanced budget for 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 Council's priority of budget stability while at the same time maintaining affordability and investing 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 continues 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 11.4% in 2014 for fiscal year 2015. The property tax rate for fiscal year 2015 is 48.09 cents per \$100 valuation, down from 50.27 cents per \$100 valuation in 2014. The tax rate consists of 36.91 cents for the General Fund and 11.18 cents for debt service. Each 1 cent of the 2014 (Fiscal Year 2015) property tax rate is equivalent to \$9,885,904 of tax levy, as compared to \$8,876,610 in the previous year. In Fiscal Year 2015, Austin Water Utility will implement an 8.1% combined system-wide rate increase.

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 Services Department of the City of Austin, P.O. Box 2920, Austin, Texas 78768, or (512) 974-2600 or on the web at: <https://www.austintexas.gov>.



**BASIC FINANCIAL
STATEMENTS**



Statement of Net Position
September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit A-1

	Governmental Activities	Business-type Activities	Total (†)	Component Units
ASSETS				
Current assets:				
Cash	\$ 70	62	132	5,160
Pooled investments and cash	356,659	327,065	683,724	--
Pooled investments and cash - restricted	138,831	291,003	429,834	--
Total pooled investments and cash	495,490	618,068	1,113,558	--
Investments, at fair value - restricted	16,984	175,550	192,534	--
Cash held by trustee - restricted	5,800	--	5,800	--
Working capital advances	--	4,602	4,602	--
Property taxes receivable, net of allowance of \$5,245	11,576	--	11,576	--
Accounts receivable, net	93,240	269,553	362,793	1,765
Receivables from other governments	16,654	--	16,654	--
Receivables from other governments - restricted	--	3,944	3,944	--
Notes receivable, net of allowance of \$14,458	21,687	--	21,687	--
Internal balances	(27,395)	27,395	--	--
Inventories, at cost	2,270	81,019	83,289	973
Real property held for resale	6,631	--	6,631	--
Regulatory assets, net of accumulated amortization	--	58,446	58,446	--
Prepaid expenses	351	6,851	7,202	698
Other receivables - restricted	--	2,803	2,803	--
Other assets	1,983	10,260	12,243	--
Total current assets	645,341	1,258,553	1,903,894	8,596
Noncurrent assets:				
Cash - restricted	--	5,011	5,011	645
Pooled investments and cash - restricted	--	168,020	168,020	--
Investments, at fair value - restricted	--	188,290	188,290	68,455
Investments held by trustee - restricted	--	207,481	207,481	3,161
Interest receivable - restricted	--	756	756	--
Depreciable capital assets, net	2,080,577	5,941,946	8,022,523	176,357
Nondepreciable capital assets	612,623	1,374,010	1,986,633	16,918
Derivative instruments - energy risk management	--	4,249	4,249	--
Net pension asset	9,383	--	9,383	--
Other long-term assets	1,547	4,743	6,290	6,247
Regulatory assets, net of accumulated amortization	--	414,118	414,118	--
Total noncurrent assets	2,704,130	8,308,624	11,012,754	271,783
Total assets	3,349,471	9,567,177	12,916,648	280,379
Deferred outflows of resources	\$ 17,616	193,508	211,124	20,241

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

(Continued)

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

Statement of Net Position
September 30, 2014
(In thousands)

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

	Governmental Activities	Business-type Activities	Total (†)	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 59,071	79,072	138,143	9,575
Accounts and retainage payable from restricted assets	7,044	35,837	42,881	--
Accrued payroll	18,419	10,170	28,589	209
Accrued compensated absences	56,693	23,416	80,109	--
Claims payable	23,655	--	23,655	--
Accrued interest payable from restricted assets	--	75,876	75,876	15,488
Interest payable on other debt	6,773	806	7,579	--
Bonds payable	51,449	17,725	69,174	42,934
Bonds payable from restricted assets	17,191	176,366	193,557	--
Capital lease obligations payable	--	46	46	2
Customer and escrow deposits payable from restricted assets	58,990	42,926	101,916	--
Accrued landfill closure and postclosure costs	--	411	411	--
Other liabilities	22,215	9,121	31,336	--
Other liabilities payable from restricted assets	--	10,010	10,010	--
Total current liabilities	321,500	481,782	803,282	68,208
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	75,443	408	75,851	--
Claims payable	20,151	--	20,151	--
Capital appreciation bond interest payable	--	99,707	99,707	--
Commercial paper notes payable, net of discount	--	241,456	241,456	--
Bonds payable, net of discount and inclusive of premium	1,127,080	4,240,534	5,367,614	282,821
Pension obligation payable	64,750	61,871	126,621	--
Other post employment benefits payable	435,263	255,002	690,265	--
Capital lease obligations payable	--	1,089	1,089	--
Accrued landfill closure and postclosure costs	--	9,524	9,524	--
Decommissioning liability payable from restricted assets	--	174,398	174,398	--
Derivative instruments - energy risk management	--	30,502	30,502	--
Derivative instruments - interest rate swaps	--	59,935	59,935	--
Other liabilities	6,025	40,740	46,765	37
Other liabilities payable from restricted assets	--	518	518	--
Total noncurrent liabilities	1,728,712	5,215,684	6,944,396	282,858
Total liabilities	2,050,212	5,697,466	7,747,678	351,066
Deferred inflows of resources	8,681	734,857	743,538	--
NET POSITION				
Net investment in capital assets	1,621,208	2,216,347	3,837,555	(106,225)
Restricted for:				
Debt service	10,431	105,996	116,427	5,181
Strategic reserve	--	106,577	106,577	--
Capital projects	42,364	191,776	234,140	--
Renewal and replacement	--	11,020	11,020	--
Bond reserve	--	43,316	43,316	--
Passenger facility charges	--	50,317	50,317	--
Operating reserve	--	15,651	15,651	--
Perpetual care:				
Expendable	1	--	1	--
Nonexpendable	1,052	--	1,052	--
Housing activities	24,935	--	24,935	--
Tourism	16,277	--	16,277	--
Other purposes	23,275	--	23,275	--
Unrestricted (deficit)	(431,349)	587,362	156,013	50,598
Total net position	\$ 1,308,194	3,328,362	4,636,556	(50,446)

(†) 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, 2014
(In thousands)

City of Austin, Texas
Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental activities								
General government	\$ 118,074	17,890	256	11,004	(88,924)	--	(88,924)	--
Public safety	576,118	62,832	11,973	--	(501,313)	--	(501,313)	--
Transportation, planning, and sustainability	83,971	5,214	913	49,197	(28,647)	--	(28,647)	--
Public health	80,796	9,720	19,670	--	(51,406)	--	(51,406)	--
Public recreation and culture	117,441	8,205	2,546	6,482	(100,208)	--	(100,208)	--
Urban growth management	136,110	37,848	14,975	173	(83,114)	--	(83,114)	--
Interest on debt	49,617	--	--	--	(49,617)	--	(49,617)	--
Total governmental activities	<u>1,162,127</u>	<u>141,709</u>	<u>50,333</u>	<u>66,856</u>	<u>(903,229)</u>	<u>--</u>	<u>(903,229)</u>	<u>--</u>
Business-type activities								
Electric	1,251,599	1,367,155	855	13,030	--	129,441	129,441	--
Water	240,838	235,893	--	25,377	--	20,432	20,432	--
Wastewater	213,156	236,700	--	12,864	--	36,408	36,408	--
Airport	108,291	128,766	634	4,808	--	25,917	25,917	--
Convention	58,763	25,087	--	51	--	(33,625)	(33,625)	--
Environmental and health services	92,997	84,655	--	152	--	(8,190)	(8,190)	--
Public recreation	6,765	5,849	--	777	--	(139)	(139)	--
Urban growth management	125,983	141,755	--	8,491	--	24,263	24,263	--
Total business-type activities	<u>2,098,392</u>	<u>2,225,860</u>	<u>1,489</u>	<u>65,550</u>	<u>--</u>	<u>194,507</u>	<u>194,507</u>	<u>--</u>
Total primary government	<u>\$ 3,260,519</u>	<u>2,367,569</u>	<u>51,822</u>	<u>132,406</u>	<u>(903,229)</u>	<u>194,507</u>	<u>(708,722)</u>	<u>--</u>
Component Units	<u>80,446</u>	<u>88,412</u>	<u>150</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,116</u>
General revenues:								
Property tax					448,083	--	448,083	--
Sales tax					189,464	--	189,464	--
Franchise fees and gross receipts tax					128,032	--	128,032	--
Interest and other					21,275	5,717	26,992	164
Special item - land sale					15,830	--	15,830	--
Transfers-internal activities					62,215	(62,215)	--	--
Total general revenues and transfers					<u>864,899</u>	<u>(56,498)</u>	<u>808,401</u>	<u>164</u>
Change in net position					<u>(38,330)</u>	<u>138,009</u>	<u>99,679</u>	<u>8,280</u>
Beginning net position, as restated (Note 18)					<u>1,346,524</u>	<u>3,190,353</u>	<u>4,536,877</u>	<u>(58,726)</u>
Ending net position					<u>\$ 1,308,194</u>	<u>3,328,362</u>	<u>4,636,556</u>	<u>(50,446)</u>

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



**Governmental Funds
Balance Sheet
September 30, 2014
(In thousands)**

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 58	--	58
Pooled investments and cash	180,969	181,362	362,331
Investments, at fair value	--	16,984	16,984
Cash held by trustee - restricted	--	4,349	4,349
Property taxes receivable, net of allowance	7,749	3,827	11,576
Accounts receivable, net of allowance	59,262	30,513	89,775
Receivables from other governments	--	16,654	16,654
Notes receivable, net of allowance	--	21,687	21,687
Due from other funds	227	81,290	81,517
Advances to other funds	--	2,249	2,249
Inventories, at cost	777	--	777
Real property held for resale	--	6,631	6,631
Prepaid items	173	--	173
Other assets	208	1,775	1,983
Total assets	249,423	367,321	616,744
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCES			
Accounts payable	23,751	22,052	45,803
Accrued payroll	14,768	73	14,841
Accrued compensated absences	549	--	549
Due to other funds	253	81,468	81,721
Unearned revenue	--	5,092	5,092
Advances from other funds	1,257	999	2,256
Deposits and other liabilities	7,193	63,873	71,066
Total liabilities	47,771	173,557	221,328
Deferred inflows of resources	18,156	9,665	27,821
Fund balances			
Nonspendable:			
Inventories and prepaid items	950	--	950
Permanent funds	--	1,052	1,052
Restricted	--	162,000	162,000
Committed	9,028	66,533	75,561
Assigned	16,859	25,095	41,954
Unassigned	156,659	(70,581)	86,078
Total fund balances	183,496	184,099	367,595
Total liabilities, deferred inflows of resources, and fund balances	\$ 249,423	367,321	616,744

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 Position
September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit B-1.1

Total fund balances - Governmental funds \$ 367,595

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.

Governmental capital assets	4,058,495	
Less: accumulated depreciation	<u>(1,427,724)</u>	
		2,630,771

Other long-term assets and certain revenues are not available as current-period resources and are not reported in the funds.

Net pension asset	9,383	
Other assets	<u>1,547</u>	
		10,930

Deferred outflows represent the consumption of net assets that are applicable to a future reporting period.

Gain/loss on debt refundings, net	<u>17,486</u>	
		17,486

Long-term liabilities are not payable in the current period and are not reported in the funds.

Compensated absences	(122,790)	
Interest payable	(6,760)	
Bonds and other tax supported debt payable, net	(1,192,178)	
Pension obligation payable	(64,750)	
Other post employment benefits payable	(435,263)	
Other liabilities	<u>(9,065)</u>	
		(1,830,806)

Deferred inflows is an acquisition of net assets that is applicable to a future reporting period.

Unavailable revenue		
Property taxes and interest	11,441	
Accounts and other taxes receivable	9,474	
Service concession arrangements	<u>(1,607)</u>	
		19,308

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, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.

92,910

Total net position - Governmental activities		<u><u>\$ 1,308,194</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, 2014
(In thousands)

City of Austin, Texas
Exhibit B-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 338,319	108,557	446,876
Sales taxes	189,464	--	189,464
Franchise fees and other taxes	46,762	81,270	128,032
Fines, forfeitures and penalties	17,130	5,390	22,520
Licenses, permits and inspections	33,719	--	33,719
Charges for services/goods	57,974	14,950	72,924
Intergovernmental	--	79,407	79,407
Property owners' participation and contributions	--	12,718	12,718
Interest and other	9,335	12,058	21,393
Total revenues	692,703	314,350	1,007,053
EXPENDITURES			
Current:			
General government	88,865	2,803	91,668
Public safety	515,437	13,233	528,670
Transportation, planning and sustainability	249	13,804	14,053
Public health	54,608	19,702	74,310
Public recreation and culture	90,441	9,339	99,780
Urban growth management	57,636	49,079	106,715
Debt service:			
Principal	--	69,768	69,768
Interest	--	49,367	49,367
Fees and commissions	--	6	6
Capital outlay-capital project funds	--	257,420	257,420
Total expenditures	807,236	484,521	1,291,757
Deficiency of revenues over expenditures	(114,533)	(170,171)	(284,704)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	--	154,444	154,444
Issuance of refunding bonds	--	107,923	107,923
Bond premiums	--	16,212	16,212
Payment to refunding bond escrow agent	--	(113,836)	(113,836)
Transfers in	162,622	59,246	221,868
Transfers out	(27,515)	(86,870)	(114,385)
Total other financing sources (uses)	135,107	137,119	272,226
Net change in fund balances, before special items	20,574	(33,052)	(12,478)
Special item - land sale (See Note 1)	15,830	--	15,830
Net change in fund balances	36,404	(33,052)	3,352
Fund balances at beginning of year	147,092	217,151	364,243
Fund balances at end of year	\$ 183,496	184,099	367,595

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, 2014
(In thousands)

City of Austin, Texas
Exhibit B-2.1

Net change in fund balances - Governmental funds \$ 3,352

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	228,416	
Depreciation expense	(105,047)	
Loss on disposal of capital assets	<u>(496)</u>	122,873

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

Property taxes	1,207	
Charges for services	(697)	
Interest and other	(1,032)	
Capital assets contribution	<u>33,844</u>	33,322

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 position. 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	(164,743)	
Principal repayment on long-term debt	69,768	
Issuance of refunding bonds	(107,923)	
Refunding bond premiums	(5,913)	
Payment to refunding bond escrow agent	<u>113,836</u>	(94,975)

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	(3,829)	
Pension obligation	(640)	
Other post employment benefits	(59,307)	
Interest and other	<u>(31,209)</u>	(94,985)

A portion of the net revenue (expense) of the internal service funds is reported with the governmental activities. (7,917)

Change in net position - Governmental activities \$ (38,330)

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

Proprietary Funds
Statement of Net Position
September 30, 2014
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
ASSETS			
Current assets:			
Cash	\$ 20	5	4
Pooled investments and cash	150,780	21,827	7,885
Pooled investments and cash - restricted	103,607	96,206	24,754
Total pooled investments and cash	254,387	118,033	32,639
Investments, at fair value - restricted	56,217	90,175	18,583
Cash held by trustee - restricted	--	--	--
Working capital advances	4,602	--	--
Accounts receivable, net of allowance	177,427	66,536	3,792
Receivables from other governments-restricted	3,944	--	--
Due from other funds	687	301	--
Inventories, at cost	74,429	1,925	1,733
Regulatory assets, net of accumulated amortization	46,957	11,489	--
Prepaid expenses	6,788	17	--
Other receivables - restricted	2,190	19	300
Other assets	10,260	--	--
Total current assets	637,908	288,500	57,051
Noncurrent assets:			
Cash - restricted	5,011	--	--
Pooled investments and cash - restricted	--	--	168,020
Advances to other funds	19,833	3,006	--
Advances to other funds - restricted	--	--	58
Investments, at fair value - restricted	116,565	58,421	--
Investments held by trustee - restricted	196,654	10,827	--
Interest receivable - restricted	756	--	--
Depreciable capital assets, net	2,384,217	2,685,785	501,303
Nondepreciable capital assets	203,240	807,959	147,872
Derivative instruments - energy risk management	4,249	--	--
Other long-term assets	4,743	--	--
Regulatory assets, net of accumulated amortization	228,638	185,480	--
Total noncurrent assets	3,163,906	3,751,478	817,253
Total assets	3,801,814	4,039,978	874,304
Deferred outflows of resources	\$ 54,421	71,579	41,782

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

	<u>Business-Type Activities</u>		<u>Governmental</u>
	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Activities- Internal Service Funds</u>
ASSETS			
Current assets:			
Cash	33	62	12
Pooled investments and cash	146,573	327,065	132,617
Pooled investments and cash - restricted	66,436	291,003	542
Total pooled investments and cash	213,009	618,068	133,159
Investments, at fair value - restricted	10,575	175,550	--
Cash held by trustee - restricted	--	--	1,451
Working capital advances	--	4,602	--
Accounts receivable, net of allowance	21,798	269,553	3,465
Receivables from other governments-restricted	--	3,944	--
Due from other funds	8,777	9,765	11
Inventories, at cost	2,932	81,019	1,493
Regulatory assets, net of accumulated amortization	--	58,446	--
Prepaid expenses	46	6,851	178
Other receivables - restricted	294	2,803	--
Other assets	--	10,260	--
Total current assets	257,464	1,240,923	139,769
Noncurrent assets:			
Cash - restricted	--	5,011	--
Pooled investments and cash - restricted	--	168,020	--
Advances to other funds	--	22,839	115
Advances to other funds - restricted	588	646	--
Investments, at fair value - restricted	13,304	188,290	--
Investments held by trustee - restricted	--	207,481	--
Interest receivable - restricted	--	756	--
Depreciable capital assets, net	370,641	5,941,946	61,923
Nondepreciable capital assets	214,939	1,374,010	506
Derivative instruments - energy risk management	--	4,249	--
Other long-term assets	--	4,743	--
Regulatory assets, net of accumulated amortization	--	414,118	--
Total noncurrent assets	599,472	8,332,109	62,544
Total assets	856,936	9,573,032	202,313
Deferred outflows of resources	25,726	193,508	130

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2014
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 66,991	4,498	1,787
Accounts and retainage payable from restricted assets	8,529	17,672	5,334
Accrued payroll	4,353	2,210	671
Accrued compensated absences	10,067	5,415	1,756
Claims payable	--	--	--
Due to other funds	--	--	149
Accrued interest payable from restricted assets	23,584	49,327	1,468
Interest payable on other debt	3	21	--
Bonds payable	--	--	29
Bonds payable from restricted assets	48,053	100,702	16,681
Capital lease obligations payable	46	--	--
Customer and escrow deposits payable from restricted assets	27,295	10,008	779
Accrued landfill closure and postclosure costs	--	--	--
Other liabilities	4,666	3,126	1,329
Other liabilities payable from restricted assets	8,138	--	--
Total current liabilities	201,725	192,979	29,983
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	14	--	60
Claims payable	--	--	--
Advances from other funds	--	1,879	972
Advances from other funds payable from restricted assets	--	17,028	--
Capital appreciation bond interest payable	7,817	91,890	--
Commercial paper notes payable, net of discount	166,456	75,000	--
Bonds payable, net of discount and inclusive of premium	1,205,019	2,466,238	293,437
Pension obligation payable	27,630	14,058	4,249
Other post employment benefits payable	104,347	63,946	17,209
Capital lease obligations payable	1,089	--	--
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	174,398	--	--
Derivative instruments - energy risk management	30,502	--	--
Derivative instruments - interest rate swaps	--	15,027	32,514
Other liabilities	37,831	--	--
Other liabilities payable from restricted assets	--	--	12
Total noncurrent liabilities	1,755,103	2,745,066	348,453
Total liabilities	1,956,828	2,938,045	378,436
Deferred inflows of resources	\$ 217,049	517,436	--

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

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
LIABILITIES			
Current liabilities:			
Accounts payable	5,796	79,072	20,312
Accounts and retainage payable from restricted assets	4,302	35,837	--
Accrued payroll	2,936	10,170	3,578
Accrued compensated absences	6,178	23,416	8,251
Claims payable	--	--	23,655
Due to other funds	9,410	9,559	13
Accrued interest payable from restricted assets	1,497	75,876	--
Interest payable on other debt	782	806	13
Bonds payable	17,696	17,725	352
Bonds payable from restricted assets	10,930	176,366	--
Capital lease obligations payable	--	46	--
Customer and escrow deposits payable from restricted assets	4,844	42,926	--
Accrued landfill closure and postclosure costs	411	411	--
Other liabilities	--	9,121	2,007
Other liabilities payable from restricted assets	1,872	10,010	--
Total current liabilities	66,654	491,341	58,181
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	334	408	546
Claims payable	--	--	20,151
Advances from other funds	3,712	6,563	2
Advances from other funds payable from restricted assets	--	17,028	--
Capital appreciation bond interest payable	--	99,707	--
Commercial paper notes payable, net of discount	--	241,456	--
Bonds payable, net of discount and inclusive of premium	275,840	4,240,534	3,190
Pension obligation payable	15,934	61,871	--
Other post employment benefits payable	69,500	255,002	--
Capital lease obligations payable	--	1,089	--
Accrued landfill closure and postclosure costs	9,524	9,524	--
Decommissioning liability payable from restricted assets	--	174,398	--
Derivative instruments - energy risk management	--	30,502	--
Derivative instruments - interest rate swaps	12,394	59,935	--
Other liabilities	2,909	40,740	--
Other liabilities payable from restricted assets	506	518	--
Total noncurrent liabilities	390,653	5,239,275	23,889
Total liabilities	457,307	5,730,616	82,070
Deferred inflows of resources	372	734,857	168

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2014
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
NET POSITION			
Net investment in capital assets	\$ 1,057,719	460,821	379,749
Restricted for:			
Debt service	32,633	40,848	16,205
Strategic reserve	106,577	--	--
Capital projects	78,529	17,180	72,876
Renewal and replacement	64	--	10,000
Bond reserve	9,988	20,584	2,434
Passenger facility charges	--	--	50,317
Operating reserve	--	--	11,334
Unrestricted	396,848	116,643	(5,265)
Total net position	\$ 1,682,358	656,076	537,650
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	13,172	6,842	2,583
Total net position - Business-type activities	\$ 1,695,530	662,918	540,233

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

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
NET POSITION			
Net investment in capital assets	318,058	2,216,347	58,887
Restricted for:			
Debt service	16,310	105,996	--
Strategic reserve	--	106,577	--
Capital projects	23,191	191,776	542
Renewal and replacement	956	11,020	--
Bond reserve	10,310	43,316	--
Passenger facility charges	--	50,317	--
Operating reserve	4,317	15,651	--
Unrestricted	51,841	560,067	60,776
Total net position	<u>424,983</u>	<u>3,301,067</u>	<u>120,205</u>
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	4,698	27,295	
Total net position - Business-type activities	<u>429,681</u>	<u>3,328,362</u>	

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

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2014
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
OPERATING REVENUES			
Utility services	\$ 1,367,155	472,593	--
User fees and rentals	--	--	108,960
Billings to departments	--	--	--
Employee contributions	--	--	--
Operating revenues from other governments	--	--	--
Other operating revenues	--	--	--
Total operating revenues	1,367,155	472,593	108,960
OPERATING EXPENSES			
Operating expenses before depreciation	1,039,830	226,349	76,042
Depreciation and amortization	152,450	103,443	21,151
Total operating expenses	1,192,280	329,792	97,193
Operating income (loss)	174,875	142,801	11,767
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	5,191	82	221
Interest on revenue bonds and other debt	(63,288)	(112,214)	(11,794)
Interest capitalized during construction	--	--	1,409
Passenger facility charges	--	--	19,806
Cost (recovered) to be recovered in future years	(5,551)	(13,903)	--
Other nonoperating revenue (expense)	9,483	(1,273)	(312)
Total nonoperating revenues (expenses)	(54,165)	(127,308)	9,330
Income (loss) before contributions and transfers	120,710	15,493	21,097
Capital contributions	13,030	38,241	4,808
Transfers in	1,979	17,980	3
Transfers out	(116,835)	(44,122)	(793)
Change in net position	18,884	27,592	25,115
Total net position - beginning, as restated (See Note 18)	1,663,474	628,484	512,535
Total net position - ending	\$ 1,682,358	656,076	537,650
Reconciliation to government-wide Statement of Activities			
Change in net position	18,884	27,592	25,115
Adjustment to consolidate internal service activities	727	356	233
Change in net position - Business-type activities	\$ 19,611	27,948	25,348

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

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES			
Utility services	--	1,839,748	--
User fees and rentals	257,373	366,333	--
Billings to departments	--	--	363,335
Employee contributions	--	--	34,654
Operating revenues from other governments	--	--	5,598
Other operating revenues	--	--	7,645
Total operating revenues	257,373	2,206,081	411,232
OPERATING EXPENSES			
Operating expenses before depreciation	245,735	1,587,956	388,866
Depreciation and amortization	27,190	304,234	10,953
Total operating expenses	272,925	1,892,190	399,819
Operating income (loss)	(15,552)	313,891	11,413
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	223	5,717	(19)
Interest on revenue bonds and other debt	(10,186)	(197,482)	(250)
Interest capitalized during construction	1,415	2,824	--
Passenger facility charges	--	19,806	--
Cost (recovered) to be recovered in future years	--	(19,454)	--
Other nonoperating revenue (expense)	(1,269)	6,629	(13,571)
Total nonoperating revenues (expenses)	(9,817)	(181,960)	(13,840)
Income (loss) before contributions and transfers	(25,369)	131,931	(2,427)
Capital contributions	41,336	97,415	10,656
Transfers in	63,031	82,993	5,393
Transfers out	(12,031)	(173,781)	(22,088)
Change in net position	66,967	138,558	(8,466)
Total net position - beginning, as restated (See Note 18)	358,016	3,162,509	128,671
Total net position - ending	424,983	3,301,067	120,205
Reconciliation to government-wide Statement of Activities			
Change in net position	66,967	138,558	
Adjustment to consolidate internal service activities	(1,865)	(549)	
Change in net position - Business-type activities	65,102	138,009	

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

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,410,947	479,384	111,508
Cash payments to suppliers for goods and services	(827,182)	(124,773)	(44,917)
Cash payments to employees for services	(169,285)	(93,143)	(28,844)
Cash payments to claimants/beneficiaries	--	--	--
Taxes collected and remitted to other governments	(42,140)	--	--
Net cash provided by operating activities	372,340	261,468	37,747
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	1,979	14,300	--
Transfers out	(116,771)	(43,876)	(447)
Contributions (to) from other funds	--	(448)	--
Loans to other funds	--	--	--
Loans from other funds	--	--	4
Loan repayments to other funds	--	(505)	(146)
Loan repayments from other funds	883	301	6
Collections from other governments	3,200	1,768	782
Net cash provided (used) by noncapital financing activities	(110,709)	(28,460)	199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	77,915	169,550	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	2,942	--
Proceeds from long-term loans	2,593	--	--
Principal paid on long-term debt	(83,334)	(102,571)	(15,638)
Proceeds from the sale of capital assets	--	--	10
Interest paid on revenue bonds and other debt	(60,317)	(106,126)	(11,308)
Passenger facility charges	--	--	19,806
Acquisition and construction of capital assets	(160,167)	(207,361)	(48,815)
Contributions from state and federal governments	--	214	2,008
Contributions in aid of construction	14,555	14,002	2,800
Bond issuance costs	--	(2,052)	(151)
Bond premiums	--	39,889	--
Bonds issued for advanced refundings of debt	502	279,789	34,757
Cash paid for bond refunding escrow	(482)	(118,157)	(34,754)
Cash paid to payoff commercial paper	--	(200,000)	--
Cash paid for nuclear fuel inventory	(14,755)	--	--
Net cash (used) by capital and related financing activities	\$ (223,490)	(229,881)	(51,285)

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

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	261,515	2,263,354	410,536
Cash payments to suppliers for goods and services	(118,518)	(1,115,390)	(61,185)
Cash payments to employees for services	(120,457)	(411,729)	(143,494)
Cash payments to claimants/beneficiaries	--	--	(179,506)
Taxes collected and remitted to other governments	--	(42,140)	--
Net cash provided by operating activities	22,540	694,095	26,351
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	61,938	78,217	2,850
Transfers out	(8,364)	(169,458)	(19,092)
Contributions (to) from other funds	529	81	--
Loans to other funds	(8,490)	(8,490)	--
Loans from other funds	8,665	8,669	--
Loan repayments to other funds	(636)	(1,287)	(152)
Loan repayments from other funds	146	1,336	--
Collections from other governments	90	5,840	--
Net cash provided (used) by noncapital financing activities	53,878	(85,092)	(16,394)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	--	247,465	--
Proceeds from the sale of general obligation bonds and other tax supported debt	22,713	25,655	--
Proceeds from long-term loans	--	2,593	--
Principal paid on long-term debt	(27,837)	(229,380)	(381)
Proceeds from the sale of capital assets	--	10	--
Interest paid on revenue bonds and other debt	(11,091)	(188,842)	(175)
Passenger facility charges	--	19,806	--
Acquisition and construction of capital assets	(49,161)	(465,504)	(10,860)
Contributions from state and federal governments	18	2,240	--
Contributions in aid of construction	4,661	36,018	--
Bond issuance costs	(499)	(2,702)	--
Bond premiums	628	40,517	--
Bonds issued for advanced refundings of debt	35,632	350,680	142
Cash paid for bond refunding escrow	(35,323)	(188,716)	(140)
Cash paid to payoff commercial paper	--	(200,000)	--
Cash paid for nuclear fuel inventory	--	(14,755)	--
Net cash (used) by capital and related financing activities	(60,259)	(564,915)	(11,414)

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	<u>Business-Type Activities</u>		
	<u>Austin Energy</u>	<u>Austin Water Utility</u>	<u>Airport</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ (219,586)	(212,911)	(32,396)
Proceeds from sale and maturities of investment securities	223,902	215,169	30,502
Interest on investments	1,609	82	221
Net cash provided (used) by investing activities	<u>5,925</u>	<u>2,340</u>	<u>(1,673)</u>
Net increase (decrease) in cash and cash equivalents	44,066	5,467	(15,012)
Cash and cash equivalents, October 1	215,352	112,571	215,675
Cash and cash equivalents, September 30	<u>259,418</u>	<u>118,038</u>	<u>200,663</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	174,875	142,801	11,767
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	152,450	102,455	21,151
Amortization	--	988	--
Change in assets and liabilities:			
Decrease in working capital advances	513	--	--
(Increase) decrease in accounts receivable	(6,526)	5,109	2,059
Increase in allowance for doubtful accounts	4,418	1,332	172
(Increase) decrease in inventory	9,957	231	(106)
(Increase) decrease in prepaid expenses and other assets	(2,012)	(2)	22
Decrease in advances to other funds	--	--	--
(Increase) decrease in other long-term assets	15,237	--	--
Increase (decrease) in accounts payable	1,531	(406)	124
Increase in accrued payroll and compensated absences	619	332	96
Increase in claims payable	--	--	--
Decrease in pension obligations payable	(1,247)	(206)	(63)
Increase in other post employment benefits payable	12,283	8,484	2,283
Increase (decrease) in other liabilities	6,493	--	(75)
Increase in customer deposits	3,749	350	317
Total adjustments	<u>197,465</u>	<u>118,667</u>	<u>25,980</u>
Net cash provided by operating activities	<u>\$ 372,340</u>	<u>261,468</u>	<u>37,747</u>

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

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(18,934)	(483,827)	--
Proceeds from sale and maturities of investment securities	18,765	488,338	--
Interest on investments	223	2,135	(19)
Net cash provided (used) by investing activities	54	6,646	(19)
Net increase (decrease) in cash and cash equivalents	16,213	50,734	(1,476)
Cash and cash equivalents, October 1	196,829	740,427	136,098
Cash and cash equivalents, September 30	213,042	791,161	134,622
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	(15,552)	313,891	11,413
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	27,190	303,246	10,953
Amortization	--	988	--
Change in assets and liabilities:			
Decrease in working capital advances	--	513	--
(Increase) decrease in accounts receivable	2,154	2,796	(629)
Increase in allowance for doubtful accounts	640	6,562	--
(Increase) decrease in inventory	(96)	9,986	116
(Increase) decrease in prepaid expenses and other assets	(7)	(1,999)	(75)
Decrease in advances to other funds	--	--	45
(Increase) decrease in other long-term assets	4	15,241	(119)
Increase (decrease) in accounts payable	79	1,328	(789)
Increase in accrued payroll and compensated absences	803	1,850	1,223
Increase in claims payable	--	--	3,924
Decrease in pension obligations payable	(252)	(1,768)	--
Increase in other post employment benefits payable	9,221	32,271	--
Increase (decrease) in other liabilities	(2,992)	3,426	289
Increase in customer deposits	1,348	5,764	--
Total adjustments	38,092	380,204	14,938
Net cash provided by operating activities	22,540	694,095	26,351

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	<u>Business-Type Activities</u>		
	<u>Austin Energy</u>	<u>Austin Water Utility</u>	<u>Airport</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital appreciation bonds interest accreted	\$ (831)	(9,707)	--
Capital assets contributed from other funds	--	249	--
Capital assets contributed to other funds	--	(3,199)	--
Contributed facilities	--	23,776	--
(Increase) decrease in the fair value of investments	(2,859)	--	--
Amortization of bond (discounts) premiums	4,910	9,555	(34)
Amortization of gain/loss on refundings	(6,812)	(5,934)	(939)
Loss on disposal of assets	(8,101)	(1,812)	(795)
Costs (recovered) to be recovered	(5,496)	(13,903)	--
Transfers (to) from other funds	(64)	(173)	(343)
Capitalized interest	--	--	1,409

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>Total</u>	
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital appreciation bonds interest accreted	--	(10,538)	--
Capital assets contributed from other funds	36,657	36,906	11,008
Capital assets contributed to other funds	(310)	(3,509)	(352)
Contributed facilities	--	23,776	--
(Increase) decrease in the fair value of investments	--	(2,859)	--
Amortization of bond (discounts) premiums	1,874	16,305	(45)
Amortization of gain/loss on refundings	(1,140)	(14,825)	(32)
Loss on disposal of assets	(845)	(11,553)	(13,571)
Costs (recovered) to be recovered	--	(19,399)	--
Transfers (to) from other funds	1,033	453	(446)
Capitalized interest	1,415	2,824	--

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

Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit D-1

	<u>Private-purpose</u>	
	<u>Trust</u>	<u>Agency</u>
ASSETS		
Pooled investments and cash	\$ 1,829	3,035
Other assets	120	--
Total assets	<u>1,949</u>	<u>3,035</u>
LIABILITIES		
Accounts payable	24	--
Due to other governments	--	2,330
Deposits and other liabilities	1,191	705
Total liabilities	<u>1,215</u>	<u>3,035</u>
NET POSITION		
Held in trust	734	
Total net position	<u>\$ 734</u>	

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

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit D-2

	<u>Private-purpose</u> <u>Trust</u>
ADDITIONS	
Contributions	\$ 1,190
Interest and other	1
Total additions	<u>1,191</u>
DEDUCTIONS	
Benefit payments	1,166
Total deductions	<u>1,166</u>
Net additions (deductions)	<u>25</u>
Total net position - beginning	<u>709</u>
Total net position - ending	<u>\$ 734</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.

On November 6, 2012, City of Austin voters approved a charter amendment which provides for the election of City Councilmembers from 10 geographical single-member districts, with the mayor to be elected from the city at large. This new process will be effective with the November 2014 election. A 14-member Citizens Redistricting Commission drew the boundaries for the 10 districts in compliance with federal and state requirements and submitted to Council in November 2013.

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 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. 67 and No. 70. In fiscal year 2014, the City implemented the following GASB Statements:

GASB Statement	Impact
65 – <i>“Items Previously Reported as Assets and Liabilities”</i>	This resulted in the movement of items from Assets to Deferred outflows of resources and from Liabilities to Deferred inflows of resources. In addition, several items previously reported as assets are now expensed in the statements, most notably, bond issue costs. Results of the implementation of this standard are discussed in Note 1 and Note 18.
66 – <i>“Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62”</i>	The implementation of this standard had little impact on the amounts reported in the financial statements.
67 – <i>“Financial Reporting for Pension Plans an amendment of GASB Statement No. 25”</i>	This statement is directed at the Pension Plans and did not impact the City of Austin financial reporting. The companion statement for governments, GASB Statement No. 68, <i>“Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27”</i> , is effective for the City in 2015.
70 – <i>“Accounting and Financial Reporting for Nonexchange Financial Guarantees”</i>	The implementation of this standard did not impact the City of Austin financial reporting.

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

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. Discrete component units are legally separate entities that are not considered part of the City’s operations; therefore, data from these units are shown separately from data of the City.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
a -- Reporting Entity, continued

Blended Component Units – Following are the City's blended component units.

Blended Component Units
The Austin Housing Finance Corporation (AHFC)

Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
AHFC was created in 1979 as a public, nonprofit corporation and instrumentality of the City under the provisions of the Texas Housing Finance Corporation Act, Chapter 394, and Local Government Code. The mission of the AHFC is to generate and implement strategic housing solutions for the benefit of low- and moderate- income residents of the City. AHFC is governed by a board composed of the City Council. In addition, City management has operational responsibilities for this component unit.

Reporting Fund: Housing Assistance Fund, a nonmajor special revenue fund

Austin Industrial Development Corporation (AIDC)

AIDC was created under the Texas Development Corporation Act of 1979 to provide a means of extending tax-exempt financing to projects that are deemed to have substantial social benefit through the creation of commercial, industrial, and manufacturing enterprises, in order to promote and encourage employment in the City. The Austin City Council acts as the board of directors of the corporation. In addition, City management has operational responsibilities for this component unit.

Reporting Fund: Austin Industrial Development Corporation Fund, a nonmajor special revenue fund

Mueller Local Government Corporation (MLGC)

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. Members of the City staff serve as officers of the corporation and have operational responsibilities for this component unit.

Reporting Fund: Mueller Local Government Corporation, a nonmajor special revenue fund

Urban Renewal Agency (URA)

URA was created by the City under Chapter 374 of the Texas Local Government Code. 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. An Urban Renewal Plan's primary purpose is to eliminate slum and blighting influence within a designated area of the city. Council maintains the ability to impose its will on the organization. URA exclusively receives financial support/benefits from its relationship with the City.

Reporting Fund: Urban Renewal Agency fund, a nonmajor special revenue fund

Austin-Bergstrom International Airport (ABIA) Development Corporation

ABIA Development Corporation is governed by a board composed of the City Council. The entity has no day-to-day operations. Its existence relates only to the authorization for issuance of industrial revenue bonds or to other similar financing arrangements in accordance with the Texas Development Corporation Act of 1979. To date, none of the bonds issued constitute a liability of ABIA Development Corporation or the City of Austin. ABIA Development Corporation is governed by a board composed of the City Council. In addition, City management has operational responsibilities for this component unit.

There is no financial activity to report related to this component unit.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
a -- Reporting Entity, continued

Discretely Presented Component Units – Following are the City's discretely presented component units. See Note 17 for additional information. Financial statements for these entities can be requested from the addresses located below.

<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities, Relationship to City, and Key Inclusion Criteria</u>
Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) 2716 Spirit of Texas Drive Austin, TX 78719	ABLE is a legally separate entity that issues revenue bonds for the purpose of financing the cost of acquiring, improving, and equipping a full-service hotel on airport property. City Council appoints this entity's Board and maintains a contractual ability to remove board members at will. Debt issued by ABLE does not constitute a debt or pledge of the faith and credit of the City.
Austin Convention Enterprises, Inc. (ACE) 500 East 4th Street Austin, TX 78701	ACE is a legally separate entity that owns, operates, and finances the Austin Convention Center Hotel. City Council appoints this entity's Board and maintains a contractual ability to remove board members at will. Debt issued by ACE does not constitute a debt or pledge of the faith and credit of the City.
Waller Creek Local Government Corporation (WCLGC) 124 W. 8 th Street Austin, TX 78701	WCLGC is a non-profit local government corporation created by the City under Subchapter D of Chapter 431 of the Texas Transportation Code. The purpose of WCLGC is implementing the financing, design, construction, maintenance and operation of certain public improvements located within or around the Waller Creek Redevelopment Project district. The Austin City Council appoints a voting majority of the board of directors of the WCLGC and maintains a contractual ability to remove board members at will.

Related Organizations -- The City Council appoints the voting majority of the board members, but the City has no significant financial accountability for the Austin Housing Authority. The Mayor appoints the persons to serve as commissioners of this organization; however, this entity is separate from the operating activities of the City.

The City of Austin retirement plans (described in Note 7) 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.

Related organizations are not included in the City's reporting entity.

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 position 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, deferred outflow of resources, liability, and deferred inflow of resources balances that are not eliminated in the statement of net position are primarily 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 GAAP; 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. A reconciliation of the fund financial statements to the government-wide statements is provided in the financial statements to explain the differences between the two different reporting approaches.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
b -- Reporting Entity, continued

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.

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.

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

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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds: Account for and report financial resources, and the accumulation of those financial resources, that are restricted, committed, or assigned to expenditure for principal and interest of general long-term debt and HUD Section 108 loans.

Capital Projects Funds: Account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those reported within proprietary funds). It is primarily funded 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 and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

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. 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.

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.

The City reports the following major enterprise funds:

Austin Energy™: Accounts for the activities of the City-owned electric utility.

Austin Water Utility: Accounts for the activities of the City-owned water and wastewater utility.

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 solid waste services activities.

Public recreation: Accounts for golf activities.

Urban growth management: 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 projects, 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 annual budgeted funds.

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.

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

Pooled Investments and Cash -- Cash balances of all city funds (except for certain funds shown in Note 3 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 carry 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, 2014. Investments in local government investment pools are carried at net asset value per share calculated using the amortized cost method which approximates fair value.

Accounts Receivable -- Balances of accounts receivable, reported on the government-wide statement of net position, 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, 2014 (in thousands):

	Charges for Services	Fines	Taxes	Other Govern- ments	Other	Total
Governmental activities						
General Fund	\$ 209,629	21,097	42,504	--	--	273,230
Nonmajor governmental funds	1,654	--	18,525	7,957	2,636	30,772
Internal service funds	3,465	--	--	--	--	3,465
Allowance for doubtful accounts	(204,505)	(9,463)	--	(259)	--	(214,227)
Total	<u>\$ 10,243</u>	<u>11,634</u>	<u>61,029</u>	<u>7,698</u>	<u>2,636</u>	<u>93,240</u>

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

	Austin Energy	Austin Water	Airport	Nonmajor Enterprise	Total
Accounts receivable	\$ 189,154	70,088	5,032	24,528	288,802
Allowance for doubtful accounts	(11,727)	(3,552)	(1,240)	(2,730)	(19,249)
Total	<u>\$ 177,427</u>	<u>66,536</u>	<u>3,792</u>	<u>21,798</u>	<u>269,553</u>

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 position 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 position 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 position, 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
Austin Energy	
Fuel oil	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 an equal amount in nonspendable fund balance, 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 Austin Energy and Austin Water Utility report in accordance with accounting for regulated operations, enabling legislation also includes restrictions on asset use established by its governing board which is the City Council. Restricted assets used to repay maturing debt and other current liabilities are classified as current.

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

	Austin Energy	Austin Water Utility	Airport	Nonmajor Enterprise	Total Restricted Assets
Capital projects	\$ 78,531	97,295	118,877	39,530	334,233
Customer and escrow deposits	27,202	9,756	779	4,542	42,279
Debt service	56,217	90,175	17,674	17,929	181,995
Environmental and landfill	--	--	--	1,898	1,898
Federal grants	8,955	--	300	232	9,487
Operating reserve account	--	--	11,334	12,469	23,803
Passenger facility charge account	--	--	50,317	--	50,317
Plant decommissioning	197,410	--	--	--	197,410
Renewal and replacement account	64	--	10,000	1,293	11,357
Revenue bond reserve	9,988	58,422	2,434	13,304	84,148
Strategic reserve	106,577	--	--	--	106,577
	\$ 484,944	255,648	211,715	91,197	1,043,504

Capital Assets -- Capital assets, which primarily include land and improvements, buildings and improvements, plant and equipment, vehicles, water rights, and infrastructure assets, are reported in the proprietary funds and the applicable governmental or business-type activity columns of the government-wide statement of net position; related depreciation or amortization is allocated to programs in the statement of activities. Capital assets are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life of greater than one year. Assets purchased, internally generated, 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 or increase their value are capitalized in the government-wide and proprietary statement of net position 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.

Interest is not capitalized on governmental capital assets. Enterprise funds, with the exception of the Austin Energy and Austin Water Utility, 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 Austin Energy and Austin Water Utility assets in accordance with accounting for regulated operations.

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

Capital assets, except for nuclear fuel, are depreciated or amortized using the straight-line method over the following estimated useful lives (in years):

Assets	Governmental Activities (1)	Business-type Activities			
		Austin Energy	Austin Water Utility	Airport	Nonmajor Enterprise
Buildings and improvements	5-40	--	15-50	15-40	12-40
Plant and equipment	5-50	--	5-60	4-50	5-40
Vehicles	3-20	3-15	3-20	3-20	3-30
Electric plant	--	3-50	--	--	--
Non-electric plant	--	3-30	--	--	--
Communication equipment	7-15	--	7	7	7
Furniture and fixtures	12	--	12	12	12
Computers and EDP equipment	3-7	--	3-7	3-7	3-7
Nuclear fuel	--	(2)	--	--	--
Water rights	--	--	101	--	--
Infrastructure					
Streets and roads	30	--	--	--	--
Bridges	50	--	--	--	--
Drainage systems	50	--	--	--	--
Pedestrian facilities	20	--	--	--	--
Traffic signals	25	--	--	--	--

(1) Includes internal service funds

(2) Nuclear fuel is amortized over units of production

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 and treasures is expected to be maintained over time and, thus, is not depreciated. The initial investment of library collections for each library is capitalized. All subsequent expenditures related to the maintenance of the collection (replacement of individual items) are expensed, with the overall value of the collection being maintained, and therefore, 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.

Water rights represent the amortized cost of a \$100 million contract, net of accumulated amortization, of \$14.8 million, between the City and the Lower Colorado River Authority (LCRA) for a fifty-one year assured water supply agreement, with an option to extend another fifty years. The City and the LCRA entered into the contract in 1999. The asset amortization period is 101.25 years.

Regulatory Assets -- In accordance with accounting for regulated operations, certain utility expenses that do not currently require funding are recorded as assets and amortized over future periods if they are intended to be recovered through future rates. These expenses include unrealized gain/loss on investments, debt issuance costs, pension, other post employment benefits, interest, decommissioning, and pass-through rates, such as the Power Supply Adjustment charge, Community Benefit charge, and Regulatory charge. Regulatory Assets will be recovered in these future periods by setting rates sufficient to provide funds for the requirements. If regulatory assets are not recoverable in future rates, the regulatory asset 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 and expenses.

Deferred Outflows (Inflows) of Resources -- Deferred outflows of resources represent the consumption of net assets that are applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent the acquisition of net assets that have a negative effect on net position, similar to liabilities.

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

In fiscal year 2014, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Prior to this implementation, deferred outflows and inflows were limited to derivative instruments and service concession arrangement transactions. The following chart reflects the activities that are now included in these categories.

Activities	Category and explanation	Deferred Outflows	Deferred Inflows
Derivative instruments	Deferred outflows or inflows. Derivative instruments are reported in the statement of net position at fair value. Changes in fair value of hedging derivative instruments are recognized through the application of hedge accounting as either deferred outflows or inflows in the statement of net position, as an offset to the related hedging derivative instrument.	\$90,437	4,242
Gain/loss on debt refundings	Deferred outflows or inflows. When debt is refunded, the associated gains (deferred outflows) or losses (deferred inflows) are recognized as deferred outflows or inflows of resources and amortized over future periods.	120,687	409
Regulated operations	Deferred inflows. In accordance with accounting for regulated operations, certain credits to income are held as deferred inflows of resources until the anticipated matched charge is incurred. These credits include unrealized gain/loss on investments, contributions, interest, decommissioning, and pass-through rates.		729,148
Service concession arrangements	Deferred inflows. The resources related to the service concession arrangements that will be recognized as revenue in future years over the terms of arrangements between the City and the operators are reported as deferred inflows of resources.		1,607
Unavailable revenues	Deferred inflows. In Governmental funds, unavailable revenue is reported as deferred inflows of resources and recognized as inflows of resources in the period that the amounts become available.		8,132

Compensated Absences -- The amounts owed to employees for unpaid vacation, exception 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 vacation, exception vacation, and sick leave at termination payable within 60 days of fiscal year-end.

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

	Work-week	Non-Sworn Employees (1)	Sworn Police (2)	Sworn Fire (3)	Sworn EMS (4)
Vacation	0-40	240	240	240	240
	42	N/A	N/A	N/A	270
	48	N/A	N/A	N/A	309
	53	N/A	N/A	360	N/A
Exception vacation (5)	0-40	160	160	176	206
	42	160	N/A	N/A	206
	48	160	N/A	N/A	206
	53	N/A	N/A	264	N/A
Sick leave	0-40	720	1,400	720	720
	42	N/A	N/A	N/A	756
	48	N/A	N/A	N/A	926
	53	N/A	N/A	1,080	N/A
Compensatory time (6)		120	120	120	120

- (1) Non-sworn employees are eligible for accumulated sick leave payout if hired before October 1, 1986.
- (2) Sworn police employees with 12 years of actual service are eligible for accumulated sick leave payout.
As of January 1, 2011, officers may be eligible to receive up to 1,700 hours of sick leave if certain criteria are met.
- (3) Sworn fire employees are eligible for accumulated sick leave payout regardless of hire date.
- (4) Sworn EMS employees with 12 years of actual service are eligible for accumulated sick leave payout if certain criteria are met.
- (5) Exception vacation hours are hours accumulated by an employee when the employee works on a City holiday.
- (6) Employees may earn compensatory time in lieu of paid overtime; maximum payout is 120 hours for all employees.

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

Other Post employment Benefits (OPEB) -- The City provides certain health care benefits for its retired employees and their families as more fully described in Note 8. At September 30, 2014, the City’s total actuarial accrued liability for these retiree benefits was approximately \$1.5 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 select revenues of these funds. Note 6 contains more information about pledged revenues by fund. The corresponding debt is recorded in the applicable fund.

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 other tax supported debt, whose principal and interest are payable primarily from the net revenues of Austin Water Utility.

For proprietary funds and for governmental activities in the government-wide financial statements, the City defers and amortizes gains and losses realized on refundings of debt and reports both the new debt liability and the related deferred amount on the statement of net position as deferred outflows of resources. Austin Energy and Austin Water Utility recognize gains and 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 principal and interest payments on the bonds, is recorded as capital appreciation bond interest payable.

Landfill Closure and Postclosure Care Costs -- Municipal solid waste landfill costs and the liability for landfill closure and postclosure costs are reported in Austin Resource Recovery, 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 report revenues net of bad debt expense, as follows (in thousands):

	Bad Debt Expense
Austin Energy	\$ 20,868
Austin Water Utility	6,371
Airport	172
Nonmajor Enterprise	5,207

Electric, water, and wastewater revenue is recorded when earned. Customers’ electric and water meters are read and bills rendered on a cycle basis by billing district. Electric rate schedules include a fuel cost adjustment clause that permits recovery of fuel costs in the month incurred or in future months. The City reports fuel costs on the same basis as it recognizes revenue. Unbilled revenue is recorded in Austin Energy by estimating the daily power generation and allocating by each billing district meter read dates as of September 30, 2014. The amount of unbilled revenue recorded, as of September 30, 2014, was \$37.0 million. Austin Water Utility records unbilled revenue as earned based upon the percentage of October’s billing that represented water usage through September 30, 2014. The amount of unbilled revenue recorded as of September 30, 2014 was \$13.4 million for water and \$12.2 million for wastewater.

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

Revenues are also recorded net of discounts in the government-wide and proprietary fund-level statements. Discounts are offered as incentives geared towards generating additional revenue in the form of new or expanded business, or to encourage events with a significant economic impact, as well as expedient event planning. The funds listed below report revenues net of discounts, as follows (in thousands):

	<u>Discounts</u>
Airport	\$ 748
Nonmajor Enterprise	1,290

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 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 expenses are recognized in the applicable proprietary fund.

Special item – land sale -- In April 2012, the City Council approved an ordinance authorizing the execution of a master development agreement for the sale and redevelopment of the Green Water Treatment plant land. Under this agreement, the City will sell the land to the developer in four phases. The first payment of \$15.83 million was received by the City in fiscal year 2014. The balance of the sale should occur in three pieces completing in fiscal year 2019, according to the current schedule. The unusual and infrequent occurrence of a sale of City property of this significance and the fact that the transaction is under the control of City management, it is being reported as a special item in the financial statements.

Fund Equity -- Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund type classifications are as follows:

Nonspendable: The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.

Restricted: The portion of fund balance that is restricted to specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitution provisions or enabling legislation.

Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of a majority vote by City Council. The City Council is the highest level of decision making.

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

Assigned: The portion of fund balance that is constrained by the City’s intent to use for specific purposes, but are neither restricted nor committed. Under the city charter, the City Manager is authorized to assign individual amounts up to \$57,000 in fiscal year 2014 to a specific purpose. This amount is updated annually based on the most recently published federal government, Bureau of Labor Statistics Indicator, Consumer Price Index (CPI-W U.S. City Average) U.S. City Average.

Unassigned: The portion of fund balance that is not restricted, committed, or assigned to specific purposes.

The constraints placed on the fund balances of the General Fund and the nonmajor governmental funds are presented below (in thousands):

	Nonmajor Governmental					Total
	General Fund	Special Revenue	Debt Service	Capital Projects	Permanent	
Nonspendable						
Inventory	\$ 777	--	--	--	--	777
Prepaid items	173	--	--	--	--	173
Permanent funds	--	--	--	--	1,052	1,052
Total Nonspendable	950	--	--	--	1,052	2,002
Restricted						
Municipal court services	--	3,008	--	--	--	3,008
Police special purpose	--	6,090	--	--	--	6,090
Fire special purpose	--	44	--	--	--	44
Transportation, planning, and sustainability	--	324	--	--	--	324
Public health services	--	264	--	--	--	264
Parks services	--	1,817	--	--	--	1,817
Library services	--	1,258	--	--	1	1,259
Tourism programs	--	18,416	--	--	--	18,416
Affordable housing programs	--	30,006	--	--	--	30,006
Urban growth programs	--	3,260	--	--	--	3,260
Capital construction	--	--	--	79,144	--	79,144
Debt service	--	--	18,368	--	--	18,368
Total Restricted	--	64,487	18,368	79,144	1	162,000
Committed						
Municipal court services	223	--	--	--	--	223
Police special purpose	2,101	--	--	--	--	2,101
Fire special purpose	769	--	--	--	--	769
EMS special purpose	1,172	--	--	--	--	1,172
Public health services	1,874	--	--	--	--	1,874
Parks services	1,253	3,638	--	--	--	4,891
Library services	306	--	--	--	--	306
Affordable housing programs	--	2,729	--	--	--	2,729
Urban growth programs	1,330	21,119	--	--	--	22,449
Capital construction	--	--	--	39,047	--	39,047
Total Committed	9,028	27,486	--	39,047	--	75,561
Assigned						
General government services	6	--	--	--	--	6
Municipal court services	27	--	--	--	--	27
Police special purpose	171	28	--	--	--	199
Fire special purpose	206	--	--	--	--	206
EMS special purpose	125	--	--	--	--	125
Transportation, planning, and sustainability	--	8	--	--	--	8
Public health services	340	27	--	--	--	367
Parks services	211	102	--	--	--	313
Library services	84	6	--	--	--	90
Tourism programs	--	39	--	--	--	39
Affordable housing programs	--	145	--	--	--	145
Urban growth programs	15,689	2,097	--	--	--	17,786
Capital construction	--	--	--	22,643	--	22,643
Total Assigned	16,859	2,452	--	22,643	--	41,954
Unassigned	156,659	(8,248)	--	(62,333)	--	86,078
Total Fund Balance	\$ 183,496	86,177	18,368	78,501	1,053	367,595

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

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. In governmental funds, unrestricted resources would be utilized in order from committed to assigned and finally unassigned.

Budget stabilization -- By formal action of City Council, the General Fund maintains 3 reserve funds: a contingency reserve, an emergency reserve, and a budget stabilization reserve. These reserves are part of unassigned fund balance for the General Fund. As of September 30, 2014, the contingency reserve maintains a balance of 1 percent of departmental expenditures, or \$6.8 million, the emergency reserve remains fixed with a balance of \$40 million, and the budget stabilization reserve reports a balance of \$108.3 million. The funds in the budget stabilization reserve may be appropriated to fund capital or other onetime costs, but such appropriation should not exceed one-third of the total amount in the reserve.

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 7).

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 coverage for property loss or damage, commercial crime, fidelity bonds, airport operations, and contractors working at selected capital improvement project sites (see Note 13).

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 9.

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 help readers 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 – POOLED INVESTMENTS AND CASH

The following summarizes the amounts of pooled investments and cash by fund at September 30, 2014 (in thousands):

	Pooled Investments and Cash	
	Unrestricted	Restricted
General Fund	\$ 180,969	--
Nonmajor governmental funds	181,362	--
Austin Energy	150,780	103,607
Austin Water Utility	21,827	96,206
Airport	7,885	192,774
Nonmajor enterprise funds	146,573	66,436
Internal service funds	132,617	542
Fiduciary funds	4,864	--
Subtotal pooled investments and cash	<u>826,877</u>	<u>459,565</u>
Total pooled investments and cash	<u>\$ 1,286,442</u>	

3 – 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. 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, are eligible collateral for borrowing from a Federal Reserve Bank, and are 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;
12. Local government investment pools (LGIPs); and
13. Securities lending program.

The City participates in four LGIPs: TexPool, TexasDAILY, TexStar, and Lone Star. 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 TexasDAILY 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. First Public, LLC serves as the administrator of Lone Star under an agreement with Lone Star's board of directors. The City's position in the pool is the same as the value of the pool shares.

3 – INVESTMENTS AND DEPOSITS, continued
a -- Investments, continued

The City invests in TexPool, TexasDAILY, TexStar, and Lone Star to provide its liquidity needs. TexPool, TexasDAILY, TexStar, and Lone Star are LGIPs 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, TexStar, and Lone Star are 2(a)7-like funds, meaning that they are structured somewhat like 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, TexStar, and Lone Star are rated AAAM and must maintain a dollar weighted average maturity not to exceed a 60-day limit. At September 30, 2014, TexPool, TexasDAILY, TexStar, and Lone Star had a weighted average maturity of 48 days, 47 days, 51 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 arrangements during fiscal year 2014.

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, 2014 (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	\$ 16,984	269,754	--	286,738
Money Market Funds	--	36,761	--	36,761
US Treasury Notes	--	35,442	--	35,442
US Agency Bonds	--	229,367	--	229,367
Total non-pooled investments	<u>16,984</u>	<u>571,324</u>	<u>--</u>	<u>588,308</u>
Pooled investments:				
Local Government Investment Pools	154,235	246,305	1,524	402,064
US Treasury Notes	65,876	104,510	647	171,033
US Agency Bonds	265,685	421,420	2,693	689,798
Total pooled investments	<u>485,796</u>	<u>772,235</u>	<u>4,864</u>	<u>1,262,895</u>
Total investments	<u>\$ 502,780</u>	<u>1,343,559</u>	<u>4,864</u>	<u>1,851,203</u>

Concentration of Credit Risk

At September 30, 2014, 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 (\$159.9 or 9%), Federal Home Loan Bank (\$344.5 or 19%), Federal Home Loan Mortgage Corporation (\$180.1 or 10%), and Federal National Mortgage Association (\$234.7 or 13%).

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 special project funds,
2. Debt service funds,
3. Debt service reserve funds, and
4. Special project funds or special purpose funds.

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

3 – INVESTMENTS AND DEPOSITS, continued
b – Investment Categories

Operating Funds

As of September 30, 2014, the City operating funds had the following investments (in thousands):

Investment Type	Fair Value			Total	Weighted Average Maturity (days)
	Governmental Activities	Business-type Activities	Fiduciary Funds		
Local Government Investment Pools	\$ 154,235	246,305	1,524	402,064	1
US Treasury Notes	65,876	104,510	647	171,033	527
US Agency Bonds	265,685	421,420	2,693	689,798	420
Total	\$ 485,796	772,235	4,864	1,262,895	298

Credit Risk

At September 30, 2014, the Operating funds held investments in LGIPs rated AAAM by Standard & Poor's, with the remainder invested in short-to-medium term US Agency and Treasury obligations. Standard & Poor's rated the US Agency Bonds AA+. The remaining securities are direct obligations of the US government.

Concentration of Credit Risk

At September 30, 2014, the operating funds held investments with more than five percent of the total portfolio in securities of the following issuers (in millions): Federal Farm Credit Bank (\$159.9 or 13%), Federal Home Loan Bank (\$290.0 or 23%), Federal Home Loan Mortgage Corporation (\$109.9 or 9%), and Federal National Mortgage Association (\$130.0 or 10%).

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, 2014, less than a third of the Investment Pool was invested in AAAM rated LGIPs, 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 of all securities was 298 days, which was less than the threshold of 365 days.

Debt Service Funds

As of September 30, 2014, the City's debt service funds had the following investments (in thousands):

Investment Type	Fair Value		Weighted Average Maturity (days)
	Governmental Activities	Business-type Activities	
General Obligation Debt Service			
Local Government Investment Pools	\$ 16,984	--	1
Enterprise-Utility (1)			
Local Government Investment Pools	--	146,393	1
Enterprise-Airport			
Local Government Investment Pools	--	16,072	1
Nonmajor Enterprise-Convention Center			
Local Government Investment Pools	--	10,575	1
Total	\$ 16,984	173,040	

(1) Includes combined pledge debt service

Credit Risk

At September 30, 2014, the debt service funds held an investment in TexPool, an LGIP rated AAAM by Standard and Poor's.

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.

3 – INVESTMENTS AND DEPOSITS, continued
b -- Investment Categories, continued

Debt Service Reserve Funds

As of September 30, 2014, the City's debt service reserve funds had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value Business-type Activities</u>	<u>Weighted Average Maturity (days)</u>
Enterprise-Utility (1)		
Local Government Investment Pools	\$ 41,394	1
Enterprise-Airport		
Local Government Investment Pools	2,434	1
Nonmajor Enterprise-Convention Center		
Local Government Investment Pools	13,306	1
Total	\$ 57,134	

(1) Includes combined pledge debt service

Credit Risk

At September 30, 2014, the debt service reserve funds held an investment in TexPool, an LGIP rated AAAM by Standard and Poor's.

Interest Rate Risk

Investment strategies for debt service reserve funds shall have as the primary object the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with a low degree of volatility. Except as may be required by bond ordinance specific to an individual issue, securities should be of high quality, with short-term to intermediate-term securities.

Special Projects or Special Purpose Funds

Special Project Funds

At September 30, 2014, the City's special project funds had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>			<u>Weighted Average Maturity (days)</u>
	<u>Business-type Activities</u>			
	<u>Utility Reserve</u>	<u>Airport Construction</u>	<u>Total</u>	
Local Government Investment Pools	\$ 27,016	76	27,092	1

Credit Risk

At September 30, 2014, the special project funds held an investment in TexPool, an LGIP rated AAAM by Standard and Poor's.

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.

Special Purpose Funds - Austin Energy Strategic Reserve Fund

As of September 30, 2014, the City's Austin Energy Strategic Reserve Fund, a special purpose fund, had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value Business-type Activities</u>	<u>Weighted Average Maturity (days)</u>
Local Government Investment Pools	\$ 12,489	1
US Treasury Notes	15,763	872
US Agency Bonds	78,325	1035
Total	\$ 106,577	889

3 – INVESTMENTS AND DEPOSITS, continued
b -- Investment Categories, continued

Credit risk

At September 30, 2014, the Austin Energy Strategic Reserve Fund held an investment in TexPool, an LGIP rated AAAM by Standard & Poor's, with the remainder invested in short-to-medium term US Agency and Treasury obligations. Standard & Poor's rated the US Agency Bonds AA+. The remaining securities are direct obligations of the US government.

Concentration of Credit Risk

At September 30, 2014, the Austin Energy Strategic Reserve Fund held investments with more than five percent of the total in securities of the following issuers (in millions): Federal Home Loan Bank (\$23.5 or 22%), Federal Home Loan Mortgage Corporation (\$20.0 or 19%), and Federal National Mortgage Association (\$34.9 or 33%).

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, 2014, the portfolios held investments in TexPool, US Treasuries, and US Agencies with maturities that will meet anticipated cash flow requirements and an overall dollar weighted average maturity of 889 days (2.44 years).

Special Purpose Funds - Austin Energy Nuclear Decommissioning Trust Funds (NDTF)

At September 30, 2014, the City's Austin Energy NDTF had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	
	<u>Business-type</u>	<u>Weighted Average</u>
	<u>Activities</u>	<u>Maturity (years)</u>
Money Market Funds	\$ 25,934	1 day
US Treasury Notes	19,679	2.85
US Agency Bonds	151,041	2.82
Total	<u>\$ 196,654</u>	<u>2.44</u>

Credit Risk

At September 30, 2014, Standard & Poor's rated the US Agency Bonds AA+ and the Money Market Fund AAAM. The remaining securities are direct obligations of the US government.

Concentration of Credit Risk

At September 30, 2014, the NDTF held investments with more than five percent of the total in securities of the following issuers (in millions): Federal Home Loan Bank (\$31.0 or 16%), Federal Home Loan Mortgage Corporation (\$50.2 or 26%), Federal National Mortgage Association (\$69.8 or 35%).

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy for the NDTF portfolios requires that the dollar weighted average maturity, using final state 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, 2014, the dollar weighted average maturity was 2.44 years.

Special Purpose Funds - Investments Held by Trustee – Public Improvement Districts

At September 30, 2014, the City's special purpose funds had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	
	<u>Business-type</u>	<u>Weighted Average</u>
	<u>Activities</u>	<u>Maturity (days)</u>
Money Market Funds	\$ 10,827	1

Credit Risk

At September 30, 2014, Standard & Poor's rated the Money Market Fund AAAM.

3 – INVESTMENTS AND DEPOSITS, continued
b -- Investment Categories, continued

Interest Rate Risk

Investment objectives for these special purpose funds have as the primary objective the safety of principal and assurance of liquidity adequate to cover construction expense draws. As a means of minimizing risk of loss due to interest rate fluctuations, funds are being held in overnight money market funds until definitive construction cash flows are established.

c – Investments and Deposits

Investments and deposits portfolio balances at September 30, 2014, are as follows (in thousands):

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Non-pooled investments and cash	\$ 22,854	576,397	--	599,251
Pooled investments and cash	501,040	796,420	4,864	1,302,324
Total investments and cash	<u>523,894</u>	<u>1,372,817</u>	<u>4,864</u>	<u>1,901,575</u>
Unrestricted cash	70	62	--	132
Restricted cash	5,800	5,011	--	10,811
Pooled investments and cash	501,040	796,420	4,864	1,302,324
Investments	16,984	571,324	--	588,308
Total	<u>\$ 523,894</u>	<u>1,372,817</u>	<u>4,864</u>	<u>1,901,575</u>

A difference of \$15.9 million exists between portfolio balance and book balance, primarily due to deposits in transit offset by outstanding checks.

Deposits

The September 30, 2014 carrying amount of deposits at the bank and cash on hand are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total
Cash			
Unrestricted	\$ 70	62	132
Restricted	--	5,011	5,011
Cash held by trustee			
Restricted	5,800	--	5,800
Pooled cash	15,244	24,185	39,429
Total deposits	<u>\$ 21,114</u>	<u>29,258</u>	<u>50,372</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, 2014.

4 – 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, 2013, upon which the 2014 levy was based, was \$88,766,098,160.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2014, 99.25% of the current tax levy (October 1, 2013) 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.

4 – PROPERTY TAXES, continued

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District, the Williamson Central Appraisal District, and the Hays Central 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 and the Hays Central Appraisal District have chosen to review the value of property in their respective districts every two years, while the Williamson Central 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, Williamson, and Hays Counties bill and collect property taxes for the City.

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, 2014, was \$0.3856 per \$100 assessed valuation. The tax rate for servicing the payment of principal and interest on general obligation long-term debt for the fiscal year ended September 30, 2014 was \$0.1171 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$0.6144 per \$100 assessed valuation, and could levy approximately \$545,378,907 in additional taxes from the assessed valuation of \$88,766,098,160 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.

5 – CAPITAL ASSETS AND INFRASTRUCTURE

Governmental Activities

Capital asset activity for the year ended September 30, 2014, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u> (1)	<u>Decreases</u> (1)	<u>Ending Balance</u>
Depreciable capital assets				
Building and improvements	\$ 781,367	77,052	(507)	857,912
Plant and equipment	215,555	34,149	(17,686)	232,018
Vehicles	114,697	20,257	(9,936)	125,018
Infrastructure	2,245,026	115,278	--	2,360,304
Total depreciable capital assets	<u>3,356,645</u>	<u>246,736</u>	<u>(28,129)</u>	<u>3,575,252</u>
Less accumulated depreciation for				
Building and improvements	(265,529)	(22,138)	250	(287,417)
Plant and equipment	(135,903)	(19,663)	4,594	(150,972)
Vehicles	(72,220)	(11,169)	4,335	(79,054)
Infrastructure	(914,203)	(63,031)	2	(977,232)
Total accumulated depreciation	<u>(1,387,855)</u>	<u>(116,001)</u> (2)	<u>9,181</u>	<u>(1,494,675)</u>
Depreciable capital assets, net	<u>1,968,790</u>	<u>130,735</u>	<u>(18,948)</u>	<u>2,080,577</u>
Nondepreciable capital assets				
Land and improvements	351,996	37,433	(26,338)	363,091
Arts and treasures	8,021	626	(4)	8,643
Library collections	14,390	--	--	14,390
Construction in progress	218,414	272,607	(264,522)	226,499
Total nondepreciable assets	<u>592,821</u>	<u>310,666</u>	<u>(290,864)</u>	<u>612,623</u>
Total capital assets	<u>\$ 2,561,611</u>	<u>441,401</u>	<u>(309,812)</u>	<u>2,693,200</u>

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

(2) Components of accumulated depreciation/amortization increases:

Governmental activities:

General government	\$ 5,005
Public safety	15,265
Transportation, planning and sustainability	53,241
Public health	1,538
Public recreation and culture	13,169
Urban growth management	16,830
Internal service funds	10,953
Total increases in accumulated depreciation/amortization	<u>\$ 116,001</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities

Capital asset activity for the year ended September 30, 2014, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases (1)</u>	<u>Decreases (1)</u>	<u>Ending Balance</u>
Depreciable capital assets				
Building and improvements	\$ 1,694,070	46,444	(1,959)	1,738,555
Plant and equipment	3,438,145	137,841	(6,807)	3,569,179
Vehicles	177,448	16,743	(5,864)	188,327
Electric plant	4,438,575	107,061	(28,434)	4,517,202
Non-electric plant	176,157	16,818	(3,145)	189,830
Nuclear fuel	306,171	56,229	(41,636)	320,764
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>10,330,566</u>	<u>381,136</u>	<u>(87,845)</u>	<u>10,623,857</u>
Less accumulated depreciation/amortization for				
Building and improvements	(573,422)	(43,769)	116	(617,075)
Plant and equipment	(1,194,822)	(92,840)	4,229	(1,283,433)
Vehicles	(103,759)	(16,603)	5,347	(115,015)
Electric plant	(2,195,312)	(142,593)	21,956	(2,315,949)
Non-electric plant	(48,085)	(7,441)	1,050	(54,476)
Nuclear fuel	(266,155)	(14,993)	--	(281,148)
Water rights	(13,827)	(988)	--	(14,815)
Total accumulated depreciation/amortization	<u>(4,395,382)</u>	<u>(319,227) (2)</u>	<u>32,698</u>	<u>(4,681,911)</u>
Depreciable capital assets, net	<u>5,935,184</u>	<u>61,909</u>	<u>(55,147)</u>	<u>5,941,946</u>
Nondepreciable capital assets				
Land and improvements	513,213	56,187	(14,626)	554,774
Arts and treasures	1,657	--	--	1,657
Construction in progress	648,553	479,316	(333,405)	794,464
Plant held for future use	23,115	--	--	23,115
Total nondepreciable assets	<u>1,186,538</u>	<u>535,503</u>	<u>(348,031)</u>	<u>1,374,010</u>
Total capital assets	<u>\$ 7,121,722</u>	<u>597,412</u>	<u>(403,178)</u>	<u>7,315,956</u>

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

(2) Components of accumulated depreciation/amortization increases:

Business-type activities:

Electric	\$ 167,443
Water	44,577
Wastewater	58,866
Airport	21,151
Convention Center	8,941
Environmental and health services	8,071
Public recreation	773
Urban growth management	9,405
Total increases in accumulated depreciation/amortization	<u>\$ 319,227</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Energy

Capital asset activity for the year ended September 30, 2014, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets				
Vehicles	\$ 30,751	1,302	(1,585)	30,468
Electric plant	4,438,575	107,061	(28,434)	4,517,202
Non-electric plant	176,157	16,818	(3,145)	189,830
Nuclear fuel	306,171	56,229	(41,636)	320,764
Total depreciable capital assets	<u>4,951,654</u>	<u>181,410</u>	<u>(74,800)</u>	<u>5,058,264</u>
Less accumulated depreciation/amortization for				
Vehicles	(21,639)	(2,416)	1,581	(22,474)
Electric plant	(2,195,312)	(142,593)	21,956	(2,315,949)
Non-electric plant	(48,085)	(7,441)	1,050	(54,476)
Nuclear fuel	(266,155)	(14,993)	--	(281,148)
Total accumulated depreciation/amortization	<u>(2,531,191)</u>	<u>(167,443) (1)</u>	<u>24,587</u>	<u>(2,674,047)</u>
Depreciable capital assets, net	<u>2,420,463</u>	<u>13,967</u>	<u>(50,213)</u>	<u>2,384,217</u>
Nondepreciable capital assets				
Land and improvements	62,323	442	--	62,765
Plant held for future use	23,115	--	--	23,115
Construction in progress	80,872	166,783	(130,295)	117,360
Total nondepreciable assets	<u>166,310</u>	<u>167,225</u>	<u>(130,295)</u>	<u>203,240</u>
Total capital assets	<u>\$ 2,586,773</u>	<u>181,192</u>	<u>(180,508)</u>	<u>2,587,457</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	\$ 152,450
Current year amortization included in operating expense	14,993
Total increases in accumulated depreciation/amortization	<u>\$ 167,443</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Water Utility

Capital asset activity for the year ended September 30, 2014, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u> (1)	<u>Decreases</u> (1)	<u>Ending Balance</u>
Depreciable capital assets				
Building and improvements	\$ 656,933	18,817	(1,734)	674,016
Plant and equipment	3,246,692	111,215	(2,877)	3,355,030
Vehicles	36,452	3,413	(723)	39,142
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>4,040,077</u>	<u>133,445</u>	<u>(5,334)</u>	<u>4,168,188</u>
Less accumulated depreciation/amortization for				
Building and improvements	(216,717)	(15,305)	115	(231,907)
Plant and equipment	(1,125,645)	(84,122)	1,792	(1,207,975)
Vehicles	(25,453)	(3,028)	775	(27,706)
Water rights	(13,827)	(988)	--	(14,815)
Total accumulated depreciation/amortization	<u>(1,381,642)</u>	<u>(103,443)</u> (2)	<u>2,682</u>	<u>(1,482,403)</u>
Depreciable capital assets, net	<u>2,658,435</u>	<u>30,002</u>	<u>(2,652)</u>	<u>2,685,785</u>
Nondepreciable capital assets				
Land and improvements	244,646	795	(14,626)	230,815
Arts and treasures	62	--	--	62
Construction in progress	486,394	198,902	(108,214)	577,082
Total nondepreciable assets	<u>731,102</u>	<u>199,697</u>	<u>(122,840)</u>	<u>807,959</u>
Total capital assets	<u>\$ 3,389,537</u>	<u>229,699</u>	<u>(125,492)</u>	<u>3,493,744</u>

(1) Increases and decreases do not include transfers (at net book value) between Austin Water Utility funds.

(2) Components of accumulated depreciation/amortization increases:

Current year depreciation	
Water	\$ 43,589
Wastewater	58,866
Current year amortization	
Water	988
Total increases in accumulated depreciation/amortization	<u>\$ 103,443</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Airport Fund

Capital asset activity for the year ended September 30, 2014, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable capital assets				
Building and improvements	\$ 710,481	24,625	--	735,106
Plant and equipment	25,082	2,436	(1,592)	25,926
Vehicles	10,672	196	(942)	9,926
Total depreciable capital assets	<u>746,235</u>	<u>27,257</u>	<u>(2,534)</u>	<u>770,958</u>
Less accumulated depreciation for				
Building and improvements	(231,068)	(18,795)	--	(249,863)
Plant and equipment	(13,975)	(1,294)	1,031	(14,238)
Vehicles	(4,852)	(1,062)	360	(5,554)
Total accumulated depreciation	<u>(249,895)</u>	<u>(21,151)</u> (1)	<u>1,391</u>	<u>(269,655)</u>
Depreciable capital assets, net	<u>496,340</u>	<u>6,106</u>	<u>(1,143)</u>	<u>501,303</u>
Nondepreciable capital assets				
Land and improvements	92,387	3,351	--	95,738
Arts and treasures	983	--	--	983
Construction in progress	30,963	53,099	(32,911)	51,151
Total nondepreciable assets	<u>124,333</u>	<u>56,450</u>	<u>(32,911)</u>	<u>147,872</u>
Total capital assets	<u>\$ 620,673</u>	<u>62,556</u>	<u>(34,054)</u>	<u>649,175</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	<u>\$ 21,151</u>
---------------------------	------------------

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Nonmajor Enterprise Funds

Capital asset activity for the year ended September 30, 2014, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u> (1)	<u>Decreases</u> (1)	<u>Ending Balance</u>
Depreciable capital assets				
Building and improvements	\$ 326,656	3,002	(225)	329,433
Plant and equipment	166,371	24,190	(2,338)	188,223
Vehicles	99,573	11,832	(2,614)	108,791
Total depreciable capital assets	<u>592,600</u>	<u>39,024</u>	<u>(5,177)</u>	<u>626,447</u>
Less accumulated depreciation for				
Building and improvements	(125,637)	(9,669)	1	(135,305)
Plant and equipment	(55,202)	(7,424)	1,406	(61,220)
Vehicles	(51,815)	(10,097)	2,631	(59,281)
Total accumulated depreciation	<u>(232,654)</u>	<u>(27,190)</u> (2)	<u>4,038</u>	<u>(255,806)</u>
Depreciable capital assets, net	<u>359,946</u>	<u>11,834</u>	<u>(1,139)</u>	<u>370,641</u>
Nondepreciable capital assets				
Land and improvements	113,857	51,599	--	165,456
Arts and treasures	612	--	--	612
Construction in progress	50,324	60,532	(61,985)	48,871
Total nondepreciable assets	<u>164,793</u>	<u>112,131</u>	<u>(61,985)</u>	<u>214,939</u>
Total capital assets	<u>\$ 524,739</u>	<u>123,965</u>	<u>(63,124)</u>	<u>585,580</u>

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

(2) Components of accumulated depreciation/amortization increases:

Current year depreciation	
Convention Center	\$ 8,941
Environmental and health services	8,071
Public recreation	773
Urban growth management	9,405
Total increases in accumulated depreciation/amortization	<u>\$ 27,190</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Capitalized Interest

The City has recorded capitalized interest for fiscal year 2014 in the following funds related to the construction of various enterprise fund capital improvement projects (in thousands):

Enterprise Funds	
Airport	\$ 1,409
Nonmajor enterprise funds:	
Austin Resource Recovery	2
Convention Center	981
Drainage	430
Golf	1
Transportation	1

Interest is not capitalized on governmental capital assets. In accordance with accounting for regulated operations, interest is also not capitalized for Austin Energy or Austin Water Utility capital assets.

Service Concession Arrangements

The City has recorded capital assets and deferred inflows of \$3.67 million derived from two service concession arrangements (SCA) described below. An SCA is an arrangement in which the City conveys use of a capital asset to an operator in exchange for significant consideration; where the operator is compensated from third parties; where the COA may determine what services are provided, to whom and for what price; where the City retains a significant residual interest in the asset after the SCA terminates.

The City has had an agreement with the Friends of Umlauf Garden, Inc. since 1991 to manage and operate the Umlauf Sculpture Garden and Museum located at 605 Robert E. Lee Road. The agreement extends through 2021 and is for the purpose of displaying the artistic works of Charles Umlauf for the public enjoyment and education. Structures, which are dedicated to the City, have been built on City-owned land and display City-owned artwork.

The City entered into an agreement with the Young Men's Christian Association (YMCA) in 2010 to develop and construct a new joint-use recreational facility for public use located at 1000 W. Rundberg Lane. The facility was built upon City-owned land and was completed in December 2012.

As of September 30, 2014, the City recorded the following activity in the governmental activities (in thousands):

Service Concession Arrangement	Asset				Net Book Value
	Construction Cost	Prior Period Depreciation	Current Year Depreciation	Total Depreciation	
Umlauf Sculpture Garden	\$ 2,337	1,280	59	1,339	998
YMCA Northeast Recreation Center	1,333	28	33	61	1,272
	<u>3,670</u>	<u>1,308</u>	<u>92</u>	<u>1,400</u>	<u>2,270</u>

	Beginning	Prior Period	Current Year	Total	Ending
	Deferred Inflows	Amortization	Amortization	Amortization	Deferred Inflows
Umlauf Sculpture Garden	2,337	1,707	78	1,785	552
YMCA Northeast Recreation Center	1,333	211	67	278	1,055
	<u>\$ 3,670</u>	<u>1,918</u>	<u>145</u>	<u>2,063</u>	<u>1,607</u>

6 – 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 these funds are included in governmental activities.

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, 2014, were as follows (in thousands):

Description	October 1, 2013	Increases	Decreases	September 30, 2014	Amounts Due Within One Year
Governmental activities					
General obligation bonds, net	\$ 919,973	227,524	(172,642)	974,855	53,769
Certificates of obligation, net	114,798	25,528	(4,497)	135,829	4,287
Contractual obligations, net	67,788	25,527	(8,279)	85,036	10,584
Debt service requirements total	<u>1,102,559</u>	<u>278,579</u>	<u>(185,418)</u>	<u>1,195,720</u>	<u>68,640</u>
Other long-term obligations					
Accrued compensated absences	127,828	4,635	(327)	132,136	56,693
Claims payable	39,882	21,977	(18,053)	43,806	23,655
Pension obligation payable	64,768	--	(18)	64,750	--
Other post employment benefits	375,956	59,307	--	435,263	--
Other liabilities	85,890	35,128	(33,788)	87,230	81,205
Governmental activities total	<u>1,796,883</u>	<u>399,626</u>	<u>(237,604)</u>	<u>1,958,905</u>	<u>230,193</u>
Total business-type activities					
General obligation bonds, net	33,192	7,475	(6,966)	33,701	4,302
Certificates of obligation, net	33,658	363	(6,789)	27,232	983
Contractual obligations, net	55,508	25,971	(15,625)	65,854	15,370
Other tax supported debt, net	9,915	--	(720)	9,195	745
General obligation bonds and other tax supported debt total	<u>132,273</u>	<u>33,809</u>	<u>(30,100)</u>	<u>135,982</u>	<u>21,400</u>
Commercial paper notes, net	193,991	247,468	(200,003)	241,456	--
Revenue bonds, net	4,318,355	387,079	(406,791)	4,298,643	172,691
Capital lease obligations	1,176	--	(41)	1,135	46
Debt service requirements total	<u>4,645,795</u>	<u>668,356</u>	<u>(636,935)</u>	<u>4,677,216</u>	<u>194,137</u>
Other long-term obligations					
Accrued compensated absences	23,102	1,032	(310)	23,824	23,416
Pension obligation payable	63,638	--	(1,767)	61,871	--
Other post employment benefits	222,731	32,271	--	255,002	--
Accrued landfill closure and postclosure costs	10,310	245	(620)	9,935	411
Decommissioning expense payable	179,123	6,765	(3,352)	182,536	8,138
Other liabilities	802,507	5,764	(713,094)	95,177	53,919
Business-type activities total	<u>5,947,206</u>	<u>714,433</u>	<u>(1,356,078)</u>	<u>5,305,561</u>	<u>280,021</u>
Total liabilities (1)	<u>7,744,089</u>	<u>1,114,059</u>	<u>(1,593,682)</u>	<u>7,264,466</u>	<u>510,214</u>

(1) This schedule excludes select short-term liabilities of \$91,307 for governmental activities. For business-type activities, it excludes select short-term liabilities of \$201,761, capital appreciation bond interest payable of \$99,707 and derivative instruments of \$90,437.

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

Description	October 1, 2013	Increases	Decreases	September 30, 2014	Amounts Due Within One Year
Business-type activities:					
Electric activities					
General obligation bonds, net	\$ 809	502	(625)	686	149
General obligation bonds and other tax supported debt total	809	502	(625)	686	149
Commercial paper notes, net	88,541	77,918	(3)	166,456	--
Revenue bonds, net	1,340,446	--	(88,060)	1,252,386	47,904
Capital lease obligations	1,176	--	(41)	1,135	46
Debt service requirements total	1,430,972	78,420	(88,729)	1,420,663	48,099
Other long-term obligations					
Accrued compensated absences	9,990	147	(56)	10,081	10,067
Pension obligation payable	28,877	--	(1,247)	27,630	--
Other post employment benefits	92,064	12,283	--	104,347	--
Decommissioning expense payable	179,123	6,765	(3,352)	182,536	8,138
Other liabilities	282,108	3,749	(216,065)	69,792	31,961
Electric activities total	2,023,134	101,364	(309,449)	1,815,049	98,265
Water and Wastewater activities					
General obligation bonds, net	5,067	329	(1,421)	3,975	1,016
Contractual obligations, net	8,281	3,019	(2,958)	8,342	2,033
Other tax supported debt, net	6,348	--	(461)	5,887	477
General obligation bonds and other tax supported debt total	19,696	3,348	(4,840)	18,204	3,526
Commercial paper notes, net	105,450	169,550	(200,000)	75,000	--
Revenue bonds, net	2,451,724	322,016	(225,004)	2,548,736	97,176
Debt service requirements total	2,576,870	494,914	(429,844)	2,641,940	100,702
Other long-term obligations					
Accrued compensated absences	5,260	155	--	5,415	5,415
Pension obligation payable	14,264	--	(206)	14,058	--
Other post employment benefits	55,462	8,484	--	63,946	--
Other liabilities	507,121	350	(494,337)	13,134	13,134
Water and Wastewater activities total	3,158,977	503,903	(924,387)	2,738,493	119,251
Airport activities					
General obligation bonds, net	161	89	(116)	134	29
General obligation bonds and other tax supported debt total	161	89	(116)	134	29
Revenue bonds, net	326,547	35,620	(52,154)	310,013	16,681
Debt service requirements total	326,708	35,709	(52,270)	310,147	16,710
Other long-term obligations					
Accrued compensated absences	1,782	235	(201)	1,816	1,756
Pension obligation payable	4,312	--	(63)	4,249	--
Other post employment benefits	14,926	2,283	--	17,209	--
Other liabilities	1,878	317	(75)	2,120	2,108
Airport activities total	349,606	38,544	(52,609)	335,541	20,574
Nonmajor activities					
General obligation bonds, net	27,155	6,555	(4,804)	28,906	3,108
Certificates of obligation, net	33,658	363	(6,789)	27,232	983
Contractual obligations	47,227	22,952	(12,667)	57,512	13,337
Other tax supported debt, net	3,567	--	(259)	3,308	268
General obligation bonds and other tax supported debt total	111,607	29,870	(24,519)	116,958	17,696
Revenue bonds, net	199,638	29,443	(41,573)	187,508	10,930
Debt service requirements total	311,245	59,313	(66,092)	304,466	28,626
Other long-term obligations					
Accrued compensated absences	6,070	495	(53)	6,512	6,178
Pension obligation payable	16,185	--	(251)	15,934	--
Other post employment benefits	60,279	9,221	--	69,500	--
Accrued landfill closure and postclosure costs	10,310	245	(620)	9,935	411
Other liabilities	11,400	1,348	(2,617)	10,131	6,716
Nonmajor activities total	415,489	70,622	(69,633)	416,478	41,931

6 – 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, 2014, including those reported in certain proprietary funds (in thousands):

Series	Fiscal Year	Original Amount Issue	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
NW Austin MUD	2005	\$ 2,630	1,270	182 (1)(3)	3.85 - 4.30%	9/01/2015-2020
NW Austin MUD	2006	7,995	6,850	3,039 (1)(3)	4.00 - 4.25%	9/01/2015-2026
NW Austin MUD	2010	2,760	1,075	71 (1)(3)	4.00 - 4.25%	3/01/2015-2018
2005 Refunding	2005	145,345	18,655	933 (1)	5.00%	9/1/2015
2005 Refunding	2005	19,535	12,240	4,526 (1)	4.00 - 4.25%	9/1/2015-2025
2005	2005	7,185	4,825	1,308 (1)	3.70 - 4.30%	9/1/2015-2025
2006	2006	31,585	30,985	11,165 (1)	4.00 - 5.38%	9/1/2015-2026
2006	2006	24,150	17,180	5,247 (1)	4.00 - 5.00%	9/1/2015-2026
2006	2006	12,000	8,995	2,837 (1)(4)	4.00 - 6.00%	9/1/2015-2026
2007	2008	97,525	93,025	41,489 (1)	4.64%	9/1/2015-2027
2007	2008	3,820	2,885	1,082 (1)	4.88%	9/1/2015-2027
2007	2008	9,755	2,080	129 (2)	3.66%	11/1/2014-2017
2008 Refunding	2008	172,505	80,450	14,096 (1)	5.00%	9/1/2015-2021
2008	2009	76,045	60,955	28,759 (1)	3.50 - 5.00%	9/1/2015-2028
2008	2009	10,700	8,590	3,242 (1)	4.00 - 5.00%	9/1/2015-2028
2008	2009	26,715	6,450	227 (2)	3.50%	11/1/2014-2015
2009A	2009	20,905	5,440	301 (1)	4.13 - 5.00%	9/1/2015-2016
2009B	2009	78,460	78,460	37,153 (1)	4.15 - 5.31%	9/1/2017-2029
2009	2009	12,500	9,320	5,102 (1)	3.00 - 4.75%	9/1/2015-2039
2009	2009	13,800	6,495	446 (2)	3.00 - 3.25%	11/1/2014-2019
2009	2010	15,000	12,535	4,488 (1)(4)	3.50 - 4.25%	9/1/2015-2029
2010A	2011	79,528	66,330	27,732 (1)	2.00 - 4.00%	9/1/2015-2030
2010B	2011	26,400	24,870	11,952 (1)	3.50 - 4.65%	9/1/2015-2030
2010	2011	22,300	19,390	5,822 (1)	2.00 - 3.50%	9/1/2015-2030
2010	2011	16,450	8,690	269 (2)	1.00 - 1.75%	11/1/2014-2017
2010 Refunding	2011	91,560	87,555	23,585 (1)	4.00 - 5.00%	9/1/2015-2023
2011A	2012	78,090	69,590	33,910 (1)	2.00 - 4.00%	9/1/2015-2031
2011B	2012	8,450	8,350	3,761 (1)	2.50 - 4.50%	9/1/2015-2031
2011	2012	51,150	49,025	29,793 (1)	3.00 - 5.00%	9/1/2015-2041
2011	2012	26,725	18,075	878 (2)	1.00 - 2.00%	11/1/2014-2018
2011A Refunding	2012	68,285	38,265	7,623 (1)	4.00 - 5.00%	9/1/2015-2023
2011B Refunding	2012	3,000	1,030	22 (1)	1.51 - 1.86%	9/1/2015-2016
2012A	2013	74,280	70,945	32,734 (1)	3.00 - 5.00%	9/1/2023-2032
2012B	2013	6,640	5,760	1,860 (1)	2.00 - 3.50%	9/1/2015-2032
2012	2013	24,645	23,290	8,505 (1)	2.00 - 4.00%	9/1/2015-2037
2012	2013	27,135	21,840	2,375 (2)	3.00 - 4.00%	11/1/2014-2019
2012	2013	16,735	15,865	5,857 (1)(4)	2.00 - 3.38%	9/1/2015-2032
2013	2014	104,665	101,370	58,749 (1)	4.00 - 5.00%	9/1/2016-2033
2013	2014	25,355	25,355	15,463 (1)	3.25 - 5.00%	9/1/2016-2038
2013	2014	50,150	46,765	3,808 (2)	1.00 - 3.00%	11/1/2014-2020
2013A Refunding	2014	43,250	39,560	11,167 (1)	5.00%	9/1/2015-2024
2013B Refunding	2014	71,455	69,895	5,058 (1)	0.44 - 2.72%	9/1/2015-2020
			<u>\$ 1,280,575</u>			

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

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

(3) Includes Austin Water Utility principal of \$5,887 and interest of \$2,108 and Drainage Fund principal of \$3,308 and interest of \$1,184.

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

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

In October 2013, the City issued \$104,665,000 of Public Improvement Bonds, Series 2013. The net proceeds of \$113,250,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and signals (\$50,335,000), watershed protection improvements (\$35,000,000), parks and recreation (\$1,425,000), central library (\$20,000,000), and facility improvements (\$6,490,000). These bonds will be amortized serially on September 1 of each year from 2014 to 2033. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2014. Total interest requirements for these bonds, at rates ranging from 2.0% to 5.0%, are \$63,690,050.

In October 2013, the City issued \$25,355,000 of Certificates of Obligation, Series 2013. The net proceeds of \$25,355,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: solid waste services environmental remediation (\$355,000) and Waller Creek Tunnel (\$25,000,000). These certificates of obligation will be amortized serially on September 1 of each year from 2016 to 2038. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2014. Total interest requirements for these obligations, at rates ranging from 3.25% to 5.0%, are \$16,526,625.

In October 2013, the City issued \$50,150,000 of Public Property Finance Contractual Obligations, Series 2013. The net proceeds of \$51,240,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: water utility capital equipment (\$1,245,000), wastewater utility capital equipment (\$1,760,000), public safety radio replacements (\$5,355,000), general government and support services capital equipment (\$13,425,000), police capital equipment (\$3,745,000), public works capital equipment (\$9,210,000), fire capital equipment (\$2,865,000), transportation capital equipment (\$635,000) and solid waste services capital equipment (\$13,000,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2014 to 2020. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2014. Total interest requirements for these obligations, at rates ranging from 0.5% to 3.0%, are \$4,487,556.

In October 2013, the City issued \$43,250,000 of Public Improvement Refunding Bonds, Series 2013A. The net proceeds of \$49,640,369 (after issue costs, discounts, and premiums) from the refunding were used to refund \$3,670,000 of Public Improvement Refunding Bonds, Series 2003; \$220,000 of Certificates of Obligation, Series 2003; \$4,405,000 of Certificates of Obligation, Series 2004; and \$39,435,000 of Public Improvement Refunding Bonds, Series 2004. The refunding resulted in future interest requirements to service the debt of \$13,047,317 with interest rates ranging from 2.0% to 5.0%. Interest is payable March 1 and September 1 of each year from 2014 to 2024, commencing on March 1, 2014. Principal payments are due September 1 of each year from 2014 to 2021, and 2023 to 2024. An economic gain of \$3,773,236 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$4,286,744.

In October 2013, the City issued \$71,455,000 of Public Improvement Refunding Bonds, Taxable Series 2013B. The net proceeds of \$71,252,539 (after issue costs, discounts, and premiums) from the refunding were used to refund \$66,475,000 of Public Improvement Refunding Bonds, Series 2005. The refunding resulted in future interest requirements to service the debt of \$6,190,387 with interest rates ranging from 0.20% to 2.72%. Interest is payable March 1 and September 1 of each year from 2014 to 2020, commencing on March 1, 2014. Principal payments are due September 1 of each year from 2014 to 2020. An economic gain of \$3,993,908 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$4,325,025.

General obligation bonds authorized and unissued amounted to \$439,480,000 at September 30, 2014. Bond ratings at September 30, 2014 were Aaa (Moody's Investors Service, Inc.), AAA (Standard & Poor's), and AAA (Fitch).

c -- Business-Type Activities Long-Term Liabilities

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

Combined Utility Systems Debt -- General - Austin Energy and Austin Water Utility 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 Austin Energy and Austin Water Utility.

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

The total combined utility systems revenue bond obligations at September 30, 2014, exclusive of discounts, premiums, and loss on refundings consists of \$30,561,469 prior lien bonds and \$148,104,711 subordinate lien bonds. Aggregate interest requirements for all prior lien and subordinate lien bonds are \$191,741,145 at September 30, 2014. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2014, for the prior lien and subordinate lien bonds were, respectively, Aa1 and Aa2 (Moody's Investors Service, 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 Austin Energy and Austin Water Utility. 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, 2014 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
1990B Refunding	1990	\$ 236,009	3,668	20,502 (2)	7.35%	11/15/2014-2017
1994 Refunding	1995	142,559	26,894	96,961 (2)	6.60%	5/15/2017-2019
1998 Refunding	1999	139,965	128,605	47,057 (1)	5.25%	5/15/2015-2025
1998A Refunding	1999	105,350	19,499	27,221 (2)	4.25%	5/15/2015-2020
			<u>\$ 178,666</u>			

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

(2) Interest requirements include accreted interest

Combined Utility Systems Debt -- Tax Exempt Commercial Paper Notes - The City is authorized by ordinance to issue commercial paper notes in an aggregate principal amount not to exceed \$400,000,000 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, 2014, were P-1 (Moody's Investors Service, 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 Austin Energy and Austin Water Utility.

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

At September 30, 2014, Austin Energy had outstanding tax exempt commercial paper notes of \$140,305,000 and Austin Water Utility had \$75,000,000 of commercial paper notes outstanding with interest ranging from 0.06% to 0.08%, which are adjusted daily. Subsequent issues cannot exceed the maximum rate of 12%. The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt. The associated letter of credit agreements have the following terms (in thousands):

<u>Note Series</u>	<u>Liquidity Provider</u>	<u>Commitment Fee Rate</u>	<u>Remarketing</u>	<u>Remarketing Fee Rate</u>	<u>Outstanding</u>	<u>Expiration</u>
Various	Bank of Tokyo Mitsubishi	0.41%	Goldman Sachs	0.05%	\$ 215,305	10/15/2017

These notes are payable at maturity to the holder at a price equal to principal plus accrued interest. If the remarketing agent is unable to successfully remarket the notes, the notes will be purchased by the respective liquidity providers 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 interest or the maximum rate.

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, 2014, were P-1 (Moody’s Investors Service, 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 Austin Energy and Austin Water Utility.

At September 30, 2014, Austin Energy had outstanding taxable commercial paper notes of \$26,156,000 (net of discount of \$4,714) with interest rates ranging from 0.13% to 0.18%. The City intends to refinance maturing commercial paper notes by issuing long-term debt. The associated letter of credit agreement has the following terms (in thousands):

<u>Note Series</u>	<u>Liquidity Provider</u>	<u>Commitment Fee Rate</u>	<u>Remarketing</u>	<u>Remarketing Fee Rate</u>	<u>Outstanding</u>	<u>Expiration</u>
Various	Citibank	0.28%	Goldman Sachs	0.05%	\$ 26,156	10/15/2017

These taxable notes are payable at maturity to the holder at a price equal to the par value of the note. If the remarketing agent is unable to successfully remarket the notes, the notes will be purchased by Citibank, NA and become bank notes with principal due immediately. 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 taxable notes are secured by a direct-pay Letter of Credit issued by Citibank, NA which permits draws for the payment of the Notes. Draws made under the Letter of Credit are immediately due and payable by the City from the resources more fully described in the Ordinance. A 36-month term loan feature is provided by this agreement.

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 Austin Energy. Bond ratings at September 30, 2014, were A1 (Moody’s Investors Service, Inc.), AA- (Standard & Poor’s), and AA- (Fitch).

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

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, 2014 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2002 Refunding	2002	\$ 74,750	6,485	178 (1)	5.50%	11/15/2014
2002A Refunding	2002	172,880	25,775	2,854 (1)	5.50%	11/15/2014-2016
2006 Refunding	2006	150,000	130,700	83,163 (1)	5.00%	11/15/2014-2035
2006A Refunding	2007	137,800	69,555	16,383 (1)	5.00%	11/15/2014-2022
2007 Refunding	2007	146,635	59,640	8,936 (1)	5.00%	11/15/2014-2020
2008 Refunding	2008	50,000	42,860	30,870 (1)	5.20 - 6.26%	11/15/2014-2032
2008A Refunding	2008	175,000	174,200	140,917 (1)	4.00 - 6.00%	11/15/2014-2038
2010A Refunding	2010	119,255	110,075	66,726 (1)	4.00 - 5.00%	11/15/2014-2040
2010B Refunding	2010	100,990	100,990	98,529 (1)	4.54 - 5.72%	11/15/2019-2040
2012A Refunding	2013	267,770	267,770	203,210 (1)	2.50 - 5.00%	11/15/2016-2040
2012B Refunding	2013	107,715	107,715	26,997 (1)	0.67 - 3.16%	11/15/2015-2027
			<u>\$ 1,095,765</u>			

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

Electric Utility System Revenue Debt -- Pledged Revenues - The net revenue of Austin Energy was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2014 (in thousands):

Gross Revenue (1)	Operating Expense (2)(3)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 1,375,294	1,028,794	346,500	143,252	2.42

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

(2) Excludes depreciation.

(3) Excludes other post employment benefits and pension obligation accruals.

Water and Wastewater System Revenue Debt -- General - The City is authorized by ordinance to issue Austin Water Utility 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 Austin Water Utility.

Water and Wastewater System Revenue Debt -- Revenue Bond Refunding Issues - In June 2014, the City issued \$282,205,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2014. The net proceeds of \$320,800,603 (after issue costs, discounts, and premiums) from the bond refunding were used to refund \$200,000,000 of the City's outstanding tax-exempt commercial paper issued for the water and wastewater utility system; \$105,780,000 of separate lien revenue refunding bonds, series 2005A, and \$9,725,000 of subordinate lien revenue refunding bonds, series 1998A. The debt service requirements on the refunding bonds are \$531,497,128 with interest rates ranging from 4.0% to 5.0%. Interest payments are due May 15 and November 15 of each year from 2015 to 2043. Principal payments are due May 15 of each year from 2018 to 2035, and November 15 of each year from 2019 to 2043. An economic gain of \$9,769,028 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$10,623,466. An accounting loss of \$2,733,850, which will be deferred and amortized, was recorded on this refunding.

Bond ratings at September 30, 2014, were Aa2 (Moody's Investors Service, Inc.), AA (Standard & Poor's), and AA- (Fitch).

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

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, 2014 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2001C Refunding	2002	\$ 95,380	781	27 (1)	4.60 - 4.70%	11/15/2014-2015 (3)
2002A Refunding	2002	139,695	47,250	3,723 (1)	5.50%	11/15/2014-2016
2004A Refunding	2005	165,145	19,390	3,646 (1)	5.00%	11/15/2014-2029
2005 Refunding	2005	198,485	169,545	58,401 (1)	4.00 - 5.00%	11/15/2014-2030 (3)
2005A Refunding	2006	142,335	8,725	3,413 (1)	4.30 - 5.00%	11/15/2014-2035 (3)
2006 Refunding	2006	63,100	43,080	13,269 (1)	5.00%	11/15/2014-2025
2006A Refunding	2007	135,000	120,525	71,865 (1)	3.50 - 5.00%	11/15/2014-2036
2007 Refunding	2008	135,000	122,865	86,917 (1)	4.40 - 5.25%	11/15/2014-2037
2008 Refunding	2008	170,605	125,120	46,872 (2)	0.03 - 0.12%	11/15/2014-2031 (3)
2009 Refunding	2009	175,000	156,495	70,012 (1)	4.00 - 5.13%	11/15/2014-2029
2009A Refunding	2010	166,575	156,065	115,775 (1)	4.00 - 5.00%	11/15/2014-2039
2010	2010	31,815	29,685	-- (4)	0.00%	11/15/2014-2041
2010A Refunding	2011	76,855	75,535	62,790 (1)	4.00 - 5.13%	11/15/2014-2040
2010B Refunding	2011	100,970	100,970	93,193 (1)	2.49 - 6.02%	11/15/2015-2040
2011 Refunding	2012	237,530	237,530	183,867 (1)	2.00 - 5.00%	11/15/2014-2041
2011 Revenue	2012	18,485	18,485	2,535 (5)	2.50 - 2.80%	12/01/2015-2016
2011 Revenue	2012	2,332	2,332	298 (5)	2.50 - 2.80%	12/01/2015-2016
2012 Refunding	2012	336,820	325,365	212,172 (1)	2.50 - 5.00%	11/15/2014-2042
2013A Refunding	2013	282,460	282,460	218,643 (1)	3.00 - 5.00%	11/15/2015-2043
2014 Refunding	2014	282,205	282,205	249,292 (1)	4.00 - 5.00%	5/15/2018-2043 (6)
			<u>\$ 2,324,408</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 is calculated utilizing the rate in effect at the end of the fiscal year.

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

(4) Zero interest bond placed with TWDB.

(5) Special Assessment Revenue Bonds.

(6) Series matures on November 15th of the final year.

Series 2008 refunding bonds are variable rate demand bonds. The associated letter of credit agreement has the following terms (in thousands):

Bond Sub-Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding	Expiration
2008	The Bank of Tokyo-Mitsubishi UFJ, Ltd Sumitomo Mitsui Banking Corporation	0.85%	Goldman Sachs	0.05%	<u>\$ 125,120</u>	5/8/2015

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.

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

Water and Wastewater System Revenue Debt -- Pledged Revenues - The net revenue of Austin Water Utility was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2014 (in thousands):

	Gross Revenue (1)	Operating Expense (2)(3)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage (4)
\$	472,717	218,071	254,646	204,146	1.25

- (1) Gross revenue includes revenues from operations and interest income.
- (2) Excludes depreciation.
- (3) Excludes other post employment benefits and pension obligation accruals.
- (4) The coverage calculation presented considers all Water and Wastewater debt service obligations, regardless of type or designation. This methodology closely approximates but does not follow exactly the coverage calculation required by the master ordinance.

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, 2014, the total airport system obligation for prior lien bonds is \$310,445,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior lien bonds are \$71,256,575 at September 30, 2014. Revenue bonds authorized and unissued amount to \$735,795,000.

Airport System Revenue Debt -- Revenue Refunding Bond Issue - In October 2013, the City issued \$35,620,000 of Airport System Revenue Refunding Bonds, Series 2013A. The net proceeds of \$36,868,542 (after issue costs, discounts, and premiums) from the refunding were used to refund \$35,880,000 of the City's outstanding Airport System Prior Lien Revenue Refunding Bonds, Series 2003. The debt service requirements on the refunding bonds are \$37,590,793, with an interest rate of 1.56%. Interest is payable May 15 and November 15 of each year from 2014 to 2018, commencing on May 15, 2014. Principal payments are due November 15 of each year from 2014 to 2018. An economic gain of \$5,698,670 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$5,899,132.

The bond rating at September 30, 2014, for the revenue bonds is A (Standard & Poor's).

The following table summarizes all airport system original and refunding revenue bonds outstanding at September 30, 2014 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2005 Refunding	2008 (1)	\$ 281,300	214,825	57,707 (2)	0.03 - 0.14%	11/15/2014-2025
2013 Revenue	2013	60,000	60,000	11,888 (3)	2.25%	11/15/2015-2028 (4)
2013A Refunding	2014	35,620	35,620	1,662 (3)	1.56%	11/15/2014-2018
			<u>\$ 310,445</u>			

- (1) Series was remarketed in 2008.
- (2) Interest is paid monthly and is based on a variable rate. Aggregate interest requirement is calculated utilizing the rate in effect at the end of the fiscal year.
- (3) Interest is paid semiannually on May 15 and November 15.
- (4) Series matures on May 15th of the final year.

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

The Series 2005 refunding bonds that were remarketed in 2008 are variable rate demand bonds. These bonds are separated into 4 subseries with a total principal amount of \$214,825,000. The associated letter of credit agreement has the following terms (in thousands):

Bond Sub-Series	Liquidity Provider	Variable Rate Demand Bonds			Outstanding	Expiration
		Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate		
2005-1	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	\$ 53,725	10/15/2018
2005-2	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	53,650	10/15/2018
2005-3	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	53,725	10/15/2018
2005-4	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	53,725	10/15/2018
					\$ 214,825	

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 or if the agreement expires with no new agreement in place, the bonds will be purchased by the respective liquidity provider and become bank bonds with principal to be paid in annual installments over the remaining life of the bond series beginning on the first business day of the month six months following the triggering repayment event. Thus, under any circumstance, no principal payments will be due within a year of September 30, 2014. 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 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, 2014 (in thousands):

Gross Revenue (1)	Other Available Funds (2)	Operating Expense (3)(4)	Net Revenue and Other Available Funds	Debt Service Requirement (5)	Revenue Bond Coverage
\$ 109,263	3,620	73,822	39,061	14,480	2.70

- (1) Gross revenue includes revenues from operations and interest income.
- (2) Pursuant to the bond ordinance, in addition to gross revenue, the Airport is authorized to use "other available funds" in the calculation of revenue bond coverage not to exceed 25% of the debt service requirements.
- (3) Excludes depreciation.
- (4) Excludes other post employment benefits and pension obligation accruals.
- (5) Excludes debt service amounts paid with passenger facility charge revenues and restricted bond proceeds applied to current interest payments.

Nonmajor Fund Debt:

Convention Center -- Prior and Subordinate Lien Revenue Refunding 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, 2014, the total convention center obligation for prior and subordinate lien bonds is \$182,670,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior and subordinate lien bonds are \$55,191,678 at September 30, 2014. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2014.

Convention Center -- Revenue Refunding Bond Issue - In December 2013, the City issued \$26,485,000 of Hotel Occupancy Tax Revenue Refunding Bonds, Series 2013. The net proceeds of \$29,154,825 (after issue costs, discounts, and premiums) from the refunding were used to refund \$28,890,000 of the City's outstanding Hotel Occupancy Tax Revenue Refunding Bonds, Series 2004. The debt service requirements on the refunding bonds are \$30,852,642, with interest rates ranging from 2.0% to 5.0%. Interest is payable May 15 and November 15 of each year from 2014 to 2019, commencing on May 15, 2014. Principal payments are due November 15 of each year from 2014 to 2019. An economic gain of \$3,013,625 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$3,166,933.

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

Bond ratings at September 30, 2014, for the revenue bonds and subordinate lien bonds were, respectively, AA3 and A1 (Moody's Investors Service, Inc.), and AA- and A (Standard & Poor's).

The following table summarizes Convention Center original and refunding revenue bonds outstanding at September 30, 2014 (in thousands):

<u>Series</u>	<u>Fiscal Year</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>
2005 Refunding	2005	\$ 36,720	33,455	14,904 (1)	4.00 - 5.00%	11/15/2014-2029
2008AB Refunding	2008	125,280	103,365	28,099 (2)	0.04 - 0.15%	11/15/2014-2029
2012 Refunding	2012	20,185	19,365	8,275 (1)	2.00 - 5.00%	11/15/2014-2029
2013 Refunding	2014	26,485	26,485	3,913 (1)	2.00 - 5.00%	11/15/2014-2019
			<u>\$ 182,670</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 is 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 associated letter of credit agreements have the following terms (in thousands):

<u>Bond Sub- Series</u>	<u>Liquidity Provider</u>	<u>Commitment Fee Rate</u>	<u>Remarketing Agent</u>	<u>Remarketing Fee Rate</u>	<u>Outstanding</u>	<u>Expiration</u>
2008-A	JPMorgan Chase Bank, NA	0.42%	Raymond James	0.06%	\$ 51,680	10/1/2017
2008-B	JPMorgan Chase Bank, NA	0.42%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.05%	51,685	10/1/2017
					<u>\$ 103,365</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 or if the agreement expires with no new agreement in place, the bonds will be purchased by the respective liquidity provider and become bank bonds with principal to be paid in equal semi-annual installments over a 5-year amortization period beginning six months from the triggering repayment event. Thus, under any circumstance, no principal payments will be due within a year of September 30, 2014. 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.

6 – DEBT AND NON-DEBT LIABILITIES, continued
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
2015	\$ 53,769	39,680	4,287	5,212	10,584	2,442
2016	56,621	37,265	5,234	5,059	10,265	2,204
2017	57,204	35,176	5,476	4,862	9,953	1,959
2018	55,501	32,962	5,720	4,667	9,963	1,671
2019	56,953	30,751	5,968	4,452	8,650	1,381
2020-2024	299,583	115,118	33,720	18,660	17,375	4,533
2025-2029	264,255	51,175	31,987	11,670	10,610	2,136
2030-2034	88,575	7,653	20,323	6,482	6,055	407
2035-2039	--	--	15,915	2,856	--	--
2040-2044	--	--	4,365	281	--	--
	<u>932,461</u>	<u>349,780</u>	<u>132,995</u>	<u>64,201</u>	<u>83,455</u>	<u>16,733</u>
Less: Unamortized bond discounts	(258)	--	--	--	(7)	--
Add: Unamortized bond premiums	42,652	--	2,834	--	1,588	--
Net debt service requirements	<u>974,855</u>	<u>349,780</u>	<u>135,829</u>	<u>64,201</u>	<u>85,036</u>	<u>16,733</u>

Fiscal Year Ended September 30	Total Governmental Debt Service Requirements		
	Principal	Interest	Total
2015	68,640	47,334	115,974
2016	72,120	44,528	116,648
2017	72,633	41,997	114,630
2018	71,184	39,300	110,484
2019	71,571	36,584	108,155
2020-2024	350,678	138,311	488,989
2025-2029	306,852	64,981	371,833
2030-2034	114,953	14,542	129,495
2035-2039	15,915	2,856	18,771
2040-2044	4,365	281	4,646
	<u>1,148,911</u>	<u>430,714</u>	<u>1,579,625</u>
Less: Unamortized bond discounts	(265)	--	(265)
Add: Unamortized bond premiums	47,074	--	47,074
Net debt service requirements	<u>\$ 1,195,720</u>	<u>430,714</u>	<u>1,626,434</u>

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

Fiscal Year Ended September 30	Business-Type Activities (in thousands)					
	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 4,302	1,403	983	959	15,370	1,503
2016	4,353	1,209	1,071	933	13,590	1,164
2017	3,406	1,017	1,104	905	11,273	869
2018	3,725	869	1,150	875	9,567	581
2019	3,171	715	1,207	844	7,661	324
2020-2024	12,310	1,580	7,006	3,621	6,875	142
2025-2029	--	--	8,878	2,235	--	--
2030-2034	--	--	3,737	737	--	--
2035-2039	--	--	1,730	254	--	--
2040-2044	--	--	--	--	--	--
	<u>31,267</u>	<u>6,793</u>	<u>26,866</u>	<u>11,363</u>	<u>64,336</u>	<u>4,583</u>
Less: Unamortized bond discounts	(14)	--	--	--	--	--
Add: Unamortized bond premiums	2,448	--	366	--	1,518	--
Net debt service requirements	<u>33,701</u>	<u>6,793</u>	<u>27,232</u>	<u>11,363</u>	<u>65,854</u>	<u>4,583</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Commercial Paper Notes (1)		Revenue Bonds (2)(3)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	745	371	241,461	4	172,691
2016	795	342	--	--	190,763	184,554
2017	539	469	--	--	200,104	205,913
2018	545	467	--	--	152,247	213,706
2019	456	575	--	--	153,221	183,898
2020-2024	4,245	950	--	--	931,954	659,499
2025-2029	1,870	118	--	--	950,285	437,086
2030-2034	--	--	--	--	560,405	258,434
2035-2039	--	--	--	--	511,960	130,207
2040-2044	--	--	--	--	268,325	24,836
	<u>9,195</u>	<u>3,292</u>	<u>241,461</u>	<u>4</u>	<u>4,091,955</u>	<u>2,493,661</u>
Less: Unamortized bond discounts	--	--	(5)	--	(3,929)	--
Add: Unamortized bond premiums	--	--	--	--	210,617	--
Net debt service requirements	<u>\$ 9,195</u>	<u>3,292</u>	<u>241,456</u>	<u>4</u>	<u>4,298,643</u>	<u>2,493,661</u>

- (1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt. (Continued)
- (2) A portion of these bonds are variable rate bonds with rates ranging from 0.03% to 0.15%.
- (3) Portions of these bonds are Special Assessment Revenue Bonds.

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

Business-Type Activities, continued
(in thousands)

Fiscal Year Ended September 30	Capital Lease Obligations		Total Business-Type Activities Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
2015	46	56	435,598	199,824	635,422
2016	49	53	210,621	188,255	398,876
2017	52	51	216,478	209,224	425,702
2018	54	48	167,288	216,546	383,834
2019	57	45	165,773	186,401	352,174
2020-2024	333	179	962,723	665,971	1,628,694
2025-2029	427	85	961,460	439,524	1,400,984
2030-2034	117	4	564,259	259,175	823,434
2035-2039	--	--	513,690	130,461	644,151
2040-2044	--	--	268,325	24,836	293,161
	<u>1,135</u>	<u>521</u>	<u>4,466,215</u>	<u>2,520,217</u>	<u>6,986,432</u>
Less: Unamortized bond discounts	--	--	(3,948)	--	(3,948)
Add: Unamortized bond premiums	--	--	214,949	--	214,949
Net debt service requirements	<u>1,135</u>	<u>521</u>	<u>4,677,216</u>	<u>2,520,217</u>	<u>7,197,433</u>

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

Austin Energy Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Commercial Paper Notes (1)		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ 149	18	166,461	3	47,904
2016	122	11	--	--	65,131	56,811
2017	127	9	--	--	53,793	54,201
2018	115	7	--	--	39,431	52,049
2019	109	4	--	--	41,932	47,158
2020-2024	54	2	--	--	249,497	201,952
2025-2029	--	--	--	--	276,642	138,153
2030-2034	--	--	--	--	196,110	79,822
2035-2039	--	--	--	--	175,410	33,440
2040-2044	--	--	--	--	47,400	2,429
	<u>676</u>	<u>51</u>	<u>166,461</u>	<u>3</u>	<u>1,193,250</u>	<u>725,032</u>
Less: Unamortized bond discounts	--	--	(5)	--	(638)	--
Add: Unamortized bond premiums	10	--	--	--	59,774	--
Net debt service requirements	<u>686</u>	<u>51</u>	<u>166,456</u>	<u>3</u>	<u>1,252,386</u>	<u>725,032</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Austin Energy Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2015	46	56	214,560	59,094
2016	49	53	65,302	56,875	122,177
2017	52	51	53,972	54,261	108,233
2018	54	48	39,600	52,104	91,704
2019	57	45	42,098	47,207	89,305
2020-2024	333	179	249,884	202,133	452,017
2025-2029	427	85	277,069	138,238	415,307
2030-2034	117	4	196,227	79,826	276,053
2035-2039	--	--	175,410	33,440	208,850
2040-2044	--	--	47,400	2,429	49,829
	<u>1,135</u>	<u>521</u>	<u>1,361,522</u>	<u>725,607</u>	<u>2,087,129</u>
Less: Unamortized bond discounts	--	--	(643)	--	(643)
Add: Unamortized bond premiums	--	--	59,784	--	59,784
Net debt service requirements	<u>\$ 1,135</u>	<u>521</u>	<u>1,420,663</u>	<u>725,607</u>	<u>2,146,270</u>

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

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

Austin Water Utility Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Contractual Obligations		Other Tax Supported Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,016	165	2,033	186	477	238
2016	1,029	123	1,733	146	509	219
2017	856	75	1,527	105	345	300
2018	599	35	1,180	68	349	299
2019	101	7	910	37	292	368
2020-2024	112	7	778	16	2,718	608
2025-2029	--	--	--	--	1,197	76
	<u>3,713</u>	<u>412</u>	<u>8,161</u>	<u>558</u>	<u>5,887</u>	<u>2,108</u>
Less: Unamortized bond discounts	--	--	--	--	--	--
Add: Unamortized bond premiums	262	--	181	--	--	--
Net debt service requirements	<u>3,975</u>	<u>412</u>	<u>8,342</u>	<u>558</u>	<u>5,887</u>	<u>2,108</u>

Fiscal Year Ended September 30	Commercial Paper Notes (1)		Revenue Bonds (2) (3)		Total Austin Water Utility Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	75,000	1	97,176	119,668	175,702	120,258	295,960
2016	--	--	95,541	111,973	98,812	112,461	211,273
2017	--	--	112,221	136,786	114,949	137,266	252,215
2018	--	--	76,467	147,656	78,595	148,058	226,653
2019	--	--	73,920	124,118	75,223	124,530	199,753
2020-2024	--	--	498,717	415,886	502,325	416,517	918,842
2025-2029	--	--	542,618	288,457	543,815	288,533	832,348
2030-2034	--	--	351,455	178,463	351,455	178,463	529,918
2035-2039	--	--	336,550	96,767	336,550	96,767	433,317
2040-2044	--	--	220,925	22,407	220,925	22,407	243,332
	<u>75,000</u>	<u>1</u>	<u>2,405,590</u>	<u>1,642,181</u>	<u>2,498,351</u>	<u>1,645,260</u>	<u>4,143,611</u>
Less: Unamortized bond discounts	--	--	(2,668)	--	(2,668)	--	(2,668)
Add: Unamortized bond premiums	--	--	145,814	--	146,257	--	146,257
Net debt service requirements	<u>\$ 75,000</u>	<u>1</u>	<u>2,548,736</u>	<u>1,642,181</u>	<u>2,641,940</u>	<u>1,645,260</u>	<u>4,287,200</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 0.03% to 0.12%.

(3) Portions of these bonds are Special Assessment Revenue Bonds.

6 – 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 Bonds (1)	
	Bonds		Principal	Interest
	Principal	Interest		
2015	\$ 29	4	16,681	10,086
2016	24	3	18,351	9,391
2017	24	2	21,940	8,986
2018	21	1	23,744	8,532
2019	20	1	24,249	7,673
2020-2024	12	1	131,625	23,787
2025-2029	--	--	73,855	2,802
	130	12	310,445	71,257
Less: Unamortized bond discounts	--	--	(432)	--
Add: Unamortized bond premiums	4	--	--	--
Net debt service requirements	134	12	310,013	71,257

Fiscal Year Ended September 30	Total Airport		
	Debt Service Requirements		
	Principal	Interest	Total
2015	16,710	10,090	26,800
2016	18,375	9,394	27,769
2017	21,964	8,988	30,952
2018	23,765	8,533	32,298
2019	24,269	7,674	31,943
2020-2024	131,637	23,788	155,425
2025-2029	73,855	2,802	76,657
	310,575	71,269	381,844
Less: Unamortized bond discounts	(432)	--	(432)
Add: Unamortized bond premiums	4	--	4
Net debt service requirements	\$ 310,147	71,269	381,416

(1) Portions of these bonds are variable rate bonds with rates ranging from 0.03% to .14%.

6 – 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
2015	\$ 3,108	1,216	983	959	13,337	1,317
2016	3,178	1,072	1,071	933	11,857	1,018
2017	2,399	931	1,104	905	9,746	764
2018	2,990	826	1,150	875	8,387	513
2019	2,941	703	1,207	844	6,751	287
2020-2024	12,132	1,570	7,006	3,621	6,097	126
2025-2029	--	--	8,878	2,235	--	--
2030-2034	--	--	3,737	737	--	--
2035-2039	--	--	1,730	254	--	--
	<u>26,748</u>	<u>6,318</u>	<u>26,866</u>	<u>11,363</u>	<u>56,175</u>	<u>4,025</u>
Less: Unamortized bond discounts	(14)	--	--	--	--	--
Add: Unamortized bond premiums	2,172	--	366	--	1,337	--
Net debt service requirements	<u>28,906</u>	<u>6,318</u>	<u>27,232</u>	<u>11,363</u>	<u>57,512</u>	<u>4,025</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Revenue Bonds (1)		Total Nonmajor Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	268	133	10,930	6,757	28,626	10,382	39,008
2016	286	123	11,740	6,379	28,132	9,525	37,657
2017	194	169	12,150	5,940	25,593	8,709	34,302
2018	196	168	12,605	5,469	25,328	7,851	33,179
2019	164	207	13,120	4,949	24,183	6,990	31,173
2020-2024	1,527	342	52,115	17,874	78,877	23,533	102,410
2025-2029	673	42	57,170	7,674	66,721	9,951	76,672
2030-2034	--	--	12,840	149	16,577	886	17,463
2035-2039	--	--	--	--	1,730	254	1,984
	<u>3,308</u>	<u>1,184</u>	<u>182,670</u>	<u>55,191</u>	<u>295,767</u>	<u>78,081</u>	<u>373,848</u>
Less: Unamortized bond discounts	--	--	(191)	--	(205)	--	(205)
Add: Unamortized bond premiums	--	--	5,029	--	8,904	--	8,904
Net debt service requirements	<u>\$ 3,308</u>	<u>1,184</u>	<u>187,508</u>	<u>55,191</u>	<u>304,466</u>	<u>78,081</u>	<u>382,547</u>

(1) A portion of these bonds are variable rate bonds with rates ranging from 0.04% to 0.15%.

6 – DEBT AND NON-DEBT LIABILITIES, continued
e -- Defeased Bonds

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, 2014, defeased bonds remaining unredeemed or unmatured are provided below (in thousands):

Refunded Bonds	Escrow Maturity	Balance (1)
General Obligation		
Public Improvement and Refunding Bonds, Series 2005	3/1/2015	\$ 66,475
HUD 108 Loan, Series 2006A	8/1/2016	560
HUD 108 Loan, Series 2010A	8/1/2016	985
Austin Water Utility		
Series 2004A	11/15/2014	113,305
Series 2005	5/15/2015	105,780
		<u>\$ 287,105</u>

(1) The balances shown have been escrowed to their respective call dates.

7 – RETIREMENT PLANS

a – Description

The City participates in funding three contributory, defined benefit retirement plans: the City of Austin Employees' Retirement and Pension Fund, the City of Austin Police Officers' Retirement and Pension Fund, and the 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, 2013. Membership in the plans at December 31, 2013, is as follows:

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	6,050	709	631	7,390
Current employees	8,592	1,732	1,074	11,398
Total	14,642	2,441	1,705	18,788

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 78752-3720 www.coaers.org	(512)458-2551
Police Officers' Retirement and Pension Fund	2520 S. IH 35, Ste. 100 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

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)	8.00%	13.00%	17.20% (1)
City's contribution (percent of earnings)	18.00% (2)	21.63%	22.05%

(1) A rate of 17.70% was effective October 1, 2014

(2) The City contributes two-thirds of the cost of prior service benefit payments. A rate of 18% was effective October 1, 2012.

7 – RETIREMENT PLANS, continued
b -- Funding Policy, continued

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, 2014, are as follows (in thousands):

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
City	\$ 90,842	32,040	18,768	141,650
Employees	40,127	19,242	14,640	74,009
Total contributions	<u>\$ 130,969</u>	<u>51,282</u>	<u>33,408</u>	<u>215,659</u>

c -- Annual Pension Cost and Net Pension Obligation (Asset)

The City's annual pension cost of \$136,951,000 for the fiscal year ended September 30, 2014, was \$4,699,000 less 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)				
2012	\$ 85,335	27,246	15,589	128,170
2013	77,682	27,347	17,861	122,890
2014	89,057	32,563	18,903	140,523
Percentage of APC contributed				
2012	85%	102%	100%	N/A
2013	110%	112%	97%	N/A
2014	102%	98%	99%	N/A
Net Pension Obligation (Asset)				
2012	136,255	(4,733)	(2,451)	129,071
2013	128,406	(8,061)	(1,980)	118,365
2014	126,621	(7,538)	(1,845)	117,238

The Net Pension Obligation (Asset) 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):

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
Annual required contribution	\$ 86,602	30,133	18,521	135,256
Interest on net pension obligation (asset)	9,951	(440)	(122)	9,389
Adjustment to annual required contribution	(7,496)	2,870	504	(4,122)
Annual pension cost	89,057	32,563	18,903	140,523
Employer contributions	(90,842)	(32,040)	(18,768)	(141,650)
Change in net pension obligation (asset)	(1,785)	523	135	(1,127)
Beginning net pension obligation (asset)	128,406	(8,061)	(1,980)	118,365
Net pension obligation (asset)	<u>\$ 126,621</u>	<u>(7,538)</u>	<u>(1,845)</u>	<u>117,238</u>

7 – RETIREMENT PLANS, continued
c -- Annual Pension Cost and Net Pension Obligation (Asset)

The latest actuarial valuations for the City Employees' Retirement and Pension Fund, the Police Officers' Retirement and Pension Fund, and the Austin Fire Fighters' Relief and Retirement Fund were completed as of December 31, 2013. The actuarial cost method and significant assumptions underlying the actuarial calculations are as follows:

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Asset Valuation Basis	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation Rate	3.25%	3.75%	3.5%
Projected Annual Salary Increases	4.5% to 6%	6.5% average	8%
Post Retirement Benefit Increase	None	None	None
Assumed Rate of Return on Investments	7.75%	8%	7.75%
Amortization Method	Level percentage of projected payroll, open	Level percentage of projected payroll, open	Level percentage of projected payroll, open
Remaining Amortization Period	26 years	28.9 years	10.51 years

d -- Schedule of Funding Progress

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

<u>Valuation Date, December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>UAAL (1)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Percentage of UAAL to Covered Payroll</u>
City Employees						
2013	\$ 2,047,930	2,909,918	861,988	70.4%	490,553	175.7%
Police Officers						
2013	604,842	911,044	306,202	66.4%	147,139	208.1%
Fire Fighters (2)						
2013	742,073	808,771	66,698	91.8%	85,377	78.1%

(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 about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

8 – OTHER POST EMPLOYMENT BENEFITS

a -- Description

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's other post employment benefits plan is a single employer plan.

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.

8 – OTHER POST EMPLOYMENT BENEFITS, continued
a – Description, continued

The City recognizes the cost of providing these benefits to active employees 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.

The estimated pay-as-you-go cost of providing medical and life benefits was \$33.3 million for 4,189 retirees in 2014 and \$26.9 million for 3,945 retirees in 2013.

b -- Annual Other Post employment Benefits (OPEB) Cost and Net OPEB Obligation

The annual OPEB cost associated with the City’s retiree benefits for the fiscal year ended September 30, 2014 is as follows (in thousands):

	<u>OPEB</u>
Annual required contribution	\$ 139,900
Interest on net OPEB obligation	24,941
Adjustment to annual required contribution	<u>(39,980)</u>
Annual OPEB cost	124,861
Contributions made	<u>(33,283)</u>
Change in net OPEB obligation	91,578
Beginning net OPEB obligation	<u>598,687</u>
Net OPEB obligation	<u>\$ 690,265</u>

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

<u>Year Ended</u> <u>September 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2012	\$ 134,082	18%	\$ 493,051
2013	132,595	20%	598,687
2014	124,861	27%	690,265

c -- Schedule of Funding Progress at September 30, 2014 (in thousands):

<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>UAAL (1)</u>	<u>Funded Ratio</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>Percentage of</u> <u>UAAL to Covered</u> <u>Payroll</u>
\$ --	1,471,844	1,471,844	0%	734,710	200.3%

(1) UAAL - Unfunded Actuarial Accrued Liability

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

d -- Actuarial Methods and Assumptions

Projections of benefits are based on the plan in place at the time of the valuation and include the type of benefits provided at the valuation date and the cost sharing pattern between the employer and plan members at that time. The actuarial calculations of the OPEB plan reflect a long-term perspective and utilize actuarial methods and assumptions that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

8 – OTHER POST EMPLOYMENT BENEFITS, continued
e -- Funding Policy

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

OPEB	
Actuarial Valuation Date	October 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage Open
Remaining Amortization Period	30 years
Asset Valuation Method	N/A
Investment Rate of Return	4.21%
Inflation Rate	N/A
Salary Increase	None
Payroll Increase	None
Health Care Cost Trend Rate	8.0% in 2013, decreasing 0.5% per year for seven years to an ultimate trend of 5.0% in 2019

9 – DERIVATIVE INSTRUMENTS

The City has derivatives in two hedging programs: Energy Risk Management Program and Variable Rate Debt Management Program.

In accordance with GAAP, the City is required to report the fair value of all derivative instruments on the statement of net position. All derivatives must be categorized into two basis types – (1) hedging derivative instruments and (2) investment derivative instruments. Hedging derivative instruments significantly reduce an identified financial risk by substantially offsetting changes in cash flows or fair values of an associated hedgeable item. Investment derivative instruments are entered into primarily for income or profit purposes or they are derivative instruments that do not meet the criteria of an effective hedging derivative instrument. Changes in fair value of hedging derivative instruments are deferred on the statement of net position, and changes in fair value of investment derivative instruments are recognized as gains or losses on the statement of activities.

a -- Energy Risk Management Program

In an effort to mitigate the financial and market risk associated with the purchase of natural gas, energy, and congestion 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, swaps and congestion rights for the purpose of reducing exposure to natural gas, energy and congestion 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.

Hedging Derivative Instruments

Natural Gas Derivatives

Austin Energy purchases financial contracts on the New York Mercantile Exchange (NYMEX) to provide a hedge against the physical delivery price of natural gas from its various hubs. Austin Energy enters into basis swaps to protect delivery price differences between Henry Hub and its natural gas delivery points, Western Area Hub Association (WAHA), Katy, and the Houston Ship Channel (HSC).

The fair value of futures, swaps, and basis swap contracts is determined using the 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. The fair value of the options are calculated using the Black/Scholes valuation method utilizing 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 forward price of the underlier as of the last day of the reporting period.

9 – DERIVATIVE INSTRUMENTS, continued
a -- Energy Risk Management Program, continued

Premiums paid for options are deferred until the contract is settled. As of September 30, 2014, \$469 thousand in premiums was deferred. As of September 30, 2014, the fair value of Austin Energy's futures, options, swaps and congestion rights, was an unrealized loss of \$26.2 million, of which \$30 million is reported as derivative instruments in liabilities and \$4.2 million is reported as derivative instruments in assets. The fair values of these derivative instruments are deferred until future periods on the balance sheet using deferred outflows and deferred inflows.

Congestion Revenue Rights Derivatives

Preassigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow Austin Energy to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. Municipally owned utilities are granted the right to purchase PCRRs annually at 10-20% of the cost of CRRs. The instruments exhibit all three characteristics - settlement, leverage, and net settlement - to classify them as derivative instruments.

As of September 30, 2014, PCRRs had a fair value of \$0 and CRRs had a fair value of \$308 thousand and, both are reported as derivative instruments. The market value for CRRs and PCRRs is calculated using the implied market value (the difference between future proxy sink price and source price) multiplied by the number of open positions. The difference in the prices represents what the expected cost of congestion will be for that given point in time.

On September 30, 2014, Austin Energy had the following outstanding hedging derivative instruments (in thousands):

Type of Transaction	Reference Index	Fair Value at September 30, 2014			Change in Fair Value	Premiums Deferred
		Maturity Dates	Notional Volumes	Fair Value		
Long OTC Call Options	Henry Hub	Jan 2015 - Sep 2018	10,370,518 (1)	\$ 3,923	2,609	2,490
Long OTC Put Options	Henry Hub	Oct 2014 - Dec 2014	1,540,000 (1)	10	10	-
n/a Congestion Rights	ICE (2)	Oct 2014 - June 2016	20,489,148 (3)	308	(1,774)	-
		Derivative instruments (assets)		4,241	845	2,490
Short OTC Call Options	Henry Hub	Apr 2016 - Oct 2016	(1,660,000) (1)	(726)	81	-
Short OTC Put Options	Henry Hub	Oct 2014 - Sep 2018	(10,680,000) (1)	(3,986)	(2,673)	(2,021)
Long OTC Swaps	Henry Hub	Oct 2014 - Sep 2018	33,112,500 (1)	(25,790)	(1,441)	-
		Derivative instruments (liabilities)		(30,502)	(4,033)	(2,021)
		Total		\$ (26,261)	(3,188)	469

(1) Volume in MMBTUs

(2) IntercontinentalExchange

(3) Volume in MWHs

Austin Energy routinely purchases derivative instruments. The outstanding hedging derivative instruments were purchased at various dates.

The realized gains and losses related to the hedging activity derivative instruments are netted to fuel expense in the period realized.

Risks

Credit Risk. Credit risk is the risk of loss due to a counterparty defaulting on its obligations. Austin Energy's fuel derivative contracts expose Austin Energy to custodial credit risk on Exchange Traded derivative positions. In the event of default or nonperformance by brokers or the exchange, Austin Energy's operations will not be materially affected. However, Austin Energy does not expect the brokerages to fail to meet their obligations given their high credit ratings and the strict and deep credit requirements upheld by NYMEX, which these brokerage houses are members. At September 30, 2014, the brokerages had credit ratings of A and A+.

The over-the-counter agreements expose Austin Energy to credit risk. In the event of default Austin Energy's operations will not be materially affected. However, Austin Energy does not expect the counterparties to fail to meet their obligations given their high credit ratings. At September 30, 2014, the two counterparties both had credit ratings of A. The contractual provisions under the International Swaps and Derivatives Association (ISDA) agreement applied to these contracts include collateral provisions. At September 30, 2014, no collateral was required under these provisions.

9 – DERIVATIVE INSTRUMENTS, continued
a -- Energy Risk Management Program, continued

The congestion rights expose Austin Energy to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default of nonperformance, Austin Energy's operations will not be materially affected. However, Austin Energy does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

Termination Risk. Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. 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. Austin Energy's exposure to termination risk for over-the counter agreements is minimal due to the high credit rating of the counterparties and the contractual provisions under the ISDA agreement applied to these contracts. Termination risk is associated with all of Austin Energy's derivatives up to the fair value of the instrument.

Netting Arrangements. Austin Energy enters into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by or owed to the non-defaulting party.

Basis Risk. Austin Energy is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged will price based on a delivery point (WAHA/Katy/HSC) different than that at which the financial hedging contracts are expected to settle NYMEX (Henry Hub). As of September 30, 2014, the NYMEX price was \$3.98 per MMBTU, the WAHA Hub price was \$3.77 per MMBTU, Katy was \$3.98 per MMBTU, and the HSC Hub price was \$3.96 per MMBTU.

Investment Derivative Instruments

On September 30, 2014, Austin Energy had the following closed out investment derivative instruments (in thousands):

Type of Transaction	Reference Index	Fair Value at September 30, 2014			Change in Fair Value
		Maturity Dates	Volumes in MMBTU	Fair Value	
Long OTC Swaps	Henry Hub	Dec 2015	155,000	\$ 2	(16)
Short OTC Swaps	Henry Hub	Dec 2015	(155,000)	7	16
				<u>\$ 9</u>	<u>--</u>

In fiscal year 2014 Austin Energy sold PCRAs and recorded a gain of \$519 thousand. However, this gain was deferred under the accounting requirements for regulated operations. At September 30, 2014, \$1.1 million remained deferred.

Risks

As of September 30, 2014, Austin Energy was not exposed to credit, interest, or foreign currency risk on its investment derivative instruments.

b -- Variable Rate Debt Management Program

Hedging Derivative Instruments

The intention of each of the City's swaps is to provide a cash flow hedge for its variable interest rate bonds by providing synthetic fixed rate bonds. As a means to lower its borrowing costs when compared against fixed rate bonds at the time of issuance, the City executed pay-fixed, receive-variable swaps in connection with its issuance of variable rate bonds.

As of September 30, 2014, the City has three outstanding swap transactions with initial and outstanding notional amounts totaling \$602.1 million and \$443.3 million, respectively. The mark-to-market or fair value for each swap is estimated using the zero-coupon method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the London Interbank Offered Rate (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.

9 – DERIVATIVE INSTRUMENTS, continued
b -- Variable Rate Debt Management Program, continued

On September 30, 2014, the City had the following outstanding interest rate swap hedging derivative instruments (in thousands):

Item	Related Variable Rate Bonds	Terms	Effective Date	Maturity Date	Notional Amount	Fair Value
Business-Type Activities - Hedging derivatives:						
WW2	Water & Wastewater Revenue Refunding Bonds, Series 2008	Pay 3.600%, receive SIFMA swap index	5/15/2008	5/15/2031	\$ 125,120	(15,027)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Pay 4.051%, receive 71% of LIBOR	8/17/2005	11/15/2025	214,825	(32,514)
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	Pay 3.251%, receive 67% of LIBOR	8/14/2008	11/15/2029	103,365	(12,394)
					<u>\$ 443,310</u>	<u>(59,935)</u>

All swaps are pay-fixed interest rate swaps. All were entered into with the objective of hedging changes in the cash flows on the related variable rate debt.

The fair value of the City's interest rate swap hedging derivative instruments is reported as derivative instruments in liabilities with an offsetting adjustment to deferred outflow of resources. The table below provides for the fair value and changes in fair value of the City's interest rate swap agreements as of September 30, 2014 (in thousands):

Item	Outstanding		Fair Value and Classification	Change in fair value	
	Notional Amount	Fair Value and Classification		Deferred Outflows	Deferred Inflows
Business-Type Activities:					
Hedging derivative instruments (cash flow hedges):					
WW2	\$ 125,120	(15,027)	Non-current liability	(1,905)	--
AIR1	214,825	(32,514)	Non-current liability	3,464	--
HOT1	103,365	(12,394)	Non-current liability	155	--
<u>\$ 443,310</u>		<u>(59,935)</u>		<u>1,714</u>	<u>--</u>

Due to the continued low interest rate levels during fiscal year 2014, the City's interest rate swap hedging derivative instruments had negative fair values as of September 30, 2014. 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.

Risks

Credit risk. As of September 30, 2014, the City was not exposed to credit risk on any of its outstanding swap agreements because each swap had a negative fair value. However, should interest rates change and the fair value of a swap become positive, the City would be exposed to credit risk in the amount of the swap's fair value. The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

9 – DERIVATIVE INSTRUMENTS, continued
b -- Variable Rate Debt Management Program, continued

The counterparty credit ratings for the City's interest rate swap hedging derivative instruments at September 30, 2014 are included in the table below:

Item	Related Variable Rate Bonds	Counterparty	Counterparty Ratings		
			Moody's Investors Service, Inc	Standard & Poor's	Fitch, Inc
Business-Type Activities:					
WW2	Water & Wastewater Revenue Refunding Bonds, Series 2008	Goldman Sachs Bank USA	A2	A-	A
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Morgan Stanley Capital Services, Inc.	Baa2	A-	A
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	Morgan Keegan Financial Products	A3	A	A+

Swap agreements for all three swaps contain collateral agreements with the counterparties. These swap agreements require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds in the agreements. For Swap AIR1, 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. For Swap HOT1, the credit support provider of MKFP is Deutsche Bank AG, New York Branch (DBAG). This swap requires collateralization of the fair value of the swap should DBAG's credit rating fall below the applicable thresholds in the agreement.

Swap payments and associated debt. The net cash flows for the City's interest rate swap hedging derivative instruments for the year ended September 30, 2014, are included in the table below (in thousands):

Item	Related Variable Rate Bonds	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payments
		Pay	Receive	Net		
Business-Type Activities:						
WW2	Water & Wastewater Revenue Refunding Bonds, Series 2008	\$ (4,818)	79	(4,739)	(72)	(4,811)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	(8,803)	253	(8,550)	(158)	(8,708)
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	(3,405)	111	(3,294)	(73)	(3,367)
		<u>\$ (17,026)</u>	<u>443</u>	<u>(16,583)</u>	<u>(303)</u>	<u>(16,886)</u>

Basis and interest rate 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 does not bear basis risk on Swap WW2. At September 30, 2014, the City bears basis risk on the two remaining swaps. These swaps have basis risk since the City receives a percentage of LIBOR to offset the actual variable rate the City pays on the related bonds. The City is exposed to basis risk should the floating rate that it receives on a swap drop below 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 will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

9 – DERIVATIVE INSTRUMENTS, continued
b -- Variable Rate Debt Management Program, continued

Tax risk. Tax risk is a specific type of basis risk. Tax risk is the risk of a permanent mismatch occurring 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. For example, a grandfathering of the elimination of federal tax-exemption on existing tax-exempt bonds, or a tax cut, would result in the yields required by investors on the City’s bonds coming close to or being equal to taxable yields. This would result in an increase in the ratio of tax-exempt to taxable yields. The City is receiving 71% of LIBOR on AIR1, and 67% of LIBOR on Swap HOT1 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 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 Swap AIR1 to further reduce the possibility of termination risk.

Rollover risk. The City is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, the City will be re-exposed to the risks being hedged by the hedging derivative instrument. The City is currently not exposed to rollover risk on its hedging derivative instruments.

Investment Derivative Instruments

At September 30, 2014, the City did not have any investment derivative instruments related to interest rate swaps.

As of September 30, 2014, debt service requirement of the City’s variable rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows (as rates vary, variable rate bond interest payments and net swap payments will vary):

Fiscal Year Ended September 30	Variable-Rate Bonds (in thousands)		Interest Rate Swaps, Net	Total Interest
	Principal	Interest		
2015	\$ 30,520	125	15,506	15,631
2016	23,820	116	14,561	14,677
2017	12,255	111	14,028	14,139
2018	12,600	107	13,588	13,695
2019	28,525	98	12,637	12,735
2020-2024	169,940	346	45,290	45,636
2025-2029	129,910	101	14,857	14,958
2030-2031	35,740	5	1,203	1,208
Total	\$ 443,310	1,009	131,670	132,679

10 – DEFICITS IN FUND BALANCES AND NET POSITION

At September 30, 2014, the following funds reported deficits in fund balances/net position (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:	
Fiscal Surety - Land Development	\$ 11
Neighborhood Housing & Conservation	8,150
Mueller Development	6
Rutherford Lane Facility	81
Capital Projects Funds:	
Funds authorized in 1992	
Street & traffic signals	8
Parks and recreation facilities	288
Libraries	17
Funds authorized in 1997	
Radio Trunking	47
Funds authorized in 2006	
Central Library	3,018
Funds authorized in 2010	
Mobility	5,441
Funds authorized in 2012	
Transportation	6,636
Open Space	9,194
Parks	5,425
Public Safety	443
Health	726
Other Funds	
Planning & development improvements	1
General government projects	10,488
Health projects	243
Build Austin	5
Park improvements	889
Capital Reserve	1,200
Public Works	1,360
Watershed Protection	699
City Hall, plaza, parking garage	7,032
Conservation Land	15
Waller Creek Tunnel	9,158
Nonmajor Enterprise	
Austin Resource Recovery	18,956

11 – INTERFUND BALANCES AND TRANSFERS

Interfund receivables, payables, and advances at September 30, 2014, are as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
		Current	Advances
Governmental funds:			
General Fund	Nonmajor governmental funds	\$ 227	--
Nonmajor governmental funds	General Fund	60	--
	Nonmajor governmental funds	81,230	--
	Austin Water Utility	--	1,879
	Nonmajor enterprise funds	--	368
	Internal service funds	--	2
Internal Service funds	Nonmajor governmental funds	11	115
Enterprise funds:			
Austin Energy	General Fund	193	1,257
	Nonmajor governmental funds	--	238
	Austin Water Utility (restricted)	--	17,028
	Airport	149	972
	Nonmajor enterprise funds	332	338
	Internal service funds	13	--
Austin Water Utility	Nonmajor enterprise funds	301	3,006
Airport (restricted)	Nonmajor governmental funds	--	58
Nonmajor enterprise funds	Nonmajor enterprise funds	8,777	--
Nonmajor enterprise funds (restricted)	Nonmajor governmental funds	--	588
		<u>\$ 91,293</u>	<u>25,849</u>

Interfund receivables, payables, and advances reflect loans between funds. Of the above current amount, \$14.3 million and \$9.4 million are interfund loans from the Fiscal Surety Fund and Waller Creek Reserve Fund, special revenue funds, respectively, to cover deficit pooled investments and cash in grant and other special revenue funds. The above current amount also includes \$57.5 million in interfund loans between capital project funds to cover deficit pooled investments and cash.

Interfund transfers during fiscal year 2014 were as follows (in thousands):

Transfers Out	Transfers In							
	General Fund	Nonmajor Governmental	Austin Energy	Austin Water Utility	Airport	Nonmajor Enterprise	Internal Service	Total
General Fund	\$ --	10,809	1,531	14,300	--	875	--	27,515
Nonmajor governmental funds	1,626	21,333	--	--	--	61,061	2,850	86,870
Austin Energy	116,771	--	--	--	--	--	64	116,835
Austin Water Utility	43,701	175	--	--	--	--	246	44,122
Airport	--	--	448	--	--	--	345	793
Nonmajor enterprise funds	524	7,838	--	3,607	--	--	62	12,031
Internal service funds	--	19,091	--	73	3	1,095	1,826	22,088
Total transfers out	<u>\$ 162,622</u>	<u>59,246</u>	<u>1,979</u>	<u>17,980</u>	<u>3</u>	<u>63,031</u>	<u>5,393</u>	<u>310,254</u>

Interfund transfers are authorized through City Council approval. Significant transfers include Austin Energy and Austin Water Utility 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 the Convention Center Fund.

12 – SELECTED REVENUES
a -- Major Enterprise Funds

Austin Energy and Austin Water Utility

The Texas Public Utility Commission (PUC) has jurisdiction over electric utility wholesale transmission rates. On June 3, 2014, the PUC approved the City's most recent wholesale transmission rate of \$1.160111/KW. Transmission revenues totaled approximately \$69 million in 2014. 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.

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, 2014, the City has elected not to enter the retail market, as allowed by state law.

Electric rates include a fixed-rate component and cost-adjustment factors that allow for recovery of power supply, regulatory, and community benefit costs. If actual power supply costs differ from amounts billed to customers, then deferred or unbilled revenues are recorded by Austin Energy. The power supply factor is reviewed annually or when over- or under-recovery is more than 10% of expected power supply costs. Any over- or under-collections of the power supply, regulatory, or community benefit costs are applied to the respective cost-adjustment factor.

Airport

The City has entered into certain lease agreements as the lessor for concessions at the Airport. These lease agreements qualify as operating leases for accounting purposes. In the fiscal year 2014, the Airport fund revenues included minimum concession guarantees of \$17,524,129.

The following is a schedule by year of minimum future rentals on noncancelable operating leases with remaining terms of up to ten years for the Airport Fund as of September 30, 2014 (in thousands):

Fiscal Year Ended September 30	Enterprise Airport Lease Receipts
2015	\$ 13,543
2016	4,508
2017	2,330
2018	81
2019	5
2020-2021	6
Totals	<u>\$ 20,473</u>

Projection of minimum future rentals for the Austin-Bergstrom Landhost Enterprises, Inc. is based on the current adjusted minimum rent for the period January 1, 2010 through December 31, 2015. The minimum rent is adjusted every five years commensurate with the percentage increase in the Consumer Price Index (CPI) – Urban Wage Earners and Clerical workers, U.S. Owner Average, published by the U.S. Department of Labor Bureau of Labor Statistics over the five-year period.

b – Operating Lease Revenue

The City has entered into various lease agreements as the lessor of office space, antenna space and ground leases. Minimum guaranteed income on these non-cancelable operating leases is as follows (in thousands):

Fiscal Year Ended September 30	Future Lease Receivables
2015	\$ 1,269
2016	1,177
2017	453
2018	459
2019	433
2020-2021	2,173
Totals	<u>\$ 5,964</u>

13 – 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.

Austin Energy’s investment is financed through operations, revenue bonds, or commercial paper, which are repaid by Austin Energy (see Note 6), and its pro-rata share of operations is recorded as if wholly owned. Austin Energy’s pro-rata interest in FPP was \$29.8 million as of September 30, 2014. The decrease in the pro-rata interest from 2013 is primarily due to a decrease in coal inventory. 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.

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, 2014, Austin Energy’s investment in the STP was approximately \$399 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 Austin Energy (see Note 6). 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.

STP requested a 20-year license extension for units 1 & 2 with the Nuclear Regulatory Commission (NRC). The current licenses expire in 2027 and 2028, respectively. The NRC decided to stop all licensing activities that rely on the Waste Confidence Decision and Rule until burial waste issues are resolved.

c -- South Texas Project Decommissioning

Austin Energy began collecting in rates and accumulating funds for decommissioning STP in 1989 in an external trust. The Decommissioning Trust assets are reported as restricted investments held by trustee. The related liability is reported as a decommissioning liability payable. Excess or unfunded liabilities related to decommissioning STP will be adjusted in future rates so that there are sufficient funds in place to pay for decommissioning. At September 30, 2014, the trust’s assets were in excess of the estimated liability by \$20.5 million which is reported as part of deferred inflows of resources (in thousands):

Decommissioning trust assets	\$ 194,945
Pro rata decommissioning liability	(174,398)
	<u>\$ 20,547</u>

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. The most recent annual calculation of financial assurance filed on December 31, 2012, showed that the trust assets exceeded the minimum required assurance by \$25.6 million.

13 – COMMITMENTS AND CONTINGENCIES, continued

d -- Purchased Power

Austin Energy has commitments totaling \$5.9 billion to purchase energy and capacity through purchase power agreements. This amount includes provisions for wind power through 2041, landfill power through 2020, biomass through 2032, and solar through 2036.

e -- Decommissioning and Environmental/Pollution Remediation Contingencies

Austin Energy may incur costs for environmental/pollution remediation of certain sites including the Holly, Fayette, and Seaholm Power Plants. The financial statements include a liability of approximately \$8.8 million at September 30, 2014. Austin Energy anticipates payment of these costs in 2015. The amount is based on 2014 cost estimates to perform remediation and decommissioning. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Austin Water Utility closed the Green Water Treatment Plant (GWTP) on September 23, 2008. The total decommissioning cost to close the GWTP was \$10.6 million. Plant decommissioning reached final completion in fiscal year 2012. During fiscal year 2013, redevelopment activities of the former GWTP site triggered the recognition of an additional \$3.1 million in environmental liabilities related to additional remediation of the site. The financial statements include a liability of approximately \$3.1 million at September 30, 2014. Austin Water Utility anticipates payment of these costs in 2015. The amount is based on 2014 cost estimates to perform remediation and decommissioning. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Austin Resource Recovery may incur costs for environmental remediation of certain sites outside of the City's landfill site. The financial statements include a liability of approximately \$1.9 million at September 30, 2014, for sites related to Harold Court, Rosewood and Loop 360. Austin Resource Recovery anticipates payment of these costs in 2015. The amount is based on 2014 cost estimates to perform remediation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

f -- Arbitrage Rebate Payable

The City's arbitrage consultant has determined that the City has not earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations. Therefore, the City will not be required to rebate any amounts to the federal government. There are no estimated payables at September 30, 2014.

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 Department, U.S. Health and Human Services Department, and U.S. Department of Transportation. 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 -- 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 2014 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, transportation infrastructure, public recreation and culture activities, and urban growth management activities. Remaining commitments represent current unspent budget and future costs required to complete projects.

13 – COMMITMENTS AND CONTINGENCIES, continued
h -- Capital Improvement Plan, continued

<u>Project</u>	<u>(in thousands)</u>	<u>Remaining Commitment</u>
Governmental activities:		
General government		\$ 74,143
Public safety		18,680
Transportation		94,977
Public health		559
Public recreation and culture		95,791
Urban growth management		55,223
Business-type activities:		
Electric		361,772
Water		241,115
Wastewater		106,385
Airport		171,915
Convention		19,773
Environmental and health services		23,256
Urban growth management		69,548
Total		<u>\$ 1,333,137</u>

i -- Encumbrances

The City utilizes encumbrances to track commitments against budget in governmental funds. The amount of outstanding encumbrances at September 30, 2014, is as follows (in thousands):

	<u>Encumbrances</u>
General Fund	\$ 10,886
Nonmajor governmental	
Special Revenue	19,092
Capital Projects	207,488
	<u>\$ 237,466</u>

Significant encumbrances include reservations for the 2000 bond program (\$12,858), the 2006 bond program (\$78,287), the 2012 bond program (\$17,893), and the Waller Creek Tunnel project (\$23,124).

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 Austin Resource Recovery Fund, a nonmajor enterprise fund. Substantial closure occurred in fiscal year 2011. Drought conditions have delayed final closure, which is expected to occur in fiscal year 2015. While the landfill only reached 99.04% capacity, the City is no longer accepting waste. The amount of costs reported, based on landfill capacity of 100% as of September 30, 2014, is as follows (in thousands):

	<u>Closure</u>	<u>Postclosure</u>	<u>Total</u>
Total estimated costs	\$ 15,933	9,899	25,832
% capacity used	100%	100%	100%
Cumulative liability accrued	15,933	9,899	25,832
Costs incurred	(15,897)	--	(15,897)
Closure and postclosure liability	<u>\$ 36</u>	<u>9,899</u>	<u>9,935</u>

13 – COMMITMENTS AND CONTINGENCIES, continued
j -- Landfill Closure and Postclosure Liability, continued

These amounts are based on the 2014 cost estimates to perform closure and postclosure care. 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.

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:

Fund Name	Description
Employee Benefits	City employees and retirees may choose a self-insured PPO or HMO for health coverage. Approximately 28% of city employees and 34% of retirees use the HMO option; approximately 72% of city employees and 66% of retirees use the PPO option. 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 the number of full-time equivalent (FTE) employees per fund.

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 \$5 million. In fiscal year 2014, sixteen claims exceeded the stop-loss limit of \$500,000; during fiscal year 2013, nine claims exceeded the stop-loss limit of \$500,000, and during fiscal year 2012, five claims exceeded the stop-loss limit of \$500,000. City coverage is unlimited for 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. 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 \$43.8 to \$58.1 million. In accordance with GAAP, \$43.8 million is recognized as claims payable in the financial statements with \$23.7 million recognized as a current liability and \$20.1 million recognized as long term. 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):

	Employee Benefits		Liability Reserve		Workers' Compensation	
	2014	2013	2014	2013	2014	2013
Liability balances, beginning of year	\$ 10,920	10,304	10,123	6,324	18,839	17,591
Claims and changes in estimates	10,832	9,677	5,195	5,547	5,950	6,870
Claim payments	(10,053)	(9,061)	(4,737)	(1,748)	(3,263)	(5,622)
Liability balances, end of year	<u>\$ 11,699</u>	<u>10,920</u>	<u>10,581</u>	<u>10,123</u>	<u>21,526</u>	<u>18,839</u>

The Liability Reserve Fund claims liability balance at fiscal year end includes liabilities of \$3.6 million discounted at 4.45% in 2014 and \$3.5 million discounted at 4.85% in 2013.

13 – COMMITMENTS AND CONTINGENCIES, continued
I – 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 into a mixed-use urban village near downtown Austin. Catellus is currently developing and marketing the property. The Mueller Local Government Corporation (MLGC), created by the City for this development, issues debt to fund infrastructure such as streets, drainage facilities, public parks, and greenways, which are supported by taxes generated from this development.

In September 2006, the MLGC issued debt in the amount of \$12 million. Proceeds of the debt have been used to reimburse the developer for eligible infrastructure such as streets, drainage, and parks. Debt service payments are funded through an economic development grant from the City of Austin, and supported by sales tax proceeds from the development.

In October 2009, the MLGC issued debt in the amount of \$15 million. Proceeds of the debt have been used to reimburse the developer for additional eligible infrastructure. Debt service payments are funded by property tax proceeds from the Mueller Tax Increment Reinvestment Zone.

In October 2012, the MLGC issued debt in the amount of \$16,735,000. Proceeds from the debt have been used to reimburse the developer for additional eligible infrastructure. Debt service payments are funded by property tax proceeds from the Mueller Tax Increment Reinvestment Zone.

The development contains over 1.33 million square feet of civic, institutional, hotel and Class A office space and approximately 532,900 square feet of retail space that is either complete or under construction. Over 75 employers provide approximately 4,800 jobs at Mueller. From the start of home sales in 2007, the community has been well received. As of September 30, 2014, approximately 1,224 single-family homes and 1,222 multi-family units were either complete or under construction. Catellus has also started the infrastructure for an additional 133 single-family homes.

m -- No-Commitment Special Assessment Debt

In November 2011, the City issued \$15,500,000 of Special Assessment Revenue Bonds, Senior Series 2011 related to the Whisper Valley Public Improvement District. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments were levied in the year ended September 30, 2014. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2014 are \$15,500,000 and \$9,979,043, respectively.

In November 2011, the City issued \$2,860,000 of Special Assessment Revenue Bonds, Senior Series 2011 related to the Indian Hills Public Improvement District. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments were levied in the year ended September 30, 2014. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2014 are \$2,860,000 and \$847,523, respectively.

In July 2013, the City issued \$12,590,000 of Special Assessment Revenue Bonds, Series 2013 related to the Estancia Hill Country Public Improvement District. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments were levied in the year ended September 30, 2014. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2014 are \$12,590,000 and \$3,392,581, respectively.

13 – COMMITMENTS AND CONTINGENCIES, continued
n – Capital Leases

The City has entered into a lease agreement to finance equipment for business-type activities. This lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of the future minimum lease payments at their inception date. The lease agreement ends in 2031. See Note 6 for the debt service requirements on this lease.

The following summarizes capital assets recorded at September 30, 2014, under capital lease obligations (in thousands):

Capital Assets	Business-type
	Activities
	Austin
	Energy
Building and improvements	\$ 1,405
Accumulated depreciation	(422)
Net capital assets	<u>\$ 983</u>

o – Operating Leases

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, 2014, was \$16.9 million.

Fiscal Year Ended September 30	Future Lease Payments
2015	\$ 11,964
2016	9,312
2017	8,524
2018	5,735
2019	3,560
2020-2021	10,048
Totals	<u>\$ 49,143</u>

14 – LITIGATION

A number of claims and lawsuits 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 lawsuits 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, 2014. These liabilities, reported in the government-wide statement of net position, include amounts for claims and lawsuits settled subsequent to year-end.

15 – CONDUIT DEBT

The City has issued several series of housing revenue bonds to provide for low cost housing. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. As of September 30, 2014, \$87.3 million in housing revenue bonds were outstanding with an original issue value of \$93.7 million.

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, 2014, \$147.6 million in revenue and revenue refunding bonds were outstanding with an original issue value of \$148.6 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.

16 – SEGMENT INFORMATION – CONVENTION CENTER

The Convention Center provides event facilities and services to its customers. Below are the condensed financial statements for this segment (in thousands):

Condensed Statement of Net Position	
ASSETS	
Current assets	\$ 82,713
Capital assets	248,809
Other noncurrent assets	13,343
Total assets	<u>344,865</u>
Deferred outflows of resources	<u>25,305</u>
LIABILITIES	
Due to other funds	332
Other current liabilities	19,390
Advances from other funds	338
Other noncurrent liabilities	222,276
Total liabilities	<u>242,336</u>
Deferred inflows of resources	<u>348</u>
NET POSITION	
Net investment in capital assets	44,874
Restricted	31,344
Unrestricted	51,268
Total net position	<u>\$ 127,486</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position	
OPERATING REVENUES	
User fees and rentals	\$ 25,087
Total operating revenues	<u>25,087</u>
OPERATING EXPENSES	
Operating expenses before depreciation	42,473
Depreciation and amortization	8,941
Total operating expenses	<u>51,414</u>
Operating income (loss)	<u>(26,327)</u>
Nonoperating revenues (expenses)	(7,620)
Capital contributions	57
Transfers	57,611
Change in net position	<u>23,721</u>
Total net position - beginning, as restated	<u>103,765</u>
Total net position - ending	<u>\$ 127,486</u>

Condensed Statement of Cash Flows	
Net cash provided (used) by:	
Operating activities	\$ (16,294)
Noncapital financing activities	57,286
Capital and related financing activities	(21,518)
Investing activities	(351)
Net increase (decrease) in cash and cash equivalents	<u>19,123</u>
Cash and cash equivalents, October 1	<u>51,852</u>
Cash and cash equivalents, September 30	<u>\$ 70,975</u>

17 – DISCRETELY PRESENTED COMPONENT UNITS

Condensed financial information is included below for the discretely presented component units of the City. See Note 1 for the additional information about how to obtain the complete financial statements of these organizations. The most recently available financial statements for Austin Bergstrom Landhost Enterprises, Inc and Austin Convention Enterprises, Inc. are for the year ended December 31, 2013. The condensed financial statements of Waller Creek Local Government Corp. are presented for the year ended September 30, 2014 (in thousands):

Condensed Combining Statement of Net Position

	Austin Bergstrom Landhost Enterprises, Inc.	Austin Convention Enterprises, Inc.	Waller Creek Local Government Corp.	Total
ASSETS				
Current assets	\$ 844	7,752	--	8,596
Capital assets	25,608	167,667	--	193,275
Noncurrent assets	3,806	74,702	--	78,508
Total assets	<u>30,258</u>	<u>250,121</u>	<u>--</u>	<u>280,379</u>
Deferred outflows of resources	<u>--</u>	<u>20,241</u>	<u>--</u>	<u>20,241</u>
LIABILITIES				
Current Liabilities	10,538	14,736	--	25,274
Bonds payable, net of discount and inclusive of premium	54,784	270,971	--	325,755
Noncurrent liabilities	--	37	--	37
Total liabilities	<u>65,322</u>	<u>285,744</u>	<u>--</u>	<u>351,066</u>
NET POSITION				
Net investment in capital assets	(29,175)	(77,050)	--	(106,225)
Restricted	--	5,181	--	5,181
Unrestricted (deficit)	(5,889)	56,487	--	50,598
Total net position	<u>\$ (35,064)</u>	<u>(15,382)</u>	<u>--</u>	<u>(50,446)</u>

Condensed Combining Statement of Revenues, Expenses, and Changes in Net Position

	Austin Bergstrom Landhost Enterprises, Inc.	Austin Convention Enterprises, Inc.	Waller Creek Local Government Corp.	Total
OPERATING REVENUES				
User fees and rentals	\$ 15,498	72,914	--	88,412
Contributions	--	--	150	150
Total operating revenues	<u>15,498</u>	<u>72,914</u>	<u>150</u>	<u>88,562</u>
OPERATING EXPENSES				
Operating expenses before depreciation	12,434	39,019	150	51,603
Depreciation and amortization	1,316	6,213	--	7,529
Total operating expenses	<u>13,750</u>	<u>45,232</u>	<u>150</u>	<u>59,132</u>
Operating income (loss)	<u>1,748</u>	<u>27,682</u>	<u>--</u>	<u>29,430</u>
NONOPERATING REVENUES (EXPENSES)				
Nonoperating revenues (expenses)	(4,076)	(17,074)	--	(21,150)
Change in net position	<u>(2,328)</u>	<u>10,608</u>	<u>--</u>	<u>8,280</u>
Total net position - beginning, as restated	<u>(32,736)</u>	<u>(25,990)</u>	<u>--</u>	<u>(58,726)</u>
Total net position - ending	<u>\$ (35,064)</u>	<u>(15,382)</u>	<u>--</u>	<u>(50,446)</u>

18 – RESTATEMENT AS A RESULT OF THE IMPLEMENTATION OF A NEW ACCOUNTING STANDARD

During fiscal year 2014, the City implemented a new accounting standard, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* which established standards of accounting and reporting standards that reclassify certain items that were previously reported as assets and liabilities to deferred outflows or inflows of resources, and recognize certain items that were previously reported as assets and liabilities as outflows or inflows of resources. As a result of implementing GASB Statement No. 65, net position was restated at October 1, 2013. The City is reporting the deferred loss on bond refunding as a deferred outflow and the deferred gain on bond refunding as a deferred inflow. Bond issuance costs are expensed and no longer amortized annually.

<u>September 30, 2013</u>	Exhibit A-2	
	Governmental Activities	Business-Type Activities
Net position, as previously reported	\$ 1,355,433	3,197,015
Adjustments to properly record:		
Implementation of GASB Statement No. 65	(8,909)	(6,662)
Net position, as restated	<u>\$ 1,346,524</u>	<u>3,190,353</u>

<u>September 30, 2013</u>	Exhibit C-2			
	Airport	Nonmajor Enterprise Funds	Business-Type Activities	Governmental Activities-Internal Service Funds
Net position, as previously reported	\$ 514,948	362,265	3,169,171	128,682
Adjustments to properly record:				
Implementation of GASB Statement No. 65	(2,413)	(4,249)	(6,662)	(11)
Net position, as restated	<u>\$ 512,535</u>	<u>358,016</u>	<u>3,162,509</u>	<u>128,671</u>

19 – SUBSEQUENT EVENTS
a -- General Obligation Bond Issue

In October 2014, the City issued \$89,915,000 of Public Improvement Bonds, Series 2014. The net proceeds of \$104,620,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and signals (\$54,685,000), watershed protection improvements (\$10,000,000), parks and recreation (\$8,310,000), central library (\$20,000,000), and facility improvements (\$11,625,000). These bonds will be amortized serially on September 1 of 2015 and 2017, then each year on September 1 from 2020 to 2034. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2015. Total interest requirements for these bonds, at rates ranging from 3.0% to 5.0%, are \$69,693,650.

In October 2014, the City issued \$35,490,000 of Certificates of Obligation, Series 2014. The net proceeds of \$40,450,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: watershed home buyouts (\$15,000,000), Waller Creek Tunnel (\$25,000,000) and street improvements (\$450,000). These certificates of obligation will be amortized serially on September 1 of each year from 2015 to 2034. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2015. Total interest requirements for these obligations, at rates ranging from 2.0% to 5.0%, are \$19,927,600.

In October 2014, the City issued \$14,100,000 of Public Property Finance Contractual Obligations, Series 2014. The net proceeds of \$15,800,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: water and wastewater utility capital equipment (\$900,000), public works capital equipment (\$2,300,000), transportation capital equipment (\$1,845,000) and network equipment (\$10,755,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2015 to 2021. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2015. Total interest requirements for these obligations, at rates ranging from 3.0% to 5.0%, are \$2,836,458.

In October 2014, the City issued \$10,000,000 of Public Improvement Taxable Bonds, Series 2014. The net proceeds of \$9,844,936 (after issue costs, discounts, and premiums) from the issuance were used for affordable housing. Interest is payable March 1 and September 1 of each year from 2015 to 2034, commencing on March 1, 2015. Principal payments are due September 1 of each year from 2015 to 2034. Total interest requirements for this obligation, at rates ranging from 0.4% to 4.0% are \$5,806,156.

19 – SUBSEQUENT EVENTS, continued
a -- General Obligation Bond Issue, continued

In October 2014, the City issued \$9,600,000 of Certificates of Obligation Bonds, Taxable Series 2014. The net proceeds of \$9,449,004 (after issue costs, discounts, and premiums) from the issuance were used for Grey Rock Golf Course & Improvements. Interest is payable March 1 and September 1 of each year from 2015 to 2034, commencing on March 1, 2015. Principal payments are due September 1 of each year from 2015 to 2034. Total interest requirements for this obligation, at rates ranging from 0.4% to 3.9%, are \$4,002,858.

b -- Mueller Local Government Corporation – Revenue Bond Issue

In October 2014, the City issued \$15,845,000 of Tax Increment Contract Revenue Bonds, Series 2014. The net proceeds of \$18,492,042 (after issue costs, discounts, and premiums) were used to reimburse the developer of Mueller for additional eligible infrastructure costs such as streets, drainage, and parks. The debt service requirements on the bonds are \$24,217,550 with interest rates ranging from 2.0% to 5.0%. Interest payments are due March 1 and September 1 of each year from 2015 to 2029. Principal payments are due September 1 of each year from 2015 to 2029.

c -- Airport – System Revenue Bond Issue

In January 2015, the City issued \$244,495,000 of Airport System Revenue Bonds, Series 2014. The net proceeds of \$216,378,075 (after issue costs, discounts, and premiums) from the issuance are being used for designing and constructing improvements to Austin-Bergstrom International Airport. Interest is payable May 15 and November 15 of each year from 2015 to 2044, commencing on May 15, 2015. Principal payments are due November 15 of each year from 2026 to 2044. Total interest requirements for this obligation, at a rate of 5%, are \$272,662,118.

d -- Change in City Council structure

As described in Note 1, the voters approved a charter amendment on November 6, 2012, which provides for the election of City Councilmembers from 10 geographical single-member districts, with the mayor to be elected at large. The election was also moved from May to the November general election. The first election for this new process occurred in November 2014. On January 6, 2015, a new Mayor and Councilmembers were sworn in under this new Council structure. The size of the City Council has grown from 7 to 11. The Mayor and Councilmembers serve four-year staggered terms rather than three, and they may serve a maximum of two consecutive terms. Currently half of the Councilmembers are serving a two-year term as a part of the transition to this new structure. Here are the newly elected officials.

Steve Adler, Mayor
Term expires January 2019

Kathie Tovo, Mayor Pro Tem (District 9)
Term expires January 2019

Council Members

Ora Houston (District 1) Term expires January 2019	Delia Garza (District 2) Term expires January 2017
Sabino “Pio” Renteria (District 3) Term expires January 2019	Gregorio “Greg” Casar (District 4) Term expires January 2017
Ann Kitchen (District 5) Term expires January 2019	Don Zimmerman (District 6) Term expires January 2017
Leslie Pool (District 7) Term expires January 2017	Ellen Troxclair (District 8) Term expires January 2019

Sheri Gallo (District 10)
Term expires January 2017



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, 2014
(In thousands)

City of Austin, Texas
RSI

General Fund	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Taxes	537,138	100	537,238	524,011	524,011	13,227
Franchise fees	37,407	4	37,411	33,268	33,268	4,143
Fines, forfeitures and penalties	17,130	(1)	17,129	16,555	16,555	574
Licenses, permits and inspections	33,719	(13)	33,706	25,289	25,224	8,482
Charges for services/goods	57,974	(1,046)	56,928	51,575	51,802	5,126
Interest and other	9,335	(5,251)	4,084	3,483	3,483	601
Total revenues	692,703	(6,207)	686,496	654,181	654,343	32,153
EXPENDITURES						
General government						
Municipal Court	14,610	227	14,837	15,012	15,012	175
Public safety						
Police	290,030	(25)	290,005	295,538	295,538	5,533
Fire	142,209	293	142,502	142,413	142,413	(89)
Emergency Medical Services	61,429	734	62,163	60,756	63,143	980
Transportation, planning, and sustainability						
Transportation, planning, and sustainability	(6)	6	--	--	--	--
Public health						
Health	54,196	(3,216)	50,980	51,352	51,352	372
Public recreation and culture						
Parks and Recreation	58,449	615	59,064	59,933	59,933	869
Austin Public Library	31,043	350	31,393	31,448	31,448	55
Urban growth management						
Neighborhood Planning and Zoning	27,195	175	27,370	27,654	27,654	284
Other Urban Growth Management	30,130	3,207	33,337	35,020	34,137	800
General city responsibilities (4)	97,951	(81,583)	16,368	19,005	19,005	2,637
Total expenditures	807,236	(79,217)	728,019	738,131	739,635	11,616
Excess (deficiency) of revenues over expenditures	(114,533)	73,010	(41,523)	(83,950)	(85,292)	43,769
OTHER FINANCING SOURCES (USES)						
Transfers in	162,622	35,231	197,853	200,555	198,393	(540)
Transfers out	(27,515)	(104,099)	(131,614)	(117,075)	(115,899)	(15,715)
Total other financing sources (uses)	135,107	(68,868)	66,239	83,480	82,494	(16,255)
Excess (deficiency) of revenues and other sources over expenditures and other uses	20,574	4,142	24,716	(470)	(2,798)	27,514
Special item - land sale	15,830	--	15,830	--	--	15,830
Fund balance at beginning of year	147,092	3,205	150,297	53,172	75,791	74,506
Fund balance at end of year	183,496	7,347	190,843	52,702	72,993	117,850

- (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.

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, as reported in the financial statements is comprised of six separately budgeted funds: the General Fund, as budgeted by the City plus the Economic Incentives Reserve, Music Venue Assistance Program, Neighborhood Housing and Community Development, Economic Development, and Sustainability activities.

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 (\$465,000), accrued payroll (\$3,228,492), expenditures for workers' compensation (\$7,703,202), liability reserve (\$2,500,000), public safety (\$4,108,805), and customer service call center (\$1,000,000).

b -- Budget Amendments

The original revenue budget of the General Fund was amended during the fiscal year 2014 to increase Emergency Medical Services charges for services. The original expenditure budget of the General Fund was amended during fiscal year 2014 primarily as the result of increased Emergency Medical Services costs. In addition, transfers from the General Fund to the Economic Incentives Reserve Fund were reduced. The original and final budget is presented in the accompanying schedule.

c -- 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 activities comprising the General Fund are provided, as follows (in thousands):

	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ 20,574
Adjustments - increases (decreases) due to:	
Unbudgeted revenues	(2,122)
Net compensated absences accrual	(327)
Outstanding encumbrances established in current year	(10,017)
Payments against prior year encumbrances	6,485
Other	10,123
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	<u>\$ 24,716</u>

RETIREMENT PLANS-TREND INFORMATION

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

Valuation Date, December 31	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
City Employees						
2011	\$ 1,790,900	2,723,800	932,900	65.7%	451,800	206.5%
2012	1,897,700	2,968,400	1,070,700	63.9%	470,200	227.7%
2013	2,047,930	2,909,918	861,988	70.4%	490,553	175.7%
Police Officers						
2011	553,702	815,259	261,557	67.9%	134,844	194.0%
2012	558,476	856,577	298,101	65.2%	141,561	210.6%
2013	604,842	911,044	306,202	66.4%	147,139	208.1%
Fire Fighters (2)						
2009	589,261	664,185	74,924	88.7%	78,980	94.9%
2011	651,557	746,143	94,586	87.3%	76,700	123.3%
2013	742,073	808,771	66,698	91.8%	85,377	78.1%

(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 7.

OTHER POST EMPLOYMENT BENEFITS-TREND INFORMATION

Under GAAP, 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 September 30	Valuation Date, October 1	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
2012	2010	\$ --	1,499,465	1,499,465	0.0%	668,679	224.2%
2013	2012	--	1,384,490	1,384,490	0.0%	696,559	198.8%
2014	2012	--	1,471,844	1,471,844	0.0%	734,710	200.3%

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

Supplementary information for the OPEB plan can be found in Footnote 8.



**COMBINING AND INDIVIDUAL
FUND FINANCIAL
STATEMENTS AND
SCHEDULES**



GENERAL FUND

General Fund
Schedule of Revenues - Budget and Actual-Budget Basis
As of September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-1

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Taxes					
Property taxes:					
Current	\$ 335,822	100	335,922	332,143	3,779
Delinquent	1,248	--	1,248	1,000	248
Penalty and interest	1,249	--	1,249	1,058	191
Sales taxes	189,464	--	189,464	183,182	6,282
Other taxes	9,355	--	9,355	6,628	2,727
Total taxes	537,138	100	537,238	524,011	13,227
Franchise fees	37,407	4	37,411	33,268	4,143
Fines, forfeitures, and penalties					
Library fines	598	--	598	633	(35)
Traffic fines	8,993	(1)	8,992	8,580	412
Parking violations	3,262	--	3,262	3,329	(67)
Other	4,277	--	4,277	4,013	264
Total fines, forfeitures, and penalties	17,130	(1)	17,129	16,555	574
Licenses, permits, and inspections					
Alarm permits	3,147	(2)	3,145	2,102	1,043
Public health	3,454	--	3,454	3,006	448
Development	8,071	--	8,071	5,134	2,937
Building safety	18,086	(1)	18,085	14,066	4,019
Beer and wine permits	444	--	444	352	92
Other	517	(10)	507	564	(57)
Total licenses, permits, and inspections	33,719	(13)	33,706	25,224	8,482
Charges for services/goods					
Recreation and culture	7,462	--	7,462	7,448	14
Public health	6,261	(1,044)	5,217	5,978	(761)
Emergency medical services	42,070	(2)	42,068	36,409	5,659
General government	2,181	--	2,181	1,967	214
Total charges for services/goods	57,974	(1,046)	56,928	51,802	5,126
Interest and other					
Interest	356	--	356	633	(277)
Rental income	1,930	--	1,930	1,688	242
Sale of property	1,488	--	1,488	858	630
Other	5,561	(5,251)	310	304	6
Total interest and other	9,335	(5,251)	4,084	3,483	601
Total revenues	\$ 692,703	(6,207)	686,496	654,343	32,153

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

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
As of September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-2

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
General government					
Municipal Court:					
Salaries and fringe benefits	\$ 11,933	(14)	11,919	12,044	125
Contractual services	2,764	190	2,954	2,975	21
Commodities	166	30	196	145	(51)
Expense refunds	(254)	--	(254)	(177)	77
Capital outlay	1	21	22	25	3
Total general government	14,610	227	14,837	15,012	175
Public safety					
Police:					
Salaries and fringe benefits	276,320	(541)	275,779	278,407	2,628
Contractual services	24,402	229	24,631	24,798	167
Commodities	3,875	200	4,075	4,251	176
Expense refunds	(14,607)	(19)	(14,626)	(12,125)	2,501
Capital outlay	40	106	146	207	61
	290,030	(25)	290,005	295,538	5,533
Fire:					
Salaries and fringe benefits	137,436	(41)	137,395	136,936	(459)
Contractual services	7,349	258	7,607	8,055	448
Commodities	2,793	290	3,083	2,698	(385)
Indirect cost	55	--	55	226	171
Expense refunds	(6,662)	--	(6,662)	(6,474)	188
Capital outlay	1,238	(214)	1,024	972	(52)
	142,209	293	142,502	142,413	(89)
Emergency Medical Services:					
Salaries and fringe benefits	50,283	(128)	50,155	51,345	1,190
Contractual services	6,371	58	6,429	7,216	787
Commodities	3,855	443	4,298	2,892	(1,406)
Expense refunds	(605)	--	(605)	(419)	186
Capital outlay	1,525	361	1,886	2,109	223
	61,429	734	62,163	63,143	980
Total public safety	493,668	1,002	494,670	501,094	6,424
Transportation, planning, and sustainability					
Contractual services	14	(14)	--	--	--
Expense refunds	(20)	20	--	--	--
Total transportation, planning, and sustainability	(6)	6	--	--	--
Public health					
Salaries and fringe benefits	24,736	(169)	24,567	24,647	80
Contractual services	28,644	(3,161)	25,483	25,764	281
Commodities	1,718	27	1,745	1,509	(236)
Expense refunds	(979)	--	(979)	(830)	149
Capital outlay	77	87	164	262	98
Total public health	54,196	(3,216)	50,980	51,352	372
Public recreation and culture					
Parks and Recreation:					
Salaries and fringe benefits	45,583	(148)	45,435	46,086	651
Contractual services	14,827	139	14,966	14,624	(342)
Commodities	4,510	214	4,724	3,000	(1,724)
Indirect cost	669	--	669	596	(73)
Expense refunds	(7,358)	--	(7,358)	(4,905)	2,453
Capital outlay	218	410	628	532	(96)
Total	\$ 58,449	615	59,064	59,933	869

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
As of September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-2

(Continued)

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Austin Public Library:					
Salaries and fringe benefits	\$ 24,327	18	24,345	24,704	359
Contractual services	3,287	24	3,311	3,463	152
Commodities	3,636	285	3,921	3,345	(576)
Expense refunds	(207)	--	(207)	(64)	143
Capital outlay	--	23	23	--	(23)
	<u>31,043</u>	<u>350</u>	<u>31,393</u>	<u>31,448</u>	<u>55</u>
Total public recreation and culture	<u>89,492</u>	<u>965</u>	<u>90,457</u>	<u>91,381</u>	<u>924</u>
Urban growth management					
Neighborhood Planning & Zoning:					
Salaries and fringe benefits	30,400	(64)	30,336	30,711	375
Contractual services	3,965	222	4,187	4,239	52
Commodities	266	10	276	357	81
Expense refunds	(7,664)	--	(7,664)	(7,906)	(242)
Capital outlay	228	7	235	253	18
	<u>27,195</u>	<u>175</u>	<u>27,370</u>	<u>27,654</u>	<u>284</u>
Other Urban Growth Management:					
Salaries and fringe benefits	7,929	--	7,929	7,681	(248)
Contractual services	22,678	3,099	25,777	26,933	1,156
Commodities	381	108	489	403	(86)
Expense refunds	(858)	--	(858)	(880)	(22)
	<u>30,130</u>	<u>3,207</u>	<u>33,337</u>	<u>34,137</u>	<u>800</u>
Total urban growth management	<u>57,325</u>	<u>3,382</u>	<u>60,707</u>	<u>61,791</u>	<u>1,084</u>
General city responsibilities (2)	<u>97,951</u>	<u>(81,583)</u>	<u>16,368</u>	<u>19,005</u>	<u>2,637</u>
Total expenditures	<u>807,236</u>	<u>(79,217)</u>	<u>728,019</u>	<u>739,635</u>	<u>11,616</u>
General fund expenditures					
Salaries	608,947	(1,087)	607,860	612,561	4,701
Contractuals	114,301	1,044	115,345	118,067	2,722
Commodities	21,200	1,607	22,807	18,600	(4,207)
Indirect cost	724	--	724	822	98
Expense refunds	(39,214)	1	(39,213)	(33,780)	5,433
Capital outlay	3,327	801	4,128	4,360	232
General city responsibilities	97,951	(81,583)	16,368	19,005	2,637
Total expenditures	<u>\$ 807,236</u>	<u>(79,217)</u>	<u>728,019</u>	<u>739,635</u>	<u>11,616</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
As of September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-3

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Transfers in					
General Fund:					
General Fund	\$ --	15,586	15,586	15,586	--
Budget Stabilization Reserve	--	14,867	14,867	14,972	(105)
Sustainability	--	3,606	3,606	3,754	(148)
Special revenue funds:					
Business Retention & Enhancement	1,626	(28)	1,598	1,598	--
Enterprise funds:					
Austin Energy	116,771	--	116,771	116,771	--
Austin Water Utility	43,701	1,200	44,901	44,901	--
Austin Resource Recovery	481	--	481	811	(330)
Transportation	43	--	43	--	43
Total transfers in	162,622	35,231	197,853	198,393	(540)
Transfers out					
General Fund:					
Barton Springs Conservation	--	53	53	53	--
Contingency Reserve	--	287	287	287	--
Economic Development	--	1,280	1,280	1,280	--
Economic Incentive Reserve	--	14,206	14,206	14,206	--
Music Venue Assistance Program	--	100	100	100	--
Neighborhood Housing and Community Development	--	3,606	3,606	3,754	148
Special revenue funds:					
Housing Trust Social Equity	775	--	775	775	--
Cable TV	450	--	450	450	--
Mueller Local Government Corporation	985	--	985	985	--
Tax Increment Finance	--	100	100	100	--
Urban Renewal Agency	27	(27)	--	--	--
Capital Improvement Projects	8,572	--	8,572	8,562	(10)
Enterprise funds:					
Austin Energy	1,531	30	1,561	30	(1,531)
Austin Water Utility	14,300	--	14,300	--	(14,300)
Transportation	875	--	875	853	(22)
Internal service funds:					
CTECC	--	11,544	11,544	11,544	--
Fleet Maintenance	--	4,512	4,512	4,512	--
Information Systems	--	21,123	21,123	21,123	--
Liability Reserve	--	20	20	20	--
Support Services	--	41,625	41,625	41,625	--
Wireless Communication	--	5,548	5,548	5,548	--
Workers Compensation	--	92	92	92	--
Total transfers out	27,515	104,099	131,614	115,899	(15,715)
Net transfers	\$ 135,107	(68,868)	66,239	82,494	(16,255)

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



**NONMAJOR GOVERNMENTAL
FUNDS**



**Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2014
(In thousands)**

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

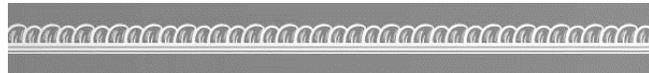
	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Pooled investments and cash	\$ 84,599	207	95,503	1,053	181,362
Investments, at fair value	--	16,984	--	--	16,984
Cash held by trustee - restricted	4,349	--	--	--	4,349
Property taxes receivable, net of allowance	--	3,827	--	--	3,827
Accounts receivable, net of allowance	24,786	--	5,727	--	30,513
Receivables from other governments	16,654	--	--	--	16,654
Notes receivable, net of allowance	21,687	--	--	--	21,687
Due from other funds	23,732	60	57,498	--	81,290
Advances to other funds	--	2,249	--	--	2,249
Real property held for resale	6,631	--	--	--	6,631
Other assets	1,676	--	99	--	1,775
Total assets	184,114	23,327	158,827	1,053	367,321
Deferred outflows of resources	--	--	--	--	--
LIABILITIES AND FUND BALANCES					
Accounts payable	3,136	--	18,916	--	22,052
Accrued payroll	73	--	--	--	73
Due to other funds	23,732	238	57,498	--	81,468
Unearned revenue	5,092	--	--	--	5,092
Advances from other funds	--	999	--	--	999
Deposits and other liabilities	63,446	--	427	--	63,873
Total liabilities	95,479	1,237	76,841	--	173,557
Deferred inflows of resources	2,458	3,722	3,485	--	9,665
Fund balances					
Nonspendable:					
Permanent funds	--	--	--	1,052	1,052
Restricted	64,487	18,368	79,144	1	162,000
Committed	27,486	--	39,047	--	66,533
Assigned	2,452	--	22,643	--	25,095
Unassigned	(8,248)	--	(62,333)	--	(70,581)
Total fund balances	86,177	18,368	78,501	1,053	184,099
Total liabilities, deferred inflows of resources, and fund balances	\$ 184,114	23,327	158,827	1,053	367,321

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-5

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Property taxes	\$ 4,624	103,933	--	--	108,557
Franchise fees and other taxes	81,270	--	--	--	81,270
Fines, forfeitures and penalties	5,390	--	--	--	5,390
Charges for services/goods	14,950	--	--	--	14,950
Intergovernmental	61,842	--	17,565	--	79,407
Property owners' participation and contributions	2,663	--	10,055	--	12,718
Interest and other	7,576	3,465	1,005	12	12,058
Total revenues	178,315	107,398	28,625	12	314,350
EXPENDITURES					
Current:					
General government	2,803	--	--	--	2,803
Public safety	13,233	--	--	--	13,233
Transportation, planning, and sustainability	13,804	--	--	--	13,804
Public health	19,702	--	--	--	19,702
Public recreation and culture	8,929	--	--	410	9,339
Urban growth management	49,079	--	--	--	49,079
Debt service:					
Principal	1,705	68,063	--	--	69,768
Interest	1,419	47,948	--	--	49,367
Fees and commissions	--	6	--	--	6
Capital outlay	--	--	257,420	--	257,420
Total expenditures	110,674	116,017	257,420	410	484,521
Excess (deficiency) of revenues over expenditures	67,641	(8,619)	(228,795)	(398)	(170,171)
OTHER FINANCING SOURCES (USES)					
Issuance of tax supported debt	--	424	154,020	--	154,444
Issuance of refunding bonds	--	107,923	--	--	107,923
Bond premiums	--	5,913	10,299	--	16,212
Payment to refunding bond escrow agent	--	(113,836)	--	--	(113,836)
Transfers in	11,728	9,495	38,023	--	59,246
Transfers out	(82,518)	--	(4,352)	--	(86,870)
Total other financing sources (uses)	(70,790)	9,919	197,990	--	137,119
Net change in fund balances	(3,149)	1,300	(30,805)	(398)	(33,052)
Fund balances at beginning of year	89,326	17,068	109,306	1,451	217,151
Fund balances at end of year	\$ 86,177	18,368	78,501	1,053	184,099





SPECIAL REVENUE FUNDS

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The City reports the following nonmajor special revenue funds:

FEDERAL, STATE AND OTHER SPECIAL REVENUE GRANTS

These represent grants awarded to the City from various federal, state and other sources. This category includes operational and capital grant activities. Grants awarded to enterprise operations are consolidated with enterprise reporting and are reported in the supplemental schedules.

OTHER SPECIAL REVENUE FUNDS

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:

ARIC Sustainability Fund - Accounts for the funding of costs to sustain operation of the Austin Regional Intelligence Center (ARIC).

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

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 Dept. of Treasury federal seized funds generated by police enforcement activities.

Police Federal Dept. of Justice Asset Forfeiture Fund - Records all Dept. of Justice federal seized funds generated by police enforcement activities.

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

Texas State Forfeiture Gambling Fund - Accounts for proceeds from the sale of property forfeited through the courts for illegal gambling operations.

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.

Transportation, Planning, and Sustainability

Public Works and Transportation:

Capital Area Metropolitan Planning Organization - Accounts for transportation planning activities 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.

Fiscal Surety - Land Development Fund - Escrow funds received from contractors for improvements for environmental, health, safety controls, and public infrastructure.

Public Health

Health and Human Services:

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

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 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.

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.

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.

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 Lady Bird Lake.

Urban Growth Management

Neighborhood Housing & Community Development:

Housing Loan Fund - Accounts for Affordable Housing loan activities.

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

Neighborhood Housing & Conservation - Provides funding for affordable housing programs through general obligation bonds.

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

Urban Renewal Agency Fund - Accounts for the agency responsible for overseeing the implementation and compliance of urban renewal plans. (blended component unit)

OTHER SPECIAL REVENUE FUNDS, continued

Development Services and Watershed Protection:

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

Austin Lake Hills Water Quality Fund – Accounts for developer funding to design and construct water quality controls for specific lots located in the Austin Lake Hills subdivision.

Barton Springs Zone Mitigation Fund - Accounts for the Barton Springs zone mitigation fee.

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.

Performance Contracting Fund – Accounts for revenues and expenditures of loan funds received from the State Energy Conservation Office (SECO) for the implementation of energy conservation measures.

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.

Water Supply Mitigation Fund – Accounts for funds received from properties located in a water supply rural or water supply suburban watershed.

Other Urban Growth Management:

Business Retention & 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 expenditures 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.

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.

Mueller Development Fund - Accounts for the costs of overseeing the life of the redevelopment project, Robert Mueller Municipal Airport site.

Mueller Local Government Corporation - Established for the purpose of financing projects required for the development of the former site of Mueller Airport. (blended component unit)

Mueller Tax Increment Financing Fund - Accounts for property tax revenue that is collected in the Mueller Tax Increment Financing Reinvestment Zone No. 16.

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.

Public Arts Fund - Provides for preservation and conservation of the City of Austin public art collection.

Rainey Street District Fund – The fund was created to assist in the rehabilitation of the existing single-family structures that are relocated outside of the Rainey Street District to be used and maintained as affordable housing units.

Rutherford Lane Facility Fund - Accounts for the revenue, expenditures and debt service requirements associated with the Rutherford Lane facilities.

Section 108 Family Business Loan Fund - Accounts for the public-private partnership loan program funded by a U.S. Department of Housing and Urban Development (HUD) Section 108 loan guarantee.

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.

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.

HOUSING ASSISTANCE FUND

Accounts for the activities of the Austin Housing Finance Corporation.

**Special Revenue Funds
Combining Balance Sheet
For the year ended September 30, 2014
(In thousands)**

**City of Austin, Texas
Exhibit E-6**

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Total
ASSETS				
Pooled investments and cash	\$ 2,719	78,948	2,932	84,599
Cash held by trustee - restricted	593	3,756	--	4,349
Accounts receivable, net of allowance	--	24,052	734	24,786
Receivables from other governments	16,654	--	--	16,654
Notes receivable, net of allowance	--	4,268	17,419	21,687
Due from other funds	--	23,732	--	23,732
Real property held for resale	--	890	5,741	6,631
Other assets	19	1,657	--	1,676
Total assets	19,985	137,303	26,826	184,114
Deferred outflows of resources	--	--	--	--
LIABILITIES AND FUND BALANCES				
Accounts payable	1,095	2,040	1	3,136
Accrued payroll	--	73	--	73
Due to other funds	13,745	9,987	--	23,732
Unearned revenue	5,092	--	--	5,092
Deposits and other liabilities	53	61,503	1,890	63,446
Total liabilities	19,985	73,603	1,891	95,479
Deferred inflows of resources	--	2,458	--	2,458
Fund balances				
Restricted	--	39,552	24,935	64,487
Committed	--	27,486	--	27,486
Assigned	--	2,452	--	2,452
Unassigned	--	(8,248)	--	(8,248)
Total fund balances	--	61,242	24,935	86,177
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,985	137,303	26,826	184,114

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-7

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Total
REVENUES				
Property taxes	\$ --	4,624	--	4,624
Franchise fees and other taxes	--	81,270	--	81,270
Fines, forfeitures, and penalties	--	5,390	--	5,390
Charges for services/goods	--	14,909	41	14,950
Intergovernmental	55,739	1,068	5,035	61,842
Property owners' participation and contributions	--	2,663	--	2,663
Interest and other	--	7,528	48	7,576
Total revenues	55,739	117,452	5,124	178,315
EXPENDITURES				
Current:				
General government	1,295	1,508	--	2,803
Public safety	11,456	1,777	--	13,233
Transportation, planning, and sustainability	8,404	5,400	--	13,804
Public health	19,547	155	--	19,702
Public recreation and culture	1,285	7,644	--	8,929
Urban growth management	13,752	31,375	3,952	49,079
Debt service:				
Principal	--	1,705	--	1,705
Interest	--	1,419	--	1,419
Total expenditures	55,739	50,983	3,952	110,674
Excess of revenues over expenditures	--	66,469	1,172	67,641
OTHER FINANCING SOURCES (USES)				
Transfers in	--	11,728	--	11,728
Transfers out	--	(82,518)	--	(82,518)
Total other financing sources (uses)	--	(70,790)	--	(70,790)
Net change in fund balances	--	(4,321)	1,172	(3,149)
Fund balances at beginning of year	--	65,563	23,763	89,326
Fund balances at end of year	\$ --	61,242	24,935	86,177

Special Revenue Funds
Combining Balance Sheet - All Special Revenue Grants
September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-8

	Assets					Liabilities and Fund Balances						Total Liabilities and Fund Balances
	Receivables					Due to					Fund Balances	
	Pooled Investments and Cash	Cash held by trustee	from Other Governments	Other Assets	Total Assets	Accounts Payable	Other Funds	Unearned Revenue	Other Liabilities	Total Liabilities		
Federal grants												
U.S. Department of Agriculture	\$ 190	--	1,077	6	1,273	57	1,092	107	17	1,273	--	1,273
Equal Employment Opportunity Commission	--	--	168	--	168	--	97	71	--	168	--	168
U.S. Department of Justice	--	--	509	--	509	3	506	--	--	509	--	509
U.S. Department of Labor	--	--	10	--	10	--	10	--	--	10	--	10
U.S. Department of Transportation	--	--	3,033	--	3,033	1	3,013	19	--	3,033	--	3,033
U.S. Health & Human Services	223	60	2,914	13	3,210	365	2,025	795	25	3,210	--	3,210
U.S. Department of Homeland Security	155	--	3,953	--	4,108	--	3,926	182	--	4,108	--	4,108
U.S. Housing/Urban Development	283	533	3,090	--	3,906	520	1,288	2,088	10	3,906	--	3,906
U.S. National Foundation on the Arts and Humanities	--	--	121	--	121	--	101	20	--	121	--	121
U.S. Department of Interior	3	--	--	--	3	3	--	--	--	3	--	3
U.S. Department of Energy	29	--	--	--	29	--	--	29	--	29	--	29
U.S. Institute of Museum and Library Services	--	--	47	--	47	--	47	--	--	47	--	47
U.S. Environmental Protection Agency	--	--	122	--	122	--	122	--	--	122	--	122
U.S. Department of Commerce	--	--	35	--	35	--	35	--	--	35	--	35
Total federal grants	883	593	15,079	19	16,574	949	12,262	3,311	52	16,574	--	16,574
State grants												
Texas Governor's Office Criminal Justice Division	--	--	33	--	33	16	15	2	--	33	--	33
State Health Services	--	--	142	--	142	1	140	1	--	142	--	142
Texas Commission of the Arts	3	--	--	--	3	--	--	3	--	3	--	3
Texas Comptroller of Public Accounts	10	--	--	--	10	--	--	9	1	10	--	10
Texas Parks and Wildlife	--	--	546	--	546	--	546	--	--	546	--	546
Texas Department of Transportation	--	--	223	--	223	--	223	--	--	223	--	223
Texas Department of Motor Vehicles	--	--	131	--	131	--	131	--	--	131	--	131
Texas Department of Housing and Community Affairs	--	--	260	--	260	129	131	--	--	260	--	260
Total state grants	13	--	1,335	--	1,348	146	1,186	15	1	1,348	--	1,348
Other special revenue grants	1,823	--	240	--	2,063	--	297	1,766	--	2,063	--	2,063
Total all grants	\$ 2,719	593	16,654	19	19,985	1,095	13,745	5,092	53	19,985	--	19,985

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Special Revenue Grants
For the year ended September 30, 2014
(In thousands)

124

	Revenues	Expenditures	Excess (Deficiency) Of Revenues Over	Fund Balances at Beginning of Year	Fund Balances at End of Year
	Inter- governmental	Special Projects	Expenditures		
Federal grants					
U.S. Department of Agriculture	\$ 5,596	5,596	--	--	--
Equal Employment Opportunity Commission	97	97	--	--	--
U.S. Department of Justice	1,965	1,965	--	--	--
U.S. Department of Transportation	9,329	9,329	--	--	--
U.S. Health & Human Services	12,263	12,263	--	--	--
U.S. Department of Homeland Security	7,349	7,349	--	--	--
U.S. Housing/Urban Development	14,349	14,349	--	--	--
U.S. National Foundation on the Arts and Humanities	32	32	--	--	--
U.S. Department of Interior	3	3	--	--	--
U.S. Institute of Museum and Library Services	63	63	--	--	--
U.S. Environmental Protection Agency	122	122	--	--	--
U.S. Department of Commerce	35	35	--	--	--
Total federal grants	51,203	51,203	--	--	--
State grants					
Texas Governor's Office Criminal Justice Division	36	36	--	--	--
State Health Services	566	566	--	--	--
Texas Commission of the Arts	45	45	--	--	--
Texas Parks and Wildlife	1,000	1,000	--	--	--
Texas Department of Transportation	209	209	--	--	--
Texas Department of Motor Vehicles	483	483	--	--	--
Texas Commission on Environmental Quality	1,039	1,039	--	--	--
Texas Department of Housing and Community Affairs	503	503	--	--	--
Total state grants	3,881	3,881	--	--	--
Other special revenue grants	655	655	--	--	--
Total all grants	\$ 55,739	55,739	--	--	--

Special Revenue Funds
Combining Schedule of Expenditures - All Special Revenue Grants
From Inception to September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-10

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	In-Kind		Total	In-Kind		In-Kind		Total	In-Kind		Total
	Grant	Match		Grant	Match	Grant	Match		Grant	Match	
Federal grants											
U.S. Department of Agriculture	\$ 38,573	--	38,573	5,596	--	44,169	--	44,169	45,829	--	45,829
Equal Employment Opportunity Commission	785	--	785	97	--	882	--	882	840	--	840
U.S. Department of Justice	28,418	5,025	33,443	1,965	124	30,383	5,149	35,532	32,730	5,119	37,849
U.S. Department of Labor	68	--	68	--	--	68	--	68	410	--	410
U.S. Department of Transportation	33,256	7,957	41,213	9,329	3,199	42,585	11,156	53,741	59,127	15,621	74,748
U.S. Health & Human Services	107,004	469	107,473	12,263	134	119,267	603	119,870	131,989	1,087	133,076
U.S. Department of Homeland Security	39,585	1,065	40,650	7,349	1,116	46,934	2,181	49,115	49,603	1,446	51,049
U.S. Housing/Urban Development	238,769	3,096	241,865	14,349	378	253,118	3,474	256,592	268,862	4,947	273,809
U.S. National Foundation on the Arts and Humanities	1,624	47	1,671	32	--	1,656	47	1,703	1,758	94	1,852
U.S. Department of Interior	369	282	651	3	--	372	282	654	935	286	1,221
U.S. Institute of Museum and Library Services	--	--	--	63	10	63	10	73	67	10	77
U.S. Environmental Protection Agency	--	--	--	122	367	122	367	489	326	1,104	1,430
U.S. Department of Commerce	64	35	99	35	--	99	35	134	815	35	850
Total federal grants	488,515	17,976	506,491	51,203	5,328	539,718	23,304	563,022	593,291	29,749	623,040
State grants											
Texas Governor's Office Criminal Justice Division	578	157	735	36	--	614	157	771	471	157	628
State Health Services	5,109	394	5,503	566	82	5,675	476	6,151	7,165	420	7,585
Texas Commission of the Arts	118	1	119	45	42	163	43	206	166	44	210
Texas Comptroller of Public Accounts	1,305	73	1,378	--	--	1,305	73	1,378	2,614	152	2,766
Texas Parks and Wildlife	541	536	1,077	1,000	1,000	1,541	1,536	3,077	1,547	1,557	3,104
Texas Department of Transportation	1,100	37	1,137	209	--	1,309	37	1,346	1,485	62	1,547
Texas Department of Motor Vehicles	1,929	615	2,544	483	151	2,412	766	3,178	2,851	865	3,716
Texas Commission on Environmental Quality	6,258	3,243	9,501	1,039	2,296	7,297	5,539	12,836	7,545	5,577	13,122
Texas Department of Housing and Community Affairs	2,876	192	3,068	503	--	3,379	192	3,571	3,404	192	3,596
Total state grants	19,814	5,248	25,062	3,881	3,571	23,695	8,819	32,514	27,248	9,026	36,274
Other special revenue grants	4,595	16	4,611	655	42	5,250	58	5,308	7,125	126	7,251
Total all grants	\$512,924	23,240	536,164	55,739	8,941	568,663	32,181	600,844	627,664	38,901	666,565

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2014
(In thousands)

	Assets								Deferred Outflows of Resources
	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Net Notes Receivable	Due from Other Funds	Property Held for Resale	Other Assets	Total Assets	
General government									
Municipal Court:									
Municipal Court Building Security	\$ 109	--	--	--	--	--	--	109	--
Municipal Court Juvenile Case Manager	2,133	--	--	--	--	--	--	2,133	--
Municipal Court Technology	832	--	--	--	--	--	--	832	--
Total general government	3,074	--	--	--	--	--	--	3,074	--
Public safety									
Police:									
ARIC Sustainability	589	--	--	--	--	--	--	589	--
Auto Theft Interdiction	40	--	--	--	--	--	--	40	--
Police Benefit	219	--	--	--	--	--	--	219	--
Police Federal Dept. of Treasury Asset Forfeiture	1,197	--	--	--	--	--	--	1,197	--
Police Federal Dept. of Justice Asset Forfeiture	2,480	--	--	--	--	--	--	2,480	--
Police State Contraband Asset Forfeiture	1,068	--	--	--	--	--	--	1,068	--
Texas State Forfeiture Gambling	559	--	--	--	--	--	--	559	--
Municipal Court Traffic Safety	155	--	--	--	--	--	--	155	--
Total Police	6,307	--	--	--	--	--	--	6,307	--
Fire:									
Fire Miscellaneous	46	--	--	--	--	--	--	46	--
Total Fire	46	--	--	--	--	--	--	46	--
Total public safety	6,353	--	--	--	--	--	--	6,353	--
Transportation, planning, and sustainability									
Public Works and Transportation: Capital Area Metropolitan Planning Organization	--	--	1,363	--	--	--	--	1,363	--
Child Safety	260	--	--	--	--	--	--	260	--
Fiscal Surety - Land Development	44,502	--	--	--	14,296	--	--	58,798	--
Total Public Works and Transportation	44,762	--	1,363	--	14,296	--	--	60,421	--
Total transportation, planning, and sustainability	44,762	--	1,363	--	14,296	--	--	60,421	--
Public health									
Health and Human Services:									
Health Miscellaneous	161	--	--	--	--	--	--	161	--
Total Health and Human Services	161	--	--	--	--	--	--	161	--
Other public health:									
Animal Services	327	--	--	--	--	--	--	327	--
Animal Shelter Building	15	--	--	--	--	--	--	15	--
Total other public health	342	--	--	--	--	--	--	342	--
Total public health	\$ 503	--	--	--	--	--	--	503	--

Liabilities						Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	
13	--	--	--	13	--	96	--	--	--	96	109
9	14	--	--	23	--	2,110	--	--	--	2,110	2,133
30	--	--	--	30	--	802	--	--	--	802	832
52	14	--	--	66	--	3,008	--	--	--	3,008	3,074
--	--	--	--	--	--	589	--	--	--	589	589
--	--	--	31	31	--	9	--	--	--	9	40
4	--	--	--	4	--	187	--	28	--	215	219
--	--	--	--	--	--	1,197	--	--	--	1,197	1,197
--	--	--	--	--	--	2,480	--	--	--	2,480	2,480
--	--	--	--	--	--	1,068	--	--	--	1,068	1,068
--	--	--	--	--	--	559	--	--	--	559	559
101	1	--	52	154	--	1	--	--	--	1	155
105	1	--	83	189	--	6,090	--	28	--	6,118	6,307
--	--	--	2	2	--	44	--	--	--	44	46
--	--	--	2	2	--	44	--	--	--	44	46
105	1	--	85	191	--	6,134	--	28	--	6,162	6,353
341	--	551	336	1,228	--	135	--	--	--	135	1,363
5	58	--	--	63	--	189	--	8	--	197	260
--	--	--	58,809	58,809	--	--	--	--	(11)	(11)	58,798
346	58	551	59,145	60,100	--	324	--	8	(11)	321	60,421
346	58	551	59,145	60,100	--	324	--	8	(11)	321	60,421
--	--	--	116	116	--	44	--	1	--	45	161
--	--	--	116	116	--	44	--	1	--	45	161
10	--	--	86	96	--	220	--	11	--	231	327
--	--	--	--	--	--	--	--	15	--	15	15
10	--	--	86	96	--	220	--	26	--	246	342
10	--	--	202	212	--	264	--	27	--	291	503

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2014
(In thousands)

	Assets							Total Assets	Deferred Outflows of Resources
	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Net Notes Receivable	Due from Property Other Funds	Due from Property Held for Resale	Other Assets		
Public recreation and culture									
Austin Public Library:									
Austin History Center	\$ 123	--	--	--	--	--	--	123	--
Friends of Austin Public Library	545	--	--	--	--	--	6	551	--
Special Library	607	--	--	--	--	--	--	607	--
Total Austin Public Library	1,275	--	--	--	--	--	6	1,281	--
Parks and Recreation:									
Adaptive Programs	16	--	--	--	--	--	--	16	--
PARD Cultural Projects	3,700	--	--	--	--	--	--	3,700	--
PARD Miscellaneous	685	--	--	--	--	--	--	685	--
Planting for the Future	474	--	--	--	--	--	--	474	--
Republic Square	1	--	--	--	--	--	--	1	--
Summer Musical	239	--	--	--	--	--	--	239	--
Teen Activity	51	--	--	--	--	--	--	51	--
Tennis League	2	--	--	--	--	--	--	2	--
Town Lake Beautification	442	--	--	--	--	--	--	442	--
Total Parks and Recreation	5,610	--	--	--	--	--	--	5,610	--
Total public recreation and culture	6,885	--	--	--	--	--	6	6,891	--
Urban growth management									
Neighborhood Housing & Community Development:									
Housing Loan	--	--	--	4,268	--	--	--	4,268	--
Housing Trust Social Equity	902	--	--	--	--	--	--	902	--
Neighborhood Housing & Conservation	--	--	--	--	--	--	--	--	--
UNO Housing Trust	784	--	36	--	--	--	--	820	--
Urban Renewal Agency	--	--	--	--	--	890	--	890	--
Total Neighborhood Housing & Community Development	1,686	--	36	4,268	--	890	--	6,880	--
Development Services and Watershed Protection:									
Austin Industrial Development Corporation (AIDC)	182	--	--	--	--	--	--	182	--
Austin Lake Hills Water Quality	77	--	--	--	--	--	--	77	--
Barton Springs Zone Mitigation	10	--	--	--	--	--	--	10	--
East Sixth Street Public Improvement District	86	--	31	--	--	--	--	117	--
Performance Contracting	--	--	1,415	--	--	--	--	1,415	--
Public Improvement District	2,014	--	115	--	--	--	--	2,129	--
Urban Forest Replenishment	2,375	--	--	--	--	--	--	2,375	--
Water Supply Mitigation	8	--	--	--	--	--	--	8	--
Total Development Services and Watershed Protection	\$ 4,752	--	1,561	--	--	--	--	6,313	--

(Continued)

Liabilities						Fund Balances				Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	Total Liabilities, Deferred Inflows of Resources, and Fund Balances
3	--	--	--	3	--	120	--	--	--	120	123
--	--	--	12	12	--	533	--	6	--	539	551
2	--	--	--	2	--	605	--	--	--	605	607
5	--	--	12	17	--	1,258	--	6	--	1,264	1,281
--	--	--	--	--	--	16	--	--	--	16	16
42	--	--	--	42	--	--	3,638	20	--	3,658	3,700
15	--	--	--	15	--	595	--	75	--	670	685
3	--	--	--	3	--	471	--	--	--	471	474
--	--	--	--	--	--	1	--	--	--	1	1
--	--	--	--	--	--	239	--	--	--	239	239
--	--	--	--	--	--	51	--	--	--	51	51
--	--	--	--	--	--	2	--	--	--	2	2
--	--	--	--	--	--	442	--	--	--	442	442
60	--	--	--	60	--	1,817	3,638	95	--	5,550	5,610
65	--	--	12	77	--	3,075	3,638	101	--	6,814	6,891
--	--	--	--	--	--	4,268	--	--	--	4,268	4,268
12	--	--	--	12	--	--	762	128	--	890	902
196	--	7,954	--	8,150	--	--	--	--	(8,150)	(8,150)	--
--	--	--	--	--	--	803	--	17	--	820	820
--	--	--	--	--	--	--	890	--	--	890	890
208	--	7,954	--	8,162	--	5,071	1,652	145	(8,150)	(1,282)	6,880
--	--	--	--	--	--	--	182	--	--	182	182
--	--	--	--	--	--	--	77	--	--	77	77
--	--	--	--	--	--	--	10	--	--	10	10
--	--	--	--	--	--	--	115	2	--	117	117
--	--	1,415	--	1,415	--	--	--	--	--	--	1,415
--	--	--	--	--	--	--	1,826	303	--	2,129	2,129
8	--	--	--	8	--	--	2,365	2	--	2,367	2,375
--	--	--	--	--	--	--	8	--	--	8	8
8	--	1,415	--	1,423	--	--	4,583	307	--	4,890	6,313

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2014
(In thousands)

	Assets								Deferred Outflows of Resources
	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Net Notes Receivable	Due from Property Other Funds	Held for Resale	Other Assets	Total Assets	
Other urban growth management:									
Business Retention & Enhancement	\$ 1,387	--	242	--	--	--	191	1,820	--
Cable TV	1,881	--	1	--	--	--	--	1,882	--
City Hall	880	--	12	--	--	--	--	892	--
City Hall Retail Tenant Improvement	116	--	--	--	--	--	--	116	--
Hotel-Motel Occupancy Tax	59	--	16,278	--	--	--	--	16,337	--
I-35 Parking Program	596	--	--	--	--	--	--	596	--
Mueller Development	6	--	2,458	--	--	--	--	2,464	--
Mueller Local Government Corporation	671	1,823	--	--	--	--	--	2,494	--
Mueller Tax Increment Financing	1	--	--	--	1	--	--	2	--
Music Loan Program	7	--	--	--	--	--	--	7	--
One Texas Center	116	--	--	--	--	--	--	116	--
Public Arts	11	--	--	--	--	--	--	11	--
Rainey Street District	166	--	--	--	--	--	--	166	--
Rutherford Lane Facility	--	--	--	--	--	--	--	--	--
Section 108 Family Business Loan	42	1,933	--	--	--	--	1,035	3,010	--
Seaholm Tax Increment Financing	92	--	--	--	--	--	--	92	--
Tax Increment Finance	360	--	--	--	--	--	--	360	--
Tourism and Promotion	2,149	--	--	--	--	425	--	2,574	--
Vehicle Rental Tax	--	--	2,101	--	--	--	--	2,101	--
Waller Creek Reserve	1,145	--	--	--	9,435	--	--	10,580	--
Waller Creek Tax Increment Finance	--	--	--	--	--	--	--	--	--
Wildland Conservation	1,248	--	--	--	--	--	--	1,248	--
Total other urban growth management	10,933	3,756	21,092	--	9,436	--	1,651	46,868	--
Total urban growth management	17,371	3,756	22,689	4,268	9,436	890	1,651	60,061	--
Total	\$ 78,948	3,756	24,052	4,268	23,732	890	1,657	137,303	--

(Continued)

Liabilities						Fund Balances				Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	Total
--	--	--	--	--	--	--	930	890	--	1,820	1,820
70	--	--	--	70	--	1,097	--	715	--	1,812	1,882
87	--	--	3	90	--	--	802	--	--	802	892
--	--	--	23	23	--	93	--	--	--	93	116
--	--	--	59	59	--	16,277	--	1	--	16,278	16,337
4	--	--	--	4	--	581	--	11	--	592	596
--	--	--	12	12	2,458	--	--	--	(6)	(6)	2,464
--	--	--	--	--	--	--	2,494	--	--	2,494	2,494
--	--	--	--	--	--	2	--	--	--	2	2
--	--	--	--	--	--	--	--	7	--	7	7
--	--	--	--	--	--	--	116	--	--	116	116
--	--	--	11	11	--	--	--	--	--	--	11
53	--	--	--	53	--	92	--	21	--	113	166
11	--	67	3	81	--	--	--	--	(81)	(81)	--
--	--	--	1,933	1,933	--	--	1,077	--	--	1,077	3,010
--	--	--	--	--	--	92	--	--	--	92	92
8	--	--	15	23	--	337	--	--	--	337	360
1,013	--	--	--	1,013	--	1,042	519	--	--	1,561	2,574
--	--	--	--	--	--	2,063	--	38	--	2,101	2,101
--	--	--	--	--	--	--	10,580	--	--	10,580	10,580
--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	1,095	153	--	1,248	1,248
1,246	--	67	2,059	3,372	2,458	21,676	17,613	1,836	(87)	41,038	46,868
1,462	--	9,436	2,059	12,957	2,458	26,747	23,848	2,288	(8,237)	44,646	60,061
2,040	73	9,987	61,503	73,603	2,458	39,552	27,486	2,452	(8,248)	61,242	137,303

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

	Revenues							Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Intergovernmental Contributions	Interest and Other		
General government								
Municipal Court:								
Municipal Court Building Security	\$ --	--	393	--	--	--	--	393
Municipal Court Juvenile Case Manager	--	--	594	--	--	--	2	596
Municipal Court Technology	--	--	524	--	--	--	1	525
Total general government	--	--	1,511	--	--	--	3	1,514
Public safety								
Police:								
ARIC Sustainability	--	--	--	--	--	403	1	404
Auto Theft Interdiction	--	--	--	--	--	--	--	--
Police Benefit	--	--	--	28	--	114	--	142
Police Federal Dept. of Treasury Asset Forfeiture	--	--	473	--	--	--	1	474
Police Federal Dept. of Justice Asset Forfeiture	--	--	336	--	--	--	2	338
Police State Contraband Asset Forfeiture	--	--	584	--	--	--	8	592
Texas State Forfeiture Gambling	--	--	31	--	--	--	1	32
Municipal Court Traffic Safety	--	--	723	--	--	--	68	791
Total Police	--	--	2,147	28	--	517	81	2,773
Fire:								
Fire Miscellaneous	--	--	--	--	--	--	--	--
Total Fire	--	--	--	--	--	--	--	--
Total public safety	--	--	2,147	28	--	517	81	2,773
Transportation, planning, and sustainability								
Public Works and Transportation:								
Capital Area Metropolitan Planning Child Safety	--	--	--	3,481	--	--	--	3,481
Fiscal Surety - Land Development	--	--	1,732	--	--	--	--	1,732
Total Public Works and Transportation	--	--	--	--	--	--	(53)	(53)
Total transportation, planning, and sustainability	--	--	1,732	3,481	--	--	(53)	5,160
Public health								
Health and Human Services:								
Health Miscellaneous	--	--	--	--	--	--	--	--
Total Health and Human Services	--	--	--	--	--	--	--	--
Other public health:								
Animal Services	--	--	--	--	--	123	--	123
Animal Shelter Building	--	--	--	--	--	--	--	--
Total other public health	--	--	--	--	--	123	--	123
Total public health	\$ --	--	--	--	--	123	--	123

(1) Expenditures include capital outlay of \$951 thousand.

Expenditures			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
Current Expenditures (1)	Debt Service			Transfers In	Transfers Out			
	Principal	Interest						
372	--	--	21	--	--	21	75	96
599	--	--	(3)	--	--	(3)	2,113	2,110
537	--	--	(12)	--	--	(12)	814	802
1,508	--	--	6	--	--	6	3,002	3,008
140	--	--	264	--	--	264	325	589
--	--	--	--	--	--	--	9	9
17	--	--	125	--	--	125	90	215
341	--	--	133	--	--	133	1,064	1,197
134	--	--	204	--	--	204	2,276	2,480
200	--	--	392	--	--	392	676	1,068
67	--	--	(35)	--	--	(35)	594	559
878	--	--	(87)	--	--	(87)	88	1
1,777	--	--	996	--	--	996	5,122	6,118
--	--	--	--	--	--	--	44	44
--	--	--	--	--	--	--	44	44
1,777	--	--	996	--	--	996	5,166	6,162
3,526	--	--	(45)	--	--	(45)	180	135
1,874	--	--	(142)	--	--	(142)	339	197
--	--	--	(53)	--	--	(53)	42	(11)
5,400	--	--	(240)	--	--	(240)	561	321
5,400	--	--	(240)	--	--	(240)	561	321
--	--	--	--	--	--	--	45	45
--	--	--	--	--	--	--	45	45
155	--	--	(32)	--	--	(32)	263	231
--	--	--	--	--	--	--	15	15
155	--	--	(32)	--	--	(32)	278	246
155	--	--	(32)	--	--	(32)	323	291

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

	Revenues							Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Intergovernmental Contributions	Interest and Other		
Public recreation and culture								
Austin Public Library:								
Austin History Center	\$ --	--	--	--	--	6	--	6
Friends of Austin Public Library	--	--	--	--	--	171	--	171
Special Library	--	--	--	--	--	159	--	159
Total Austin Public Library	--	--	--	--	--	336	--	336
Parks and Recreation:								
Adaptive Programs	--	--	--	--	--	--	--	--
PARD Cultural Projects	--	7,954	--	--	--	--	2	7,956
PARD Miscellaneous	--	--	--	--	--	126	3	129
Planting for the Future	--	--	--	--	--	268	--	268
Republic Square	--	--	--	--	--	--	--	--
Summer Musical	--	--	--	--	--	250	--	250
Teen Activity	--	--	--	--	--	5	--	5
Tennis League	--	--	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	--	351	--	351
Total parks and recreation	--	7,954	--	--	--	1,000	5	8,959
Total public recreation and culture	--	7,954	--	--	--	1,336	5	9,295
Urban growth management								
Neighborhood Housing & Community Development:								
Housing Loan	--	--	--	--	--	--	--	--
Housing Trust Social Equity	--	--	--	8	--	--	1	9
Neighborhood Housing & Conservation	--	--	--	--	--	--	--	--
UNO Housing Trust	--	--	--	125	--	--	--	125
Urban Renewal Agency	--	--	--	--	--	--	--	--
Total Neighborhood Housing & Community Development	--	--	--	133	--	--	1	134
Development Services and Watershed Protection:								
Austin Industrial Development Corporation (AIDC)	--	--	--	--	--	--	--	--
Austin Lake Hills Water Quality	--	--	--	--	--	--	--	--
Barton Springs Zone Mitigation	--	--	--	--	--	--	--	--
East Sixth Street Public Improvement District	--	--	--	79	--	35	--	114
Performance Contracting	--	--	--	--	--	--	2,752	2,752
Public Improvement District	--	--	--	3,543	--	--	3	3,546
Urban Forest Replenishment	--	--	--	--	--	644	2	646
Water Supply Mitigation	--	--	--	--	--	8	--	8
Total Development Services and Watershed Protection	\$ --	--	--	3,622	--	687	2,757	7,066

(1) Expenditures include capital outlay of \$951 thousand.

(Continued)

Expenditures			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
Current Expenditures (1)	Debt Service			Transfers In	Transfers Out			
	Principal	Interest						
3	--	--	3	--	--	3	117	120
25	--	--	146	--	--	146	393	539
156	--	--	3	6	(28)	(19)	624	605
184	--	--	152	6	(28)	130	1,134	1,264
--	--	--	--	--	--	--	16	16
6,906	--	--	1,050	--	--	1,050	2,608	3,658
33	--	--	96	6	--	102	568	670
286	--	--	(18)	--	(13)	(31)	502	471
--	--	--	--	--	--	--	1	1
226	--	--	24	--	--	24	215	239
--	--	--	5	--	--	5	46	51
9	--	--	(9)	--	--	(9)	11	2
--	--	--	351	--	--	351	91	442
7,460	--	--	1,499	6	(13)	1,492	4,058	5,550
7,644	--	--	1,651	12	(41)	1,622	5,192	6,814
688	--	--	(688)	--	--	(688)	4,956	4,268
746	--	--	(737)	775	--	38	852	890
8,150	--	--	(8,150)	--	--	(8,150)	--	(8,150)
--	--	--	125	--	--	125	695	820
27	--	--	(27)	27	--	--	890	890
9,611	--	--	(9,477)	802	--	(8,675)	7,393	(1,282)
--	--	--	--	--	--	--	182	182
--	--	--	--	--	--	--	77	77
--	--	--	--	--	--	--	10	10
110	--	--	4	--	--	4	113	117
2,752	--	--	--	--	--	--	--	--
3,506	--	--	40	150	--	190	1,939	2,129
351	--	--	295	--	--	295	2,072	2,367
--	--	--	8	--	--	8	--	8
6,719	--	--	347	150	--	497	4,393	4,890

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

	Revenues							Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Intergovernmental Contributions	Interest and Other		
	Other urban growth management:							
Business Retention & Enhancement	\$ --	--	--	219	--	--	780	999
Cable TV	--	1,959	--	--	--	--	3	1,962
City Hall	--	--	--	1,361	--	--	2	1,363
City Hall Retail Tenant Improvement	--	--	--	--	--	--	--	--
Hotel-Motel Occupancy Tax	--	51,749	--	--	--	--	--	51,749
I-35 Parking Program	--	--	--	421	--	--	1	422
Mueller Development	--	--	--	--	--	--	--	--
Mueller Local Government Corporation	--	--	--	--	--	--	--	--
Mueller Tax Increment Financing	2,507	--	--	--	--	--	1	2,508
Music Loan Program	--	--	--	--	--	--	9	9
One Texas Center	--	--	--	1,988	--	--	--	1,988
Public Arts	--	--	--	--	--	--	--	--
Rainey Street District	--	--	--	--	--	--	387	387
Rutherford Lane Facility	--	--	--	3,656	--	--	--	3,656
Section 108 Family Business Loan	--	--	--	--	1,068	--	39	1,107
Seaholm Tax Increment Financing	92	--	--	--	--	--	--	92
Tax Increment Finance	100	--	--	--	--	--	--	100
Tourism and Promotion	--	10,980	--	--	--	--	4	10,984
Vehicle Rental Tax	--	8,628	--	--	--	--	4	8,632
Waller Creek Reserve	--	--	--	--	--	--	3,207	3,207
Waller Creek Tax Increment Finance	1,925	--	--	--	--	--	5	1,930
Wildland Conservation	--	--	--	--	--	--	292	292
Total other urban growth management	4,624	73,316	--	7,645	1,068	--	4,734	91,387
Total urban growth management	4,624	73,316	--	11,400	1,068	687	7,492	98,587
Total	\$ 4,624	81,270	5,390	14,909	1,068	2,663	7,528	117,452

(1) Expenditures include capital outlay of \$951 thousand.

(Continued)

Expenditures			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
Current Expenditures (1)	Debt Service			Transfers In	Transfers Out			
	Principal	Interest						
--	--	--	999	--	(1,598)	(599)	2,419	1,820
1,130	--	--	832	450	(2,600)	(1,318)	3,130	1,812
556	--	--	807	--	(1,350)	(543)	1,345	802
--	--	--	--	--	--	--	93	93
--	--	--	51,749	--	(49,222)	2,527	13,751	16,278
149	--	--	273	--	(107)	166	426	592
2	--	--	(2)	--	--	(2)	(4)	(6)
2	1,705	1,419	(3,126)	3,492	--	366	2,128	2,494
--	--	--	2,508	--	(2,507)	1	1	2
56	--	--	(47)	--	--	(47)	54	7
--	--	--	1,988	--	(1,940)	48	68	116
--	--	--	--	--	--	--	--	--
274	--	--	113	--	--	113	--	113
1,419	--	--	2,237	--	(1,355)	882	(963)	(81)
1	--	--	1,106	--	(14)	1,092	(15)	1,077
--	--	--	92	--	--	92	--	92
115	--	--	(15)	--	--	(15)	352	337
11,032	--	--	(48)	125	--	77	1,484	1,561
--	--	--	8,632	--	(8,589)	43	2,058	2,101
--	--	--	3,207	6,697	(6,498)	3,406	7,174	10,580
--	--	--	1,930	--	(6,697)	(4,767)	4,767	--
309	--	--	(17)	--	--	(17)	1,265	1,248
15,045	1,705	1,419	73,218	10,764	(82,477)	1,505	39,533	41,038
31,375	1,705	1,419	64,088	11,716	(82,477)	(6,673)	51,319	44,646
47,859	1,705	1,419	66,469	11,728	(82,518)	(4,321)	65,563	61,242

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

	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	\$ (77)	393	371	--	--	22	(55)
Budget	86	353	399	--	--	(46)	40
Variance-Positive (Negative)	(163)	40	28	--	--	68	(95)
Municipal Court Technology							
Actual-budget basis	655	524	520	--	--	4	659
Budget	706	472	678	--	--	(206)	500
Variance-Positive (Negative)	(51)	52	158	--	--	210	159
Municipal Court Juvenile Case Manager							
Actual-budget basis	1,812	597	669	--	--	(72)	1,740
Budget	2,040	470	745	--	12	(287)	1,753
Variance-Positive (Negative)	(228)	127	76	--	12	215	(13)
Public safety							
Police:							
Federal Dept. of Justice Asset Forfeiture							
Actual-budget basis	2,201	338	1,418	--	--	(1,080)	1,121
Budget	1,908	--	1,908	--	--	(1,908)	--
Variance-Positive (Negative)	293	338	490	--	--	828	1,121
Federal Dept. of Treasury Asset Forfeiture							
Actual-budget basis	915	474	568	--	--	(94)	821
Budget	714	--	714	--	--	(714)	--
Variance-Positive (Negative)	201	474	146	--	--	620	821
State Contraband Asset Forfeiture							
Actual-budget basis	561	592	243	--	--	349	910
Budget	433	--	433	--	--	(433)	--
Variance-Positive (Negative)	128	592	190	--	--	782	910
State Gambling Asset Forfeiture							
Actual-budget basis	595	32	66	--	--	(34)	561
Budget	442	--	442	--	--	(442)	--
Variance-Positive (Negative)	153	32	376	--	--	408	561
Traffic Safety							
Actual-budget basis	(179)	791	830	--	--	(39)	(218)
Budget	--	1,665	1,368	--	297	--	--
Variance-Positive (Negative)	(179)	(874)	538	--	297	(39)	(218)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

(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							
Public Works and Transportation							
Child Safety							
Actual-budget basis	\$ 198	1,732	1,874	--	--	(142)	56
Budget	333	1,777	2,018	--	9	(250)	83
Variance-Positive (Negative)	(135)	(45)	144	--	9	108	(27)
Public recreation and culture							
PARC Cultural Projects							
Actual-budget basis	1,786	7,956	7,291	--	--	665	2,451
Budget	2,078	15	7,831	6,993	--	(823)	1,255
Variance-Positive (Negative)	(292)	7,941	540	(6,993)	--	1,488	1,196
Urban growth management							
Neighborhood Housing & Community Development:							
Housing Trust Social Equity							
Actual-budget basis	773	9	829	775	--	(45)	728
Budget	301	--	1,076	775	--	(301)	--
Variance-Positive (Negative)	472	9	247	--	--	256	728
UNO Housing Trust							
Actual-budget basis	687	126	--	--	--	126	813
Budget	628	--	628	--	--	(628)	--
Variance-Positive (Negative)	59	126	628	--	--	754	813
Neighborhood Planning and Zoning:							
Austin Energy Performance Contracting							
Actual-budget basis	(4,496)	2,752	--	--	--	2,752	(1,744)
Budget	(3,787)	3,717	--	--	--	3,717	(70)
Variance	(709)	(965)	--	--	--	(965)	(1,674)
Other urban growth management:							
Business Retention and Enhancement							
Actual-budget basis	2,236	1,015	--	--	1,598	(583)	1,653
Budget	1,823	25	250	--	1,598	(1,823)	--
Variance-Positive (Negative)	413	990	250	--	--	1,240	1,653
Cable TV							
Actual-budget basis	2,683	1,962	744	450	2,600	(932)	1,751
Budget	1,422	1,904	750	450	2,600	(996)	426
Variance-Positive (Negative)	1,261	58	6	--	--	64	1,325

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2014
(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							
City Hall							
Actual-budget basis	\$ 1,304	1,363	665	--	1,350	(652)	652
Budget	996	1,406	895	--	1,350	(839)	157
Variance-Positive (Negative)	308	(43)	230	--	--	187	495
Hotel-Motel Occupancy Tax							
Actual-budget basis	3,534	70,699	--	--	68,156	2,543	6,077
Budget	--	59,925	--	--	59,925	--	--
Variance-Positive (Negative)	3,534	10,774	--	--	(8,231)	2,543	6,077
I-35 Parking Program							
Actual-budget basis	488	421	144	--	107	170	658
Budget	384	356	154	--	110	92	476
Variance-Positive (Negative)	104	65	10	--	3	78	182
Mueller Tax Increment Financing							
Actual-budget basis	--	2,507	2,507	--	--	--	--
Budget	--	2,597	2,597	--	--	--	--
Variance-Positive (Negative)	--	(90)	90	--	--	--	--
One Texas Center							
Actual-budget basis	28	1,988	--	--	1,940	48	76
Budget	12	1,724	--	--	1,940	(216)	(204)
Variance-Positive (Negative)	16	264	--	--	--	264	280
Rutherford Lane Facility							
Actual-budget basis	(1,066)	3,656	1,449	--	1,355	852	(214)
Budget	(1,182)	3,656	3,402	--	--	254	(928)
Variance-Positive (Negative)	116	--	1,953	--	(1,355)	598	714
Seaholm Tax Increment Financing							
Actual-budget basis	--	92	--	--	--	92	92
Budget	--	94	--	--	--	94	94
Variance-Positive (Negative)	--	(2)	--	--	--	(2)	(2)
Section 108 Family Business Loan							
Actual-budget basis	3,000	1,140	1,068	--	14	58	3,058
Budget	--	2,191	2,096	--	95	--	--
Variance-Positive (Negative)	3,000	(1,051)	1,028	--	81	58	3,058
Tourism and Promotion							
Actual-budget basis	1,497	4	11,033	11,105	--	76	1,573
Budget	1,250	4	11,033	9,779	--	(1,250)	--
Variance-Positive (Negative)	247	--	--	1,326	--	1,326	1,573

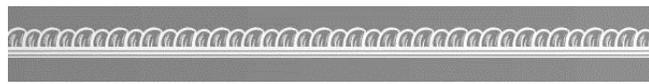
(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

(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							
Vehicle Rental Tax							
Actual-budget basis	\$ (2,046)	8,631	--	--	8,589	42	(2,004)
Budget	--	7,965	--	--	7,965	--	--
Variance-Positive (Negative)	(2,046)	666	--	--	(624)	42	(2,004)
Waller Creek Reserve							
Actual-budget basis	7,175	3,207	--	6,697	6,498	3,406	10,581
Budget	5,799	2,739	--	6,723	6,893	2,569	8,368
Variance-Positive (Negative)	1,376	468	--	(26)	395	837	2,213
Waller Creek Tax Increment Finance							
Actual-budget basis	4,766	1,929	--	--	6,697	(4,768)	(2)
Budget	4,767	1,956	--	--	6,723	(4,767)	--
Variance-Positive (Negative)	(1)	(27)	--	--	26	(1)	(2)
Wildland Conservation							
Actual-budget basis	933	292	328	--	--	(36)	897
Budget	1,180	203	335	--	--	(132)	1,048
Variance-Positive (Negative)	(247)	89	7	--	--	96	(151)
Total							
Actual-budget basis	\$ 29,963	115,222	32,617	19,027	98,904	2,728	32,691
Budget	22,333	95,214	39,752	24,720	89,517	(9,335)	12,998
Variance-Positive (Negative)	7,630	20,008	7,135	(5,693)	(9,387)	12,063	19,693





DEBT SERVICE FUNDS

Debt service funds account for and report financial resources, and the accumulation of those financial resources, that are restricted, committed, or assigned to expenditure for principal and interest of general long-term debt and HUD Section 108 loans. The City reports the following nonmajor debt service funds:

General Obligation Debt Service Fund - Accounts for payments of principal, interest and related costs of general obligation and other tax-supported debt;

HUD Section 108 Loans Fund - Accounts for HUD loans for construction costs.



Debt Service Funds
 Combining Balance Sheet
 September 30, 2014
 (In thousands)

City of Austin, Texas
 Exhibit E-14

	General Obligation	HUD Section 108 Loans	Total
ASSETS			
Pooled investments and cash	\$ 207	--	207
Investments, at fair value	16,984	--	16,984
Property taxes receivable, net of allowance	3,827	--	3,827
Due from other funds	60	--	60
Advances to other funds	2,249	--	2,249
Total assets	<u>23,327</u>	<u>--</u>	<u>23,327</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
LIABILITIES AND FUND BALANCES			
Due to other funds	238	--	238
Advances from other funds	999	--	999
Total liabilities	<u>1,237</u>	<u>--</u>	<u>1,237</u>
Deferred inflows of resources	<u>3,722</u>	<u>--</u>	<u>3,722</u>
Fund balances			
Restricted	18,368	--	18,368
Total fund balances	<u>18,368</u>	<u>--</u>	<u>18,368</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,327</u>	<u>--</u>	<u>23,327</u>

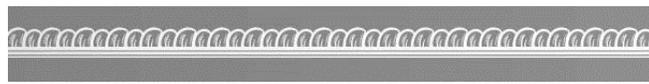
Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the period ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-15

	<u>General Obligation</u>	<u>HUD Section 108 Loans</u>	<u>Total</u>
REVENUES			
Property taxes			
Current	\$ 103,507	--	103,507
Penalty and interest	426	--	426
Interest and other	2,461	1,004	3,465
Total revenues	<u>106,394</u>	<u>1,004</u>	<u>107,398</u>
EXPENDITURES			
Debt service:			
Principal	67,233	830	68,063
Interest	47,761	187	47,948
Fees and commissions	5	1	6
Total expenditures	<u>114,999</u>	<u>1,018</u>	<u>116,017</u>
Excess (deficiency) of revenues over expenditures	(8,605)	(14)	(8,619)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	424	--	424
Issuance of refunding bonds	107,923	--	107,923
Bond premiums	5,913	--	5,913
Payment to refunding bond escrow agent	(113,836)	--	(113,836)
Transfers in	9,481	14	9,495
Total other financing sources (uses)	<u>9,905</u>	<u>14</u>	<u>9,919</u>
Net change in fund balances	1,300	--	1,300
Fund balances at beginning of year	17,068	--	17,068
Fund balances at end of year	<u>\$ 18,368</u>	<u>--</u>	<u>18,368</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, 2014
(In thousands)

	General Obligation			HUD Section 108 Loans			Total
	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual-Budget Basis
REVENUES							
General property taxes	\$ 103,933	102,955	978	--	--	--	103,933
Interest	25	66	(41)	--	--	--	25
Other revenue	2,129	614	1,515	1,004	1,106	(102)	3,133
Total revenues	106,087	103,635	2,452	1,004	1,106	(102)	107,091
EXPENDITURES							
Principal retirement	88,475	86,510	(1,965)	830	830	--	89,305
Interest and other	52,124	54,699	2,575	187	269	82	52,311
Fees and commissions	5	15	10	1	7	6	6
Total expenditures	140,604	141,224	620	1,018	1,106	88	141,622
Excess (deficiency) of revenues over expenditures	(34,517)	(37,589)	3,072	(14)	--	(14)	(34,531)
OTHER FINANCING SOURCES (USES)							
Transfers in	35,942	36,227	(285)	14	--	14	35,956
Total other financing sources (uses)	35,942	36,227	(285)	14	--	14	35,956
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,425	(1,362)	2,787	--	--	--	1,425
Fund balances at beginning of year	15,692	15,485	207	--	--	--	15,692
Fund balances at end of year	\$ 17,117	14,123	2,994	--	--	--	17,117



CAPITAL PROJECTS FUNDS

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those reported within proprietary funds). The City reports the following nonmajor capital projects funds:

Prior

to 1984: 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;

2010: Funds authorized November 2, 2010, for transportation mobility;

2012: Funds authorized November 5, 2012, for various purposes; and

Other: Other funds established for various purposes.



**Capital Projects Funds
Combining Balance Sheet
September 30, 2014
(In thousands)**

	<u>Assets</u>					<u>Liabilities</u>	
	<u>Pooled Investments and Cash</u>	<u>Net Accounts Receivable</u>	<u>Due from Other Funds</u>	<u>Other Assets</u>	<u>Total Assets</u>	<u>Deferred Outflows of Resources</u>	<u>Accounts Payable</u>
Funds Authorized August 29, 1981							
EMS buildings	\$ 208	--	--	--	208	--	--
Total Funds Authorized Prior to 1984	208	--	--	--	208	--	--
Funds Authorized September 8, 1984							
Parkland acquisition	2	--	--	--	2	--	--
Drainage and flood improvements	--	--	--	--	--	--	--
Street improvements	1,193	12	--	--	1,205	--	--
Fire improvements	4	--	--	--	4	--	--
Total Funds Authorized in 1984	1,199	12	--	--	1,211	--	--
Funds Authorized January 19, 1985							
Cultural arts	263	--	--	--	263	--	--
Funds Authorized July 26, 1985							
Neighborhood park and recreation	17,627	--	--	--	17,627	--	218
Total Funds Authorized in 1985	17,890	--	--	--	17,890	--	218
Funds Authorized September 3, 1987							
Street resurfacing	194	--	--	--	194	--	--
Total Funds Authorized in 1987	194	--	--	--	194	--	--
Funds Authorized August 10, 1992							
Police substations	31	--	--	--	31	--	--
Asbestos abatement/ADA compliance/ East Austin health clinic	127	--	--	--	127	--	--
Erosion & flood control	1	--	--	--	1	--	--
Street & traffic signals	--	--	--	--	--	--	--
Neighborhood sidewalks	2	--	--	--	2	--	--
Parks and recreation facilities	--	--	--	--	--	--	--
Libraries	--	--	--	--	--	--	--
Barton Creek greenway	320	--	--	--	320	--	--
Total Funds Authorized in 1992	481	--	--	--	481	--	--
Funds Authorized May 3, 1997							
Radio Trunking	--	1,042	--	--	1,042	--	--
Total Funds Authorized in 1997	\$ --	1,042	--	--	1,042	--	--

Liabilities			Fund Balances						Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Due to Other Funds	Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Fund Balances	
--	--	--	--	--	--	208	--	208	208
--	--	--	--	--	--	208	--	208	208
--	--	--	--	--	--	2	--	2	2
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	318	887	--	1,205	1,205
--	--	--	--	--	--	4	--	4	4
--	--	--	--	--	318	893	--	1,211	1,211
--	--	--	--	--	--	263	--	263	263
--	--	218	--	17,385	--	24	--	17,409	17,627
--	--	218	--	17,385	--	287	--	17,672	17,890
--	--	--	--	--	--	194	--	194	194
--	--	--	--	--	--	194	--	194	194
--	--	--	--	--	--	31	--	31	31
--	--	--	--	--	--	127	--	127	127
--	--	--	--	--	--	1	--	1	1
8	--	8	--	--	--	--	(8)	(8)	--
--	--	--	--	2	--	--	--	2	2
288	--	288	--	--	--	--	(288)	(288)	--
17	--	17	--	--	--	--	(17)	(17)	--
--	--	--	--	320	--	--	--	320	320
313	--	313	--	322	--	159	(313)	168	481
1,089	--	1,089	--	--	--	--	(47)	(47)	1,042
1,089	--	1,089	--	--	--	--	(47)	(47)	1,042

(Continued)

**Capital Projects Funds
Combining Balance Sheet
September 30, 2014
(In thousands)**

	Assets					Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Due from Other Funds	Other Assets	Total Assets	Deferred Outflows of Resources	Accounts Payable
Funds Authorized November 3, 1998							
Cultural arts and land	\$ 42	--	--	--	42	--	4
Traffic signals	2,828	63	1,402	--	4,293	--	--
Public safety facilities	560	--	--	--	560	--	2
Parks and recreation facilities	953	--	--	--	953	--	--
Total Funds Authorized in 1998	4,383	63	1,402	--	5,848	--	6
Funds Authorized November 7, 2000							
Transportation Mobility Improvement	14,789	--	722	--	15,511	--	1,422
Open Spaces	--	4	--	--	4	--	--
Total Funds Authorized in 2000	14,789	4	722	--	15,515	--	1,422
Funds Authorized November 7, 2006							
Transportation	2,644	--	--	--	2,644	--	462
Drainage & Open Spaces	12,333	--	--	--	12,333	--	214
Parks	6,059	--	--	--	6,059	--	119
Cultural Facilities	1,717	--	--	--	1,717	--	--
Affordable Housing	228	--	--	--	228	--	4
Central Library	--	--	--	--	--	--	2,300
Public Safety	6,565	--	--	--	6,565	--	6
Total Funds Authorized in 2006	29,546	--	--	--	29,546	--	3,105
Funds Authorized November 2, 2010							
Mobility	--	--	--	--	--	--	879
Total Funds Authorized in 2010	--	--	--	--	--	--	879
Funds Authorized November 5, 2012							
Transportation	--	--	--	--	--	--	1,421
Open Space	--	--	--	--	--	--	--
Parks	--	--	--	--	--	--	304
Public Safety	--	--	--	--	--	--	38
Health	--	--	--	--	--	--	106
Library & Cultural	773	--	--	--	773	--	95
Total Funds Authorized in 2012	\$ 773	--	--	--	773	--	1,964

(Continued)

Liabilities				Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Due to Other Funds	Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	
--	--	4	--	38	--	--	--	38	42
--	--	--	--	4,293	--	--	--	4,293	4,293
--	--	2	--	558	--	--	--	558	560
--	--	--	--	953	--	--	--	953	953
--	--	6	--	5,842	--	--	--	5,842	5,848
--	--	1,422	--	--	12,858	1,231	--	14,089	15,511
4	--	4	--	--	--	--	--	--	4
4	--	1,426	--	--	12,858	1,231	--	14,089	15,515
--	--	462	--	2,182	--	--	--	2,182	2,644
--	--	214	--	12,119	--	--	--	12,119	12,333
--	--	119	--	5,940	--	--	--	5,940	6,059
--	--	--	--	1,717	--	--	--	1,717	1,717
--	--	4	--	224	--	--	--	224	228
718	--	3,018	--	--	--	--	(3,018)	(3,018)	--
--	--	6	--	6,559	--	--	--	6,559	6,565
718	--	3,823	--	28,741	--	--	(3,018)	25,723	29,546
4,562	--	5,441	--	--	--	--	(5,441)	(5,441)	--
4,562	--	5,441	--	--	--	--	(5,441)	(5,441)	--
5,215	--	6,636	--	--	--	--	(6,636)	(6,636)	--
9,194	--	9,194	--	--	--	--	(9,194)	(9,194)	--
5,121	--	5,425	--	--	--	--	(5,425)	(5,425)	--
405	--	443	--	--	--	--	(443)	(443)	--
620	--	726	--	--	--	--	(726)	(726)	--
--	--	95	--	678	--	--	--	678	773
20,555	--	22,519	--	678	--	--	(22,424)	(21,746)	773

(Continued)

Capital Projects Funds
Combining Balance Sheet
September 30, 2014
(In thousands)

	<u>Assets</u>					<u>Liabilities</u>	
	<u>Pooled Investments and Cash</u>	<u>Net Accounts Receivable</u>	<u>Due from Other Funds</u>	<u>Other Assets</u>	<u>Total Assets</u>	<u>Deferred Outflows of Resources</u>	<u>Accounts Payable</u>
Other funds							
Planning & development improvements	\$ --	--	--	--	--	--	--
TPSD general improvements	--	36	13,126	--	13,162	--	2,244
Library automation system	278	--	10,694	--	10,972	--	11
Fire/EMS/NW Austin MUD #1	761	--	--	--	761	--	--
General government projects	--	--	--	--	--	--	3,431
Health projects	--	--	--	--	--	--	--
Build Austin	--	11	--	--	11	--	2
CMTA Mobility	3,441	3,485	10,337	--	17,263	--	15
Park improvements	--	--	--	--	--	--	116
Parks and Recreation	1,191	--	--	--	1,191	--	563
Police and courts	24	--	1,000	--	1,024	--	11
Fire - general	1,716	--	--	--	1,716	--	--
Capital reserve	--	226	--	--	226	--	23
CTM	3,953	--	6,645	--	10,598	--	1,140
Public Works	--	727	--	--	727	--	448
Watershed Protection	--	--	--	--	--	--	--
Great Streets	262	--	1,714	--	1,976	--	--
City Hall, plaza, parking garage	--	29	--	--	29	--	--
Conservation Land	--	--	--	--	--	--	--
Colony Park	225	--	6,271	--	6,496	--	165
NPZ General	472	--	4,562	--	5,034	--	60
Economic Development	39	--	--	--	39	--	--
Waller Creek Tunnel	--	--	--	--	--	--	3,093
Fleet General Improvements	10,821	--	--	--	10,821	--	--
Interest income fund	2,857	92	1,025	99	4,073	--	--
Total other funds	<u>26,040</u>	<u>4,606</u>	<u>55,374</u>	<u>99</u>	<u>86,119</u>	<u>--</u>	<u>11,322</u>
Totals	<u>\$ 95,503</u>	<u>5,727</u>	<u>57,498</u>	<u>99</u>	<u>158,827</u>	<u>--</u>	<u>18,916</u>

(Continued)

Liabilities				Fund Balances				Total	Total
Due to	Other	Total	Deferred	Restricted	Committed	Assigned	Unassigned	Fund	Liabilities,
Other Funds	Liabilities	Liabilities	Inflows of					Balances	Deferred
			Resources						Inflows of
									Resources,
									and Fund
									Balances
1	--	1	--	--	--	--	(1)	(1)	--
5,714	--	7,958	--	638	4,566	--	--	5,204	13,162
--	--	11	--	--	10,016	945	--	10,961	10,972
--	--	--	--	--	--	761	--	761	761
6,645	412	10,488	--	--	--	--	(10,488)	(10,488)	--
243	--	243	--	--	--	--	(243)	(243)	--
14	--	16	--	--	--	--	(5)	(5)	11
--	--	15	3,485	13,704	--	59	--	13,763	17,263
773	--	889	--	--	--	--	(889)	(889)	--
--	--	563	--	--	628	--	--	628	1,191
--	--	11	--	1,013	--	--	--	1,013	1,024
--	--	--	--	--	37	1,679	--	1,716	1,716
1,403	--	1,426	--	--	--	--	(1,200)	(1,200)	226
--	--	1,140	--	--	7,238	2,220	--	9,458	10,598
1,639	--	2,087	--	--	--	--	(1,360)	(1,360)	727
699	--	699	--	--	--	--	(699)	(699)	--
--	--	--	--	--	--	1,976	--	1,976	1,976
7,061	--	7,061	--	--	--	--	(7,032)	(7,032)	29
--	15	15	--	--	--	--	(15)	(15)	--
--	--	165	--	--	2,832	3,499	--	6,331	6,496
--	--	60	--	--	554	4,420	--	4,974	5,034
--	--	--	--	--	--	39	--	39	39
6,065	--	9,158	--	--	--	--	(9,158)	(9,158)	--
--	--	--	--	10,821	--	--	--	10,821	10,821
--	--	--	--	--	--	4,073	--	4,073	4,073
30,257	427	42,006	3,485	26,176	25,871	19,671	(31,090)	40,628	86,119
57,498	427	76,841	3,485	79,144	39,047	22,643	(62,333)	78,501	158,827

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
August 29, 1981					
EMS buildings	\$ --	--	--	--	17
Total Funds Authorized					
Prior to 1984	--	--	--	--	17
Funds Authorized					
September 8, 1984					
Parkland acquisition	--	--	--	--	--
Drainage and flood improvements	--	--	--	--	1,172
Street improvements	--	--	--	--	--
Fire improvements	--	--	--	--	--
Total Funds Authorized in 1984	--	--	--	--	1,172
Funds Authorized					
January 19, 1985					
Cultural arts	--	--	--	--	--
	--	--	--	--	--
Funds Authorized					
July 26, 1985					
Neighborhood park and recreation	--	4,159	9	4,168	2,901
Total Funds Authorized in 1985	--	4,159	9	4,168	2,901
Funds Authorized					
September 3, 1987					
Street resurfacing	--	--	2	2	--
Total Funds Authorized in 1987	--	--	2	2	--
Funds Authorized					
August 10, 1992					
Police substations	--	--	--	--	--
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	1
Erosion & flood control	--	--	--	--	--
Street & traffic signals	--	--	--	--	--
Neighborhood sidewalks	--	--	--	--	--
Parks and recreation facilities	--	--	--	--	--
Libraries	--	--	--	--	--
Barton Creek greenway	--	--	--	--	--
Total Funds Authorized in 1992	--	--	--	--	1
Funds Authorized					
May 3, 1997					
Radio Trunking	--	--	--	--	--
Total Funds Authorized in 1997	\$ --	--	--	--	--

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					
(17)	--	--	--	--	--	--	(17)	225	208
(17)	--	--	--	--	--	--	(17)	225	208
--	--	--	--	--	--	--	--	2	2
(1,172)	--	--	--	--	--	--	(1,172)	1,172	--
--	--	--	--	--	--	--	--	1,205	1,205
--	--	--	--	--	--	--	--	4	4
(1,172)	--	--	--	--	--	--	(1,172)	2,383	1,211
--	--	--	--	--	--	--	--	263	263
--	--	--	--	--	--	--	--	263	263
1,267	--	--	--	--	--	--	1,267	16,142	17,409
1,267	--	--	--	--	--	--	1,267	16,405	17,672
2	--	--	--	--	--	--	2	192	194
2	--	--	--	--	--	--	2	192	194
--	--	--	--	--	--	--	--	31	31
(1)	--	--	--	--	--	--	(1)	128	127
--	--	--	--	--	--	--	--	1	1
--	--	--	--	--	--	--	--	(8)	(8)
--	--	--	--	--	--	--	--	2	2
--	--	--	--	--	--	--	--	(288)	(288)
--	--	--	--	--	--	--	--	(17)	(17)
--	--	--	--	--	--	--	--	320	320
(1)	--	--	--	--	--	--	(1)	169	168
--	--	--	--	--	--	--	--	(47)	(47)
--	--	--	--	--	--	--	--	(47)	(47)

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(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	\$ --	--	--	--	522
Traffic signals	--	--	--	--	601
Public safety facilities	--	--	--	--	27
Parks and recreation facilities	--	--	--	--	2,161
Total Funds Authorized in 1998	--	--	--	--	3,311
Funds Authorized					
November 7, 2000					
Transportation Mobility Improvement	--	--	--	--	12,421
Total Funds Authorized in 2000	--	--	--	--	12,421
Funds Authorized					
November 7, 2006					
Transportation	--	--	--	--	5,532
Drainage & Open Spaces	--	--	--	--	7,287
Parks	--	--	--	--	9,369
Cultural Facilities	35	--	--	35	361
Affordable Housing	--	--	--	--	2,891
Central Library	--	--	--	--	19,974
Public Safety	--	--	--	--	3,028
Total Funds Authorized in 2006	35	--	--	35	48,442
Funds Authorized					
November 2, 2010					
Mobility	--	--	--	--	22,031
Total Funds Authorized in 2010	--	--	--	--	22,031
Funds Authorized					
November 5, 2012					
Transportation	--	--	--	--	17,358
Open Space	--	--	--	--	27,859
Parks	--	--	--	--	5,753
Public Safety	--	--	--	--	1,929
Health	--	--	--	--	825
Library & Cultural	--	--	--	--	132
Total Funds Authorized in 2012	\$ --	--	--	--	53,856

(Continued)

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
	Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out	Total Other Financing Sources(Uses)			
(522)	--	--	--	--	--	(522)	560	38
(601)	--	--	--	--	--	(601)	4,894	4,293
(27)	--	--	--	--	--	(27)	585	558
(2,161)	--	--	--	--	--	(2,161)	3,114	953
(3,311)	--	--	--	--	--	(3,311)	9,153	5,842
(12,421)	--	--	--	--	--	(12,421)	26,510	14,089
(12,421)	--	--	--	--	--	(12,421)	26,510	14,089
(5,532)	7,956	678	--	--	8,634	3,102	(920)	2,182
(7,287)	13,795	1,205	--	--	15,000	7,713	4,406	12,119
(9,369)	4,424	386	--	--	4,810	(4,559)	10,499	5,940
(326)	--	--	--	--	--	(326)	2,043	1,717
(2,891)	--	--	--	--	--	(2,891)	3,115	224
(19,974)	18,394	1,606	--	--	20,000	26	(3,044)	(3,018)
(3,028)	--	--	--	--	--	(3,028)	9,587	6,559
(48,407)	44,569	3,875	--	--	48,444	37	25,686	25,723
(22,031)	27,591	2,409	--	--	30,000	7,969	(13,410)	(5,441)
(22,031)	27,591	2,409	--	--	30,000	7,969	(13,410)	(5,441)
(17,358)	10,940	955	--	--	11,895	(5,463)	(1,173)	(6,636)
(27,859)	18,394	1,606	--	--	20,000	(7,859)	(1,335)	(9,194)
(5,753)	506	44	--	--	550	(5,203)	(222)	(5,425)
(1,929)	1,379	121	--	--	1,500	(429)	(14)	(443)
(825)	216	19	--	--	235	(590)	(136)	(726)
(132)	754	66	--	--	820	688	(10)	678
(53,856)	32,189	2,811	--	--	35,000	(18,856)	(2,890)	(21,746)

(Continued)

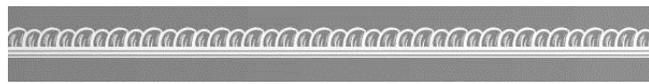
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

	Revenues				Expenditures
	Inter- governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Other funds					
Planning & development improvements	\$ --	--	--	--	--
TPSD general improvements	393	2,288	--	2,681	9,103
Library automation system	--	--	--	--	1,795
Fire/EMS/NW Austin MUD #1	--	--	1	1	--
General government projects	700	387	--	1,087	28,152
Health projects	--	--	--	--	56
Build Austin	544	--	--	544	207
CMTA Mobility	6,880	--	14	6,894	3,207
Park improvements	3,811	--	--	3,811	2,795
Parks and Recreation	1,042	701	--	1,743	8,442
Police and courts	--	--	--	--	637
Fire - general	--	--	--	--	40
Capital reserve	--	--	--	--	72
CTM	314	1,059	--	1,373	25,318
Public Works	3,722	1,412	--	5,134	5,975
Watershed Protection	--	--	--	--	--
Great Streets	--	--	817	817	--
City Hall, plaza, parking garage	--	--	--	--	--
Conservation Land	--	--	--	--	--
Colony Park	124	49	--	173	3,490
NPZ General	--	--	--	--	1,314
Economic Development	--	--	--	--	--
Waller Creek Tunnel	--	--	--	--	22,621
Fleet General Improvements	--	--	--	--	44
Interest income fund	--	--	162	162	--
Total other funds	17,530	5,896	994	24,420	113,268
Totals	\$ 17,565	10,055	1,005	28,625	257,420

(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)	(1)
(6,422)	--	--	7,060	--	7,060	638	4,566	5,204	
(1,795)	--	--	1,000	--	1,000	(795)	11,756	10,961	
1	--	--	--	--	--	1	760	761	
(27,065)	2,508	67	5,324	--	7,899	(19,166)	8,678	(10,488)	
(56)	--	--	--	--	--	(56)	(187)	(243)	
337	--	--	--	--	--	337	(342)	(5)	
3,687	--	--	--	--	--	3,687	10,076	13,763	
1,016	--	--	--	--	--	1,016	(1,905)	(889)	
(6,699)	--	--	1,710	--	1,710	(4,989)	5,617	628	
(637)	3,648	97	--	--	3,745	3,108	(2,095)	1,013	
(40)	--	--	--	--	--	(40)	1,756	1,716	
(72)	--	--	--	--	--	(72)	(1,128)	(1,200)	
(23,945)	5,255	139	20,973	--	26,367	2,422	7,036	9,458	
(841)	--	--	--	--	--	(841)	(519)	(1,360)	
--	--	--	--	--	--	--	(699)	(699)	
817	--	--	728	(1,228)	(500)	317	1,659	1,976	
--	--	--	--	--	--	--	(7,032)	(7,032)	
--	--	--	--	--	--	--	(15)	(15)	
(3,317)	--	--	--	--	--	(3,317)	9,648	6,331	
(1,314)	--	--	1,228	(274)	954	(360)	5,334	4,974	
--	--	--	--	--	--	--	39	39	
(22,621)	24,902	544	--	--	25,446	2,825	(11,983)	(9,158)	
(44)	13,358	357	--	(2,850)	10,865	10,821	--	10,821	
162	--	--	--	--	--	162	3,911	4,073	
(88,848)	49,671	1,204	38,023	(4,352)	84,546	(4,302)	44,930	40,628	
(228,795)	154,020	10,299	38,023	(4,352)	197,990	(30,805)	109,306	78,501	





PERMANENT FUNDS

Permanent funds account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The City reports the following nonmajor permanent funds:

3M Maintenance Endowment Fund - Accounts for 3M Mitigation Land Endowment.

Ellis Library Trust Fund - Accounts 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 Fund - Accounts for revenues to be used for maintenance and care of cemeteries.



Permanent Funds
Combining Balance Sheet
September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit E-19

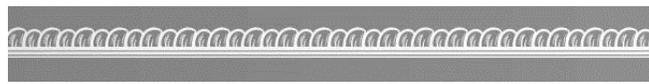
	3M			
	Maintenance Endowment	Ellis Library Trust	Perpetual Care	Total
ASSETS				
Pooled investments and cash	\$ 50	10	993	1,053
Total assets	<u>50</u>	<u>10</u>	<u>993</u>	<u>1,053</u>
Deferred outflows of resources	--	--	--	--
LIABILITIES AND FUND BALANCES				
Deposits and other liabilities	--	--	--	--
Total liabilities	--	--	--	--
Deferred inflows of resources	--	--	--	--
Fund balances				
Nonspendable:				
Permanent funds	50	9	993	1,052
Restricted	--	1	--	1
Total fund balances	<u>50</u>	<u>10</u>	<u>993</u>	<u>1,053</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50</u>	<u>10</u>	<u>993</u>	<u>1,053</u>

Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
 Exhibit E-20

	3M			
	Maintenance Endowment	Ellis Library Trust	Perpetual Care	Total
REVENUES				
Interest and other	\$ --	--	12	12
Total revenues	--	--	12	12
EXPENDITURES				
Current:				
Public recreation and culture	--	16	394	410
Total expenditures	--	16	394	410
Net change in fund balances	--	(16)	(382)	(398)
Fund balances at beginning of year	50	26	1,375	1,451
Fund balances at end of year	\$ 50	10	993	1,053





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 City reports the following nonmajor enterprise funds:

Austin Resource Recovery Fund – Accounts for solid waste services activities.

Convention Center Fund – Accounts for convention center and public events activities.

Drainage Fund – Accounts for drainage activities.

Golf Fund – Accounts for golf activities.

Transportation Fund – Accounts for transportation activities.



Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2014
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
ASSETS			
Current assets:			
Cash	\$ 3	21	2
Pooled investments and cash	3,163	47,701	80,066
Pooled investments and cash - restricted	19,631	23,253	14,345
Total pooled investments and cash	22,794	70,954	94,411
Investments, at fair value - restricted	--	10,575	--
Accounts receivable, net of allowance	9,985	1,044	5,809
Due from other funds	--	--	8,777
Inventories, at cost	--	57	--
Prepaid expenses	--	--	5
Other receivables - restricted	--	62	232
Total current assets	32,782	82,713	109,236
Noncurrent assets:			
Advances to other funds - restricted	549	39	--
Investments, at fair value - restricted	--	13,304	--
Depreciable capital assets, net	38,623	180,136	118,032
Nondepreciable capital assets	23,693	68,673	113,241
Total noncurrent assets	62,865	262,152	231,273
Total assets	95,647	344,865	340,509
Deferred outflows of resources	\$ 124	25,305	297

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	5	2	33
Pooled investments and cash	--	15,643	146,573
Pooled investments and cash - restricted	--	9,207	66,436
Total pooled investments and cash	--	24,850	213,009
Investments, at fair value - restricted	--	--	10,575
Accounts receivable, net of allowance	--	4,960	21,798
Due from other funds	--	--	8,777
Inventories, at cost	--	2,875	2,932
Prepaid expenses	41	--	46
Other receivables - restricted	--	--	294
Total current assets	<u>46</u>	<u>32,687</u>	<u>257,464</u>
Noncurrent assets:			
Advances to other funds - restricted	--	--	588
Investments, at fair value - restricted	--	--	13,304
Depreciable capital assets, net	11,620	22,230	370,641
Nondepreciable capital assets	<u>6,372</u>	<u>2,960</u>	<u>214,939</u>
Total noncurrent assets	<u>17,992</u>	<u>25,190</u>	<u>599,472</u>
Total assets	<u>18,038</u>	<u>57,877</u>	<u>856,936</u>
Deferred outflows of resources	<u>--</u>	<u>--</u>	<u>25,726</u>

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2014
(In thousands)

	<u>Austin Resource Recovery</u>	<u>Convention Center</u>	<u>Drainage</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,447	528	486
Accounts and retainage payable from restricted assets	1,260	1,030	1,971
Accrued payroll	888	465	646
Accrued compensated absences	1,965	899	1,450
Due to other funds	--	332	--
Accrued interest payable from restricted assets	--	1,497	--
Interest payable on other debt	492	82	32
Bonds payable	11,264	1,358	984
Bonds payable from restricted assets	--	10,930	--
Customer and escrow deposits payable from restricted assets	1,941	2,601	302
Accrued landfill closure and postclosure costs	411	--	--
Other liabilities payable from restricted assets	1,872	--	--
Total current liabilities	<u>21,540</u>	<u>19,722</u>	<u>5,871</u>
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	--	70	--
Advances from other funds	--	338	368
Bonds payable, net of discount and inclusive of premium	56,937	194,254	8,479
Pension obligation payable	4,902	2,324	4,366
Other post employment benefits payable	21,824	10,325	16,114
Accrued landfill closure and postclosure costs	9,524	--	--
Derivative instruments - interest rate swaps	--	12,394	--
Other liabilities	--	2,909	--
Other liabilities payable from restricted assets	--	--	506
Total noncurrent liabilities	<u>93,187</u>	<u>222,614</u>	<u>29,833</u>
Total liabilities	<u>114,727</u>	<u>242,336</u>	<u>35,704</u>
Deferred inflows of resources	<u>--</u>	<u>348</u>	<u>24</u>
NET POSITION			
Net investment in capital assets	30,380	44,874	219,923
Restricted for:			
Debt service	549	15,761	--
Capital projects	25	--	13,959
Renewal and replacement	--	956	--
Bond Reserve	--	10,310	--
Operating reserve	--	4,317	--
Unrestricted	(49,910)	51,268	71,196
Total net position	<u>(18,956)</u>	<u>127,486</u>	<u>305,078</u>
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	1,208	1,555	1,261
Total net position - Business-type activities	<u>\$ (17,748)</u>	<u>129,041</u>	<u>306,339</u>

(Continued)

	Golf	Transportation	Total
LIABILITIES			
Current liabilities:			
Accounts payable	35	3,300	5,796
Accounts and retainage payable from restricted assets	41	--	4,302
Accrued payroll	84	853	2,936
Accrued compensated absences	135	1,729	6,178
Due to other funds	8,777	301	9,410
Accrued interest payable from restricted assets	--	--	1,497
Interest payable on other debt	12	164	782
Bonds payable	338	3,752	17,696
Bonds payable from restricted assets	--	--	10,930
Customer and escrow deposits payable from restricted assets	--	--	4,844
Accrued landfill closure and postclosure costs	--	--	411
Other liabilities payable from restricted assets	--	--	1,872
Total current liabilities	9,422	10,099	66,654
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	114	150	334
Advances from other funds	--	3,006	3,712
Bonds payable, net of discount and inclusive of premium	794	15,376	275,840
Pension obligation payable	433	3,909	15,934
Other post employment benefits payable	--	21,237	69,500
Accrued landfill closure and postclosure costs	--	--	9,524
Derivative instruments - interest rate swaps	--	--	12,394
Other liabilities	--	--	2,909
Other liabilities payable from restricted assets	--	--	506
Total noncurrent liabilities	1,341	43,678	390,653
Total liabilities	10,763	53,777	457,307
Deferred inflows of resources	--	--	372
NET POSITION			
Net investment in capital assets	16,819	6,062	318,058
Restricted for:			
Debt service	--	--	16,310
Capital projects	--	9,207	23,191
Renewal and replacement	--	--	956
Bond Reserve	--	--	10,310
Operating reserve	--	--	4,317
Unrestricted	(9,544)	(11,169)	51,841
Total net position	7,275	4,100	424,983
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	321	353	4,698
Total net position - Business-type activities	7,596	4,453	429,681

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2014
(In thousands)

	<u>Austin Resource Recovery</u>	<u>Convention Center</u>	<u>Drainage</u>
OPERATING REVENUES			
User fees and rentals	\$ 84,655	25,087	70,663
Total operating revenues	<u>84,655</u>	<u>25,087</u>	<u>70,663</u>
OPERATING EXPENSES			
Operating expenses before depreciation	82,638	42,473	50,214
Depreciation and amortization	8,071	8,941	6,315
Total operating expenses	<u>90,709</u>	<u>51,414</u>	<u>56,529</u>
Operating income (loss)	<u>(6,054)</u>	<u>(26,327)</u>	<u>14,134</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	137	(182)	222
Interest on revenue bonds and other debt	(1,618)	(7,854)	(346)
Interest capitalized during construction	2	981	430
Other nonoperating revenue (expense)	934	(565)	(1,114)
Total nonoperating revenues (expenses)	<u>(545)</u>	<u>(7,620)</u>	<u>(808)</u>
Income (loss) before contributions and transfers	(6,599)	(33,947)	13,326
Capital contributions	152	57	35,554
Transfers in	1,039	57,811	3,252
Transfers out	(542)	(200)	--
Change in net position	<u>(5,950)</u>	<u>23,721</u>	<u>52,132</u>
Total net position - beginning, as restated	<u>(13,006)</u>	<u>103,765</u>	<u>252,946</u>
Total net position - ending	<u>\$ (18,956)</u>	<u>127,486</u>	<u>305,078</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	(5,950)	23,721	52,132
Adjustment to consolidate internal service activities	(1,669)	89	39
Change in net position - Business-type activities	<u>\$ (7,619)</u>	<u>23,810</u>	<u>52,171</u>

02/27 11:47a

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
OPERATING REVENUES			
User fees and rentals	5,849	71,119	257,373
Total operating revenues	<u>5,849</u>	<u>71,119</u>	<u>257,373</u>
OPERATING EXPENSES			
Operating expenses before depreciation	6,006	64,404	245,735
Depreciation and amortization	773	3,090	27,190
Total operating expenses	<u>6,779</u>	<u>67,494</u>	<u>272,925</u>
Operating income (loss)	<u>(930)</u>	<u>3,625</u>	<u>(15,552)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	--	46	223
Interest on revenue bonds and other debt	(12)	(356)	(10,186)
Interest capitalized during construction	1	1	1,415
Other nonoperating revenue (expense)	(207)	(317)	(1,269)
Total nonoperating revenues (expenses)	<u>(218)</u>	<u>(626)</u>	<u>(9,817)</u>
Income (loss) before contributions and transfers	(1,148)	2,999	(25,369)
Capital contributions	777	4,796	41,336
Transfers in	--	929	63,031
Transfers out	--	(11,289)	(12,031)
Change in net position	<u>(371)</u>	<u>(2,565)</u>	<u>66,967</u>
Total net position - beginning, as restated	<u>7,646</u>	<u>6,665</u>	<u>358,016</u>
Total net position - ending	<u><u>7,275</u></u>	<u><u>4,100</u></u>	<u><u>424,983</u></u>
Reconciliation to government-wide Statement of Activities			
Change in net position	(371)	(2,565)	66,967
Adjustment to consolidate internal service activities	7	(331)	(1,865)
Change in net position - Business-type activities	<u>(364)</u>	<u>(2,896)</u>	<u>65,102</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 87,565	25,261	71,404
Cash payments to suppliers for goods and services	(44,185)	(22,401)	(22,749)
Cash payments to employees for services	(38,013)	(19,154)	(25,317)
Net cash provided (used) by operating activities	5,367	(16,294)	23,338
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	--	57,811	3,252
Transfers out	(482)	(200)	--
Contributions (to) from other funds	1,282	--	(497)
Loans to other funds	--	--	(8,490)
Loans from other funds	--	7	167
Loan repayments to other funds	--	(335)	--
Loan repayments from other funds	143	3	--
Collections from other governments	--	--	90
Net cash provided (used) by noncapital financing activities	943	57,286	(5,478)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	13,078	--	--
Principal paid on long-term debt	(10,678)	(12,213)	(1,418)
Interest paid on revenue bonds and other debt	(2,175)	(8,051)	(437)
Acquisition and construction of capital assets	(12,007)	(1,118)	(25,503)
Contributions from State and Federal governments	18	--	--
Contributions in aid of construction	--	--	4,019
Bond issuance costs	--	(447)	(7)
Bond premiums	346	--	27
Bonds issued for advanced refundings of debt	2,449	32,354	829
Cash paid for bond refunding escrow	(2,430)	(32,043)	(850)
Net cash provided (used) by capital and related financing activities	\$ (11,399)	(21,518)	(23,340)

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	5,849	71,436	261,515
Cash payments to suppliers for goods and services	(2,527)	(26,656)	(118,518)
Cash payments to employees for services	(3,536)	(34,437)	(120,457)
Net cash provided (used) by operating activities	<u>(214)</u>	<u>10,343</u>	<u>22,540</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES:			
Transfers in	--	875	61,938
Transfers out	--	(7,682)	(8,364)
Contributions (to) from other funds	--	(256)	529
Loans to other funds	--	--	(8,490)
Loans from other funds	8,491	--	8,665
Loan repayments to other funds	--	(301)	(636)
Loan repayments from other funds	--	--	146
Collections from other governments	--	--	90
Net cash provided (used) by noncapital financing activities	<u>8,491</u>	<u>(7,364)</u>	<u>53,878</u>
CASH FLOWS FROM CAPITAL AND RELATED			
FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	9,635	22,713
Principal paid on long-term debt	(326)	(3,202)	(27,837)
Interest paid on revenue bonds and other debt	(31)	(397)	(11,091)
Acquisition and construction of capital assets	(9,001)	(1,532)	(49,161)
Contributions from State and Federal governments	--	--	18
Contributions in aid of construction	642	--	4,661
Bond issuance costs	--	(45)	(499)
Bond premiums	--	255	628
Bonds issued for advanced refundings of debt	--	--	35,632
Cash paid for bond refunding escrow	--	--	(35,323)
Net cash provided (used) by capital and related financing activities	<u>(8,716)</u>	<u>4,714</u>	<u>(60,259)</u>

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ --	(18,934)	--
Proceeds from sale and maturities of investment securities	--	18,765	--
Interest on investments	137	(182)	222
Net cash provided (used) by investing activities	137	(351)	222
Net increase (decrease) in cash and cash equivalents	(4,952)	19,123	(5,258)
Cash and cash equivalents, October 1	27,749	51,852	99,671
Cash and cash equivalents, September 30	22,797	70,975	94,413

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(6,054)	(26,327)	14,134
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	8,071	8,941	6,315
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	1,525	(212)	593
Increase (decrease) in allowance for doubtful accounts	425	(3)	149
(Increase) decrease in inventory	--	(3)	--
(Increase) decrease in prepaid expenses and other assets	--	--	--
(Increase) decrease in other long-term assets	--	--	--
Increase (decrease) in accounts payable	190	(471)	(113)
Increase (decrease) in accrued payroll and compensated absences	214	126	127
Increase (decrease) in pension obligations payable	(82)	(39)	(55)
Increase (decrease) in other post employment benefits payable	2,896	1,370	2,138
Increase (decrease) in other liabilities	(2,778)	(65)	51
Increase (decrease) in customer deposits	960	389	(1)
Total adjustments	11,421	10,033	9,204
Net cash provided (used) by operating activities	\$ 5,367	(16,294)	23,338

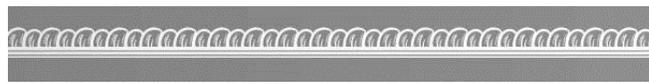
NONCASH INVESTING, CAPITAL, AND FINANCING

ACTIVITIES:			
Capital assets contributed from other funds	\$ 134	57	31,535
Capital assets contributed to other funds	(12)	(115)	--
Amortization of bond (discounts) premiums	566	1,072	127
Amortization of deferred gain (loss) on refundings	(16)	(1,081)	(43)
Gain (loss) on disposal of assets	(250)	(3)	(583)
Transfers (to) from other funds	979	--	--
Capitalized interest	2	981	430

(Continued)

	Golf	Transportation	Total
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	--	(18,934)
Proceeds from sale and maturities of investment securities	--	--	18,765
Interest on investments	--	46	223
Net cash provided (used) by investing activities	--	46	54
Net increase (decrease) in cash and cash equivalents	(439)	7,739	16,213
Cash and cash equivalents, October 1	444	17,113	196,829
Cash and cash equivalents, September 30	5	24,852	213,042
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(930)	3,625	(15,552)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	773	3,090	27,190
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	--	248	2,154
Increase (decrease) in allowance for doubtful accounts	--	69	640
(Increase) decrease in inventory	--	(93)	(96)
(Increase) decrease in prepaid expenses and other assets	(7)	--	(7)
(Increase) decrease in other long-term assets	4	--	4
Increase (decrease) in accounts payable	(78)	551	79
Increase (decrease) in accrued payroll and compensated absences	31	305	803
Increase (decrease) in pension obligations payable	(6)	(70)	(252)
Increase (decrease) in other post employment benefits payable	--	2,817	9,221
Increase (decrease) in other liabilities	(1)	(199)	(2,992)
Increase (decrease) in customer deposits	--	--	1,348
Total adjustments	716	6,718	38,092
Net cash provided (used) by operating activities	(214)	10,343	22,540
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets contributed from other funds	135	4,796	36,657
Capital assets contributed to other funds	(183)	--	(310)
Amortization of bond (discounts) premiums	17	92	1,874
Amortization of deferred gain (loss) on refundings	--	--	(1,140)
Gain (loss) on disposal of assets	7	(16)	(845)
Transfers (to) from other funds	--	54	1,033
Capitalized interest	1	1	1,415





INTERNAL SERVICE FUNDS

Internal service funds account for and report 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 City reports the following internal service funds:

Capital Projects Management Fund – Accounts for project delivery costs related to the City's capital improvement projects.

Combined Transportation, Emergency and Communications Center Fund (CTECC) – Accounts for the operation of shared critical emergency communications and transportation management for the region.

Employee Benefits Fund – Accounts for activities related to the health, dental, and life insurance costs of City employees.

Fleet Maintenance Fund - Accounts for City vehicle and equipment services.

Information Systems Fund – Accounts for the activities of the Communications and Technology Management Department.

Liability Reserve Fund – Accounts for coverage of the City's major claims liabilities.

Support Services Fund - Accounts for the activities of the various support service departments.

Wireless Communication Fund - Accounts for communication support activities.

Workers' Compensation Fund - Accounts for workers' compensation costs.



Internal Service Funds
Combining Statement of Net Position
September 30, 2014
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
ASSETS					
Current assets:					
Cash	\$ --	--	--	1	--
Pooled investments and cash	1,143	1,707	49,454	13,050	7,171
Pooled investments and cash - restricted	--	--	--	542	--
Total pooled investments and cash	<u>1,143</u>	<u>1,707</u>	<u>49,454</u>	<u>13,592</u>	<u>7,171</u>
Cash held by trustee - restricted	--	--	1,451	--	--
Accounts receivable, net of allowance	260	936	1,760	27	131
Due from other funds	--	--	--	--	--
Inventories, at cost	--	--	--	1,334	--
Prepaid expenses	16	5	--	--	66
Total current assets	<u>1,419</u>	<u>2,648</u>	<u>52,665</u>	<u>14,954</u>	<u>7,368</u>
Noncurrent assets:					
Advances to other funds	--	--	--	115	--
Depreciable capital assets, net	620	23,708	--	7,223	10,841
Nondepreciable capital assets	--	32	--	191	--
Total noncurrent assets	<u>620</u>	<u>23,740</u>	<u>--</u>	<u>7,529</u>	<u>10,841</u>
Total assets	<u>2,039</u>	<u>26,388</u>	<u>52,665</u>	<u>22,483</u>	<u>18,209</u>
Deferred outflow of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>129</u>	<u>--</u>
LIABILITIES					
Current liabilities:					
Accounts payable	172	505	2,878	7,853	905
Accrued payroll	498	112	--	360	606
Accrued compensated absences	1,157	278	--	805	1,587
Claims payable	--	--	11,699	--	--
Due to other funds	--	--	--	--	--
Interest payable on other debt	--	--	--	12	--
Bonds payable	--	--	--	325	--
Other liabilities	6	--	1,345	6	--
Total current liabilities	<u>1,833</u>	<u>895</u>	<u>15,922</u>	<u>9,361</u>	<u>3,098</u>
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	--	--	--	79
Claims payable	--	--	--	--	--
Advances from other funds	--	--	--	--	--
Bonds payable, net of discount and inclusive of premium	--	--	--	3,010	--
Total noncurrent liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,010</u>	<u>79</u>
Total liabilities	<u>1,833</u>	<u>895</u>	<u>15,922</u>	<u>12,371</u>	<u>3,177</u>
Deferred inflow of resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET POSITION					
Net investment in capital assets	620	23,740	--	4,079	10,841
Restricted for:					
Capital projects	--	--	--	542	--
Unrestricted	(414)	1,753	36,743	5,620	4,191
Total net position	<u>\$ 206</u>	<u>25,493</u>	<u>36,743</u>	<u>10,241</u>	<u>15,032</u>

	<u>Liability Reserve</u>	<u>Support Services</u>	<u>Wireless Communication</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash	--	11	--	--	12
Pooled investments and cash	14,472	21,482	223	23,915	132,617
Pooled investments and cash - restricted	--	--	--	--	542
Total pooled investments and cash	14,472	21,482	223	23,915	133,159
Cash held by trustee - restricted	--	--	--	--	1,451
Accounts receivable, net of allowance	--	2	349	--	3,465
Due from other funds	--	11	--	--	11
Inventories, at cost	--	13	146	--	1,493
Prepaid expenses	--	91	--	--	178
Total current assets	14,472	21,610	718	23,915	139,769
Noncurrent assets:					
Advances to other funds	--	--	--	--	115
Depreciable capital assets, net	--	4,392	15,139	--	61,923
Nondepreciable capital assets	--	21	262	--	506
Total noncurrent assets	--	4,413	15,401	--	62,544
Total assets	14,472	26,023	16,119	23,915	202,313
Deferred outflow of resources	--	1	--	--	130
LIABILITIES					
Current liabilities:					
Accounts payable	282	7,311	343	63	20,312
Accrued payroll	--	1,900	102	--	3,578
Accrued compensated absences	--	4,224	200	--	8,251
Claims payable	5,265	--	--	6,691	23,655
Due to other funds	--	13	--	--	13
Interest payable on other debt	--	1	--	--	13
Bonds payable	--	27	--	--	352
Other liabilities	--	650	--	--	2,007
Total current liabilities	5,547	14,126	645	6,754	58,181
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	383	84	--	546
Claims payable	5,316	--	--	14,835	20,151
Advances from other funds	--	2	--	--	2
Bonds payable, net of discount and inclusive of premium	--	180	--	--	3,190
Total noncurrent liabilities	5,316	565	84	14,835	23,889
Total liabilities	10,863	14,691	729	21,589	82,070
Deferred inflow of resources	--	2	166	--	168
NET POSITION					
Net investment in capital assets	--	4,206	15,401	--	58,887
Restricted for:					
Capital projects	--	--	--	--	542
Unrestricted	3,609	7,125	(177)	2,326	60,776
Total net position	3,609	11,331	15,224	2,326	120,205

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2014
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
OPERATING REVENUES					
Billings to departments	\$ 25,424	11,722	105,370	50,670	43,779
Employee contributions	--	--	34,654	--	--
Operating revenues from other governments	--	3,649	--	1,162	--
Other operating revenues	2	4	1,687	1,743	215
Total operating revenues	25,426	15,375	141,711	53,575	43,994
OPERATING EXPENSES					
Operating expenses before depreciation	25,160	12,744	148,996	45,692	36,793
Depreciation and amortization	162	3,603	--	720	2,097
Total operating expenses	25,322	16,347	148,996	46,412	38,890
Operating income (loss)	104	(972)	(7,285)	7,163	5,104
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	1	--	--	(36)	4
Interest on bonds and other debt	--	--	--	(233)	--
Other nonoperating revenue (expense)	(13)	(36)	--	(13,365)	(88)
Total nonoperating revenues (expenses)	(12)	(36)	--	(13,634)	(84)
Income (loss) before contributions and transfers	92	(1,008)	(7,285)	(6,471)	5,020
Capital contributions	--	72	--	--	4,891
Transfers in	--	4	--	2,915	--
Transfers out	(157)	(2,108)	--	(1,112)	(8,655)
Change in net position	(65)	(3,040)	(7,285)	(4,668)	1,256
Total net position - beginning, as restated	271	28,533	44,028	14,909	13,776
Total net position - ending	\$ 206	25,493	36,743	10,241	15,032

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
OPERATING REVENUES					
Billings to departments	4,002	97,126	10,772	14,470	363,335
Employee contributions	--	--	--	--	34,654
Operating revenues from other governments	--	--	787	--	5,598
Other operating revenues	4	1,683	2,307	--	7,645
Total operating revenues	4,006	98,809	13,866	14,470	411,232
OPERATING EXPENSES					
Operating expenses before depreciation	6,485	91,176	10,083	11,737	388,866
Depreciation and amortization	--	302	4,069	--	10,953
Total operating expenses	6,485	91,478	14,152	11,737	399,819
Operating income (loss)	(2,479)	7,331	(286)	2,733	11,413
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	--	12	--	--	(19)
Interest on bonds and other debt	--	(17)	--	--	(250)
Other nonoperating revenue (expense)	--	(13)	(56)	--	(13,571)
Total nonoperating revenues (expenses)	--	(18)	(56)	--	(13,840)
Income (loss) before contributions and transfers	(2,479)	7,313	(342)	2,733	(2,427)
Capital contributions	--	266	5,427	--	10,656
Transfers in	--	1,327	1,147	--	5,393
Transfers out	--	(4,881)	(5,175)	--	(22,088)
Change in net position	(2,479)	4,025	1,057	2,733	(8,466)
Total net position - beginning, as restated	6,088	7,306	14,167	(407)	128,671
Total net position - ending	3,609	11,331	15,224	2,326	120,205

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 25,427	14,978	141,552	53,659	43,863
Cash payments to suppliers for goods and services	(4,175)	(8,253)	29,784	(33,350)	(13,446)
Cash payments to employees for services	(20,872)	(4,245)	--	(14,735)	(23,280)
Cash payments to claimants/beneficiaries	--	--	(177,179)	--	--
Net cash provided (used) by operating activities	380	2,480	(5,843)	5,574	7,137
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	--	--	--	2,850	--
Transfers out	(150)	(1,962)	--	--	(6,924)
Loan repayments to other funds	--	--	--	--	--
Net cash provided (used) by noncapital financing activities	(150)	(1,962)	--	2,850	(6,924)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	--	--	(349)	--
Interest paid on revenue bonds and other debt	--	--	--	(161)	--
Acquisition and construction of capital assets	(48)	(249)	--	(9,565)	(893)
Bonds issued for advanced refundings of debt	--	--	--	142	--
Cash paid for bond refunding escrow	--	--	--	(140)	--
Net cash provided (used) by capital and related financing activities	(48)	(249)	--	(10,073)	(893)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	1	--	--	(36)	4
Net cash provided (used) by investing activities	1	--	--	(36)	4
Net increase (decrease) in cash and cash equivalents	183	269	(5,843)	(1,685)	(676)
Cash and cash equivalents, October 1	960	1,438	56,748	15,278	7,847
Cash and cash equivalents, September 30	\$ 1,143	1,707	50,905	13,593	7,171

	<u>Liability Reserve</u>	<u>Support Services</u>	<u>Wireless Communication</u>	<u>Workers' Compensation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	4,006	98,825	13,756	14,470	410,536
Cash payments to suppliers for goods and services	(1,348)	(12,696)	(6,233)	(11,468)	(61,185)
Cash payments to employees for services	--	(76,349)	(4,013)	--	(143,494)
Cash payments to claimants/beneficiaries	(4,711)	--	--	2,384	(179,506)
Net cash provided (used) by operating activities	<u>(2,053)</u>	<u>9,780</u>	<u>3,510</u>	<u>5,386</u>	<u>26,351</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	--	--	--	--	2,850
Transfers out	--	(4,881)	(5,175)	--	(19,092)
Loan repayments to other funds	--	(152)	--	--	(152)
Net cash provided (used) by noncapital financing activities	<u>--</u>	<u>(5,033)</u>	<u>(5,175)</u>	<u>--</u>	<u>(16,394)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	(32)	--	--	(381)
Interest paid on revenue bonds and other debt	--	(14)	--	--	(175)
Acquisition and construction of capital assets	--	(105)	--	--	(10,860)
Bonds issued for advanced refundings of debt	--	--	--	--	142
Cash paid for bond refunding escrow	--	--	--	--	(140)
Net cash provided (used) by capital and related financing activities	<u>--</u>	<u>(151)</u>	<u>--</u>	<u>--</u>	<u>(11,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	--	12	--	--	(19)
Net cash provided (used) by investing activities	<u>--</u>	<u>12</u>	<u>--</u>	<u>--</u>	<u>(19)</u>
Net increase (decrease) in cash and cash equivalents	(2,053)	4,608	(1,665)	5,386	(1,476)
Cash and cash equivalents, October 1	<u>16,525</u>	<u>16,885</u>	<u>1,888</u>	<u>18,529</u>	<u>136,098</u>
Cash and cash equivalents, September 30	<u><u>14,472</u></u>	<u><u>21,493</u></u>	<u><u>223</u></u>	<u><u>23,915</u></u>	<u><u>134,622</u></u>

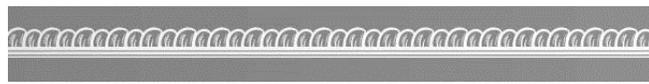
Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2014
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
RECONCILIATION OF OPERATING INCOME TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 104	(972)	(7,285)	7,163	5,104
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	162	3,603	--	720	2,097
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	1	(394)	(159)	40	(131)
(Increase) decrease in inventory	--	--	--	154	--
(Increase) decrease in prepaid expenses and other assets	--	--	--	--	(13)
(Increase) decrease in advance to other funds	--	--	--	44	--
(Increase) decrease in other long-term assets	--	--	--	(119)	--
Increase (decrease) in accounts payable	54	193	605	(2,569)	(177)
Increase (decrease) in accrued payroll and compensated absences	59	53	--	135	257
Increase (decrease) in claims payable	--	--	779	--	--
Increase (decrease) in other liabilities	--	(3)	217	6	--
Total adjustments	276	3,452	1,442	(1,589)	2,033
Net cash provided (used) by operating activities	\$ 380	2,480	(5,843)	5,574	7,137
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	\$ --	72	--	--	4,959
Capital assets contributed to other funds	--	--	--	--	(68)
Amortization of bond discounts and premiums	--	--	--	(42)	--
Amortization of deferred loss on refundings	--	--	--	(32)	--
Gain (loss) on disposal of assets	(13)	(36)	--	(13,365)	(88)
Transfers (to) from other funds	--	(142)	--	(1,047)	(1,731)

(Continued)

	<u>Liability Reserve</u>	<u>Support Services</u>	<u>Wireless Communication</u>	<u>Workers' Compensation</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(2,479)	7,331	(286)	2,733	11,413
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	--	302	4,069	--	10,953
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	16	(2)	--	(629)
(Increase) decrease in inventory	--	--	(38)	--	116
(Increase) decrease in prepaid expenses and other assets	--	(62)	--	--	(75)
(Increase) decrease in advance to other funds	--	1	--	--	45
(Increase) decrease in other long-term assets	--	--	--	--	(119)
Increase (decrease) in accounts payable	(32)	1,349	(178)	(34)	(789)
Increase (decrease) in accrued payroll and compensated absences	--	666	53	--	1,223
Increase (decrease) in claims payable	458	--	--	2,687	3,924
Increase (decrease) in other liabilities	--	177	(108)	--	289
Total adjustments	<u>426</u>	<u>2,449</u>	<u>3,796</u>	<u>2,653</u>	<u>14,938</u>
Net cash provided (used) by operating activities	<u>(2,053)</u>	<u>9,780</u>	<u>3,510</u>	<u>5,386</u>	<u>26,351</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	--	550	5,427	--	11,008
Capital assets contributed to other funds	--	(284)	--	--	(352)
Amortization of bond discounts and premiums	--	(3)	--	--	(45)
Amortization of deferred loss on refundings	--	--	--	--	(32)
Gain (loss) on disposal of assets	--	(13)	(56)	--	(13,571)
Transfers (to) from other funds	--	1,327	1,147	--	(446)





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. The City utilizes private-purpose trust funds and agency funds which are considered fiduciary funds.

Private-purpose trust funds account for and 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. The City reports the following private-purpose trust funds and agency funds:

Private-Purpose Trust Funds

General Government

Unclaimed Property Fund - Accounts for and reports unclaimed City of Austin checks.

Transportation, Planning, and Sustainability

Public School Energy Assistance Fund - Accounts for and reports contributions for the benefit of public schools energy bills. Contributions are received with electric bill payments.

Voluntary Utility Assistance Fund - Accounts for and reports contributions for the benefit of indigent utility customers. Contributions are received with electric bill payments.

Public Recreation and Culture

First Step - A Community Project Fund - Accounts for and reports programs and activities that improve community relations.

Science Fest Fund - Accounts for and reports all contributions, registration fees and other donations received for the Regional Science Festival.

Urban Growth Management

Leveraged Loan Pool Fund - Accounts for and reports funds that are held to leverage private capital and state or federal resources to stimulate business investments.

Telecommunity Partnership Fund - Accounts for and reports the training needs of the Austin community and creating opportunities for individuals through partnerships with local employers.

Agency Funds

Campaign Financing Fund - Accounts for and reports donations and fees for the Austin Fair Campaign Ordinance.

Municipal Courts Fund - Accounts for and reports service fees collected at Municipal Court that will be remitted to the State Comptroller of Public Accounts.

Neighborhood Revitalization Fund - Accounts for and reports escrow deposits and payments to loan recipients.

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit H-1

	Assets			Liabilities			Net Position Held in Trust
	Pooled Investments and Cash	Other Assets	Total Assets	Accounts Payable	Other Liabilities	Total Liabilities	
General government							
Unclaimed Property	\$ 1,289	--	1,289	--	1,191	1,191	98
Total general government	1,289	--	1,289	--	1,191	1,191	98
Transportation, planning, and sustainability							
Public School Energy Assistance	24	--	24	24	--	24	--
Voluntary Utility Assistance	43	--	43	--	--	--	43
Total transportation, planning, and sustainability	67	--	67	24	--	24	43
Public recreation and culture							
First Step - A Community Project	14	--	14	--	--	--	14
Science Fest	--	--	--	--	--	--	--
Total public recreation and culture	14	--	14	--	--	--	14
Urban growth management							
Leveraged Loan Pool	443	120	563	--	--	--	563
Telecommunity Partnership	16	--	16	--	--	--	16
Total urban growth management	459	120	579	--	--	--	579
Total	\$ 1,829	120	1,949	24	1,191	1,215	734

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit H-2

	Additions			Deductions		Net Position at Beginning of Year	Net Position at End of Year
	Contributions	Interest and Other	Total Additions	Benefit Payments	Net Increase (Decrease)		
General government							
Unclaimed Property	\$ --	1	1	1	--	98	98
Total general government	--	1	1	1	--	98	98
Transportation, planning, and sustainability							
Public School Energy Assistance	16	--	16	24	(8)	8	-
Voluntary Utility Assistance	1,048	--	1,048	1,005	43	--	43
Total transportation, planning, and sustainability	1,064	--	1,064	1,029	35	8	43
Public recreation and culture							
First Step - A Community Project	--	--	--	--	--	14	14
Science Fest	126	--	126	136	(10)	10	--
Total public recreation and culture	126	--	126	136	(10)	24	14
Urban growth management							
Leveraged Loan Pool	--	--	--	--	--	563	563
Telecommunity Partnership	--	--	--	--	--	16	16
Total urban growth management	--	--	--	--	--	579	579
Total	\$ 1,190	1	1,191	1,166	25	709	734

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit H-3

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
<u>Campaign Financing Fund</u>				
Assets				
Pooled investments and cash	\$ 52	29	--	81
Total assets	52	29	--	81
Liabilities				
Deposits and other liabilities	52	157	128	81
Total liabilities	52	157	128	81
<u>Municipal Courts</u>				
Assets				
Pooled investments and cash	2,442	11,484	11,208	2,718
Total assets	2,442	11,484	11,208	2,718
Liabilities				
Accounts payable	24	--	24	--
Due to other governments	2,078	19,058	18,806	2,330
Deposits and other liabilities	340	2,670	2,622	388
Total liabilities	2,442	21,728	21,452	2,718
<u>Neighborhood Revitalization</u>				
Assets				
Pooled investments and cash	236	--	--	236
Total assets	236	--	--	236
Liabilities				
Deposits and other liabilities	236	--	--	236
Total liabilities	236	--	--	236
<u>Total Agency Funds</u>				
Assets				
Pooled investments and cash	2,730	11,513	11,208	3,035
Total assets	2,730	11,513	11,208	3,035
Liabilities				
Accounts payable	24	--	24	--
Due to other governments	2,078	19,058	18,806	2,330
Deposits and other liabilities	628	2,827	2,750	705
Total liabilities	\$ 2,730	21,885	21,580	3,035





SUPPLEMENTAL SCHEDULES

Budgetary General Fund
Supplementary Schedule of Revenues, Expenditures, and Changes in
Fund Balances--Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit I-1

The General Fund, as reported in the financial statements, is comprised of six separately budgeted funds in the City's legally adopted budget: the Budgetary General Fund (represented as the General Fund in the City's budget document) plus the Economic Development, Economic Incentives Reserve, the Music Venue Assistance Program, the Neighborhood Housing and Community Development, and the Sustainability funds. RSI reflects the budgetary comparison for the consolidated General Fund. Below are the budgetary comparisons for each of the six funds.

Budgetary General Fund	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Taxes	\$ 537,138	100	537,238	524,011	524,011	13,227
Franchise fees	37,407	4	37,411	33,268	33,268	4,143
Fines, forfeitures and penalties	17,130	(1)	17,129	16,555	16,555	574
Licenses, permits and inspections	33,719	(13)	33,706	25,289	25,224	8,482
Charges for services/goods	57,974	(1,046)	56,928	51,575	51,802	5,126
Interest and other	9,416	(5,431)	3,985	3,423	3,423	562
Total revenues	692,784	(6,387)	686,397	654,121	654,283	32,114
EXPENDITURES						
General government						
Municipal Court	14,610	227	14,837	15,012	15,012	175
Public safety						
Police	290,030	(25)	290,005	295,538	295,538	5,533
Fire	142,209	293	142,502	142,413	142,413	(89)
Emergency Medical Services	61,429	734	62,163	60,756	63,143	980
Transportation, planning, and sustainability						
Transportation, planning, and sustainability	(6)	6	--	--	--	--
Public health:						
Health	54,196	(3,216)	50,980	51,352	51,352	372
Public recreation and culture						
Parks and Recreation	58,449	615	59,064	59,933	59,933	869
Austin Public Library	31,043	350	31,393	31,448	31,448	55
Urban growth management						
Neighborhood Planning and Zoning	27,195	175	27,370	27,654	27,654	284
Other Urban Growth Management	--	--	--	--	--	--
General city responsibilities (4)	97,951	(81,583)	16,368	19,005	19,005	2,637
Total expenditures	777,106	(82,424)	694,682	703,111	705,498	10,816
Excess (deficiency) of revenues over expenditures	(84,322)	76,037	(8,285)	(48,990)	(51,215)	42,930
OTHER FINANCING SOURCES (USES)						
Transfers in	144,578	16,039	160,617	160,679	160,678	(61)
Transfers out	(26,503)	(98,888)	(125,391)	(111,689)	(109,528)	(15,863)
Total other financing sources (uses)	118,075	(82,849)	35,226	48,990	51,150	(15,924)
Excess (deficiency) of revenues and other sources over expenditures and other uses	33,753	(6,812)	26,941	--	(65)	27,006
Fund balance at beginning of year	172,705	(39,122)	133,583	40,265	64,188	69,395
Fund balance at end of year	\$ 206,458	(45,934)	160,524	40,265	64,123	96,401

(Continued)

- (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.

Budgetary General Fund
Supplementary Schedule of Revenues, Expenditures, and Changes in
Fund Balances--Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

Economic Development	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive Negative
				Original	Final	
REVENUES						
Interest and other	\$ 83	--	83	60	60	23
Total revenues	83	--	83	60	60	23
EXPENDITURES						
Other Urban Growth Mangement	10,989	(230)	10,759	11,652	11,652	893
Total expenditures	10,989	(230)	10,759	11,652	11,652	893
Excess (deficiency) of revenues over expenditures	(10,906)	230	(10,676)	(11,592)	(11,592)	916
OTHER FINANCING SOURCES (USES)						
Transfers in	12,141	1,280	13,421	13,421	13,421	--
Transfers out	--	(1,582)	(1,582)	(1,582)	(1,582)	--
Total other financing sources (uses)	12,141	(302)	11,839	11,839	11,839	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,235	(72)	1,163	247	247	916
Fund balance at beginning of year	--	--	--	--	--	--
Fund balance at end of year	1,235	(72)	1,163	247	247	916

Economic Incentives Reserve	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive Negative
				Original	Final	
REVENUES						
Interest and other	14	--	14	--	--	14
Total revenues	14	--	14	--	--	14
EXPENDITURES						
Other Urban Growth Management	12,866	3,399	16,265	17,587	16,602	337
Total expenditures	12,866	3,399	16,265	17,587	16,602	337
Excess (deficiency) of revenues over expenditures	(12,852)	(3,399)	(16,251)	(17,587)	(16,602)	351
OTHER FINANCING SOURCES (USES)						
Transfers in	667	14,206	14,873	17,034	14,873	--
Transfers out	(985)	--	(985)	--	(985)	--
Total other financing sources (uses)	(318)	14,206	13,888	17,034	13,888	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(13,170)	10,807	(2,363)	(553)	(2,714)	351
Fund balance at beginning of year	(27,604)	42,674	15,070	12,655	12,655	2,415
Fund balance at end of year	\$ (40,774)	53,481	12,707	12,102	9,941	2,766

(Continued)

- (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.

Budgetary General Fund
Supplementary Schedule of Revenues, Expenditures, and Changes in
Fund Balances--Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
 Exhibit I-1

(Continued)

Music Venue Assistance Program

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ --	--	--	--	--	--
Total revenues	--	--	--	--	--	--
EXPENDITURES						
Other Urban Growth Management	52	35	87	210	210	123
Total expenditures	52	35	87	210	210	123
Excess (deficiency) of revenues over expenditures	(52)	(35)	(87)	(210)	(210)	123
OTHER FINANCING SOURCES (USES)						
Transfers in	--	100	100	100	100	--
Total other financing sources (uses)	--	100	100	100	100	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(52)	65	13	(110)	(110)	123
Fund balance at beginning of year	186	100	286	39	39	247
Fund balance at end of year	134	165	299	(71)	(71)	370

**Neighborhood Housing and
 Community Development**

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	(178)	180	2	--	--	2
Total revenues	(178)	180	2	--	--	2
EXPENDITURES						
Other Urban Growth Mangement	4,243	25	4,268	3,715	3,715	(553)
Total expenditures	4,243	25	4,268	3,715	3,715	(553)
Excess (deficiency) of revenues over expenditures	(4,421)	155	(4,266)	(3,715)	(3,715)	(551)
OTHER FINANCING SOURCES (USES)						
Transfers in	--	3,606	3,606	3,754	3,754	(148)
Transfers out	(27)	(23)	(50)	(50)	(50)	--
Total other financing sources (uses)	(27)	3,583	3,556	3,704	3,704	(148)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,448)	3,738	(710)	(11)	(11)	(699)
Fund balance at beginning of year	(7,175)	8,251	1,076	(281)	(281)	1,357
Fund balance at end of year	\$ (11,623)	11,989	366	(292)	(292)	658

(Continued)

- (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.

Budgetary General Fund
Supplementary Schedule of Revenues, Expenditures, and Changes in
Fund Balances--Budget and Actual-Budget Basis
For the year ended September 30, 2014
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

Sustainability	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Other Urban Growth Mangement	\$ 1,980	(22)	1,958	1,856	1,958	--
Total expenditures	<u>1,980</u>	<u>(22)</u>	<u>1,958</u>	<u>1,856</u>	<u>1,958</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	(1,980)	22	(1,958)	(1,856)	(1,958)	--
OTHER FINANCING SOURCES (USES)						
Transfers in	5,236	--	5,236	5,567	5,567	(331)
Transfers out	--	(3,606)	(3,606)	(3,754)	(3,754)	148
Total other financing sources (uses)	<u>5,236</u>	<u>(3,606)</u>	<u>1,630</u>	<u>1,813</u>	<u>1,813</u>	<u>(183)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,256	(3,584)	(328)	(43)	(145)	(183)
Fund balance at beginning of year	8,980	(8,698)	282	494	(810)	1,092
Fund balance at end of year	<u>\$ 12,236</u>	<u>(12,282)</u>	<u>(46)</u>	<u>451</u>	<u>(955)</u>	<u>909</u>

(Continued)

- (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.

**Enterprise Related Grants
Combining Balance Sheet
September 30, 2014
(In thousands)**

	Receivables		Liabilities and Fund Balances			
	from Other Governments	Total Assets	Other Liabilities	Total Liabilities	Fund Balances	Total Liabilities and Fund Balances
AUSTIN ENERGY RELATED						
U.S. Department of Energy	\$ 317	317	317	317	--	317
U.S. Department of Housing & Urban Development	--	--	--	--	--	--
U.S. National Endowment of the Arts	3	3	3	3	--	3
Texas Commission of the Arts	1	1	1	1	--	1
Total Austin Energy	321	321	321	321	--	321
AIRPORT RELATED						
U.S. Department of Homeland Security	195	195	195	195	--	195
U.S. Department of Transportation	148	148	148	148	--	148
Federal Bureau of Investigation	1	1	1	1	--	1
Total Airport	344	344	344	344	--	344
DRAINAGE RELATED						
U.S. Department of Agriculture	25	25	25	25	--	25
U.S. Department of Homeland Security	181	181	181	181	--	181
U.S. Department of Interior	2	2	2	2	--	2
U.S. Environmental Protection Agency	--	--	--	--	--	--
Texas Water Development Board	23	23	23	23	--	23
Total Drainage	231	231	231	231	--	231
Total grants, enterprise related	\$ 896	896	896	896	--	896

NOTE: These grants have been reported in the enterprise fund financial statements.

**Enterprise Related Grants
Combining Schedule of Expenditures
From Inception to September 30, 2014
(In thousands)**

**City of Austin, Texas
Exhibit I-3**

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	In-Kind		Total	In-Kind		In-Kind		Total	In-Kind		Total
	Grant	Match		Grant	Match	Grant	Match		Grant	Match	
AUSTIN ENERGY RELATED											
U.S. Department of Energy	\$ 28,442	995	29,437	837	127	29,279	1,122	30,401	28,041	1,293	29,334
U.S. Department of Housing and Urban Development	218	25	243	18	--	236	25	261	238	1,511	1,749
U.S. National Endowment of the Arts	34	--	34	--	--	34	--	34	38	--	38
Texas Commission of the Arts	140	46	186	--	--	140	46	186	148	7	155
Total Austin Energy	28,834	1,066	29,900	855	127	29,689	1,193	30,882	28,465	2,811	31,276
AIRPORT RELATED											
U.S. Department of Homeland Security	7,786	--	7,786	769	--	8,555	--	8,555	8,118	--	8,118
U.S. Department of Transportation	66,909	20,081	86,990	1,808	557	68,717	20,638	89,355	100,221	29,100	129,321
Federal Bureau of Investigation	23	--	23	--	--	23	--	23	25	--	25
Total Airport	74,718	20,081	94,799	2,577	557	77,295	20,638	97,933	108,364	29,100	137,464
DRAINAGE RELATED											
U.S. Department of Agriculture	50	50	100	--	--	50	50	100	50	50	100
U.S. Department of Homeland Security	6,518	2,948	9,466	--	--	6,518	2,948	9,466	15,582	6,004	21,586
U.S. Department of Interior	17	6	23	--	--	17	6	23	25	9	34
U.S. Environmental Protection Agency	1,120	166	1,286	(27)	--	1,093	166	1,259	1,203	168	1,371
Texas Water Development Board	99	--	99	--	--	99	--	99	401	198	599
Total Drainage	7,804	3,170	10,974	(27)	--	7,777	3,170	10,947	17,261	6,429	23,690
Total grants, enterprise related	\$ 111,356	24,317	135,673	3,405	684	114,761	25,001	139,762	154,090	38,340	192,430

NOTE: These grants have been reported in the enterprise fund financial statements.

**Schedule of General Obligation Bonds
Authorized and Unissued
Year ended September 30, 2014
(In thousands)**

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

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2014
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
11-07-06	Transportation	103,100	94,660	8,440	--
11-07-06	Drainage improvements	145,000	130,000	15,000	--
11-07-06	Parks improvements	84,700	78,890	4,810	1,000
11-07-06	Cultural arts	31,500	27,500	--	4,000
11-07-06	Affordable housing	55,000	55,000	--	--
11-07-06	Central library	90,000	6,800	20,000	63,200
11-07-06	Public safety facility	58,100	53,100	--	5,000
11-02-10	Mobility Transportation	90,000	45,305	30,000	14,695
11-6-12	Transportation and Mobility	143,299	--	11,895	131,404
11-6-12	Open Space and Watershed Protection	30,000	--	20,000	10,000
11-6-12	Park and Recreation Improvements	77,680	--	550	77,130
11-6-12	Public safety facility Improvements	31,079	--	1,500	29,579
11-6-12	Health and Human Service facility improvements	11,148	--	235	10,913
11-6-12	Library, museum, and cultural arts facility improvements	13,442	--	820	12,622
11-5-13	Affordable housing	65,000	--	--	65,000
		\$ 1,109,308	556,578	113,250	439,480

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.

**Schedule of Revenue Bonds Authorized,
Deauthorized and Unissued
Year ended September 30, 2014
(In thousands)**

**City of Austin, Texas
Exhibit I-5**

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2014
AUSTIN ENERGY						
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 Austin Energy		1,124,021	--	561,633	--	562,388
AUSTIN WATER UTILITY (Water)						
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 Austin Water Utility (Water)		\$ 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, 2014
(In thousands)**

**City of Austin, Texas
Exhibit I-5**

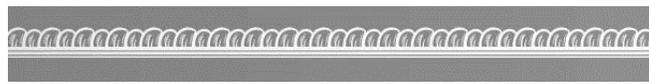
(Continued)

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2014
AUSTIN WATER UTILITY (Wastewater)						
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 Austin Water Utility (Wastewater)		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

(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.





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.

Net Position by Component
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 1

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	1,360,509	1,399,316	1,530,124	1,526,481	1,545,216	1,544,834	1,562,046	1,666,653	1,649,431	1,621,208
Restricted	68,848	84,218	69,982	76,478	95,641	71,716	92,650	82,916	103,246	118,335
Unrestricted (deficit)	65,561	77,564	28,115	1,553	(56,971)	(58,002)	(164,152)	(334,332)	(397,244)	(431,349)
Total governmental activities net position	<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>	<u>1,558,548</u>	<u>1,490,544</u>	<u>1,415,237</u>	<u>1,355,433</u>	<u>1,308,194</u>
Business-type activities										
Net investment in capital assets	1,563,831	1,538,572	1,648,758	1,825,599	1,902,398	1,998,753	2,048,964	2,104,623	2,195,358	2,216,347
Restricted	410,975	469,238	492,356	497,927	488,413	502,211	550,516	554,215	535,490	524,653
Unrestricted	378,537	551,838	562,899	558,625	495,318	403,346	438,240	392,904	466,167	587,362
Total business-type activities net position	<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>	<u>2,904,310</u>	<u>3,037,720</u>	<u>3,051,742</u>	<u>3,197,015</u>	<u>3,328,362</u>
Primary government										
Net investment in capital assets	2,924,340	2,937,888	3,178,882	3,352,080	3,447,614	3,543,587	3,611,010	3,771,276	3,844,789	3,837,555
Restricted	479,823	553,456	562,338	574,405	584,054	573,927	643,166	637,131	638,736	642,988
Unrestricted	444,098	629,402	591,014	560,178	438,347	345,344	274,088	58,572	68,923	156,013
Total primary government net position	<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>	<u>4,462,858</u>	<u>4,528,264</u>	<u>4,466,979</u>	<u>4,552,448</u>	<u>4,636,556</u>

Changes in Net Position
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 2

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities:										
General government	73,233	84,693	76,136	97,945	80,819	89,315	99,780	124,735	97,675	118,074
Public safety	320,942	373,361	397,583	440,345	442,690	455,760	485,611	536,132	580,074	576,118
Transportation, planning, and sustainability	17,247	25,426	48,758	49,426	79,840	65,565	74,835	64,247	78,594	83,971
Public health	104,361	94,697	94,158	102,188	81,773	63,215	61,865	75,799	73,186	80,796
Public recreation and culture	58,962	65,453	72,082	87,975	90,307	91,732	106,488	104,026	104,951	117,441
Urban growth management	77,340	81,439	93,185	123,115	121,237	143,884	129,258	93,593	137,478	136,110
Unallocated depreciation expense	58,722	35,357	--	--	--	--	--	--	--	--
Interest on debt	41,331	38,766	39,166	40,954	42,435	44,889	45,154	46,417	48,400	49,617
Total governmental activities expenses	<u>752,138</u>	<u>799,192</u>	<u>821,068</u>	<u>941,948</u>	<u>939,101</u>	<u>954,360</u>	<u>1,002,991</u>	<u>1,044,949</u>	<u>1,120,358</u>	<u>1,162,127</u>
Business-Type activities:										
Electric	804,658	918,369	929,057	1,070,999	1,089,632	1,086,470	1,136,850	1,133,951	1,132,476	1,251,599
Water	142,061	161,516	162,158	202,900	200,162	169,708	178,712	223,228	231,774	240,838
Wastewater	122,176	132,005	144,573	147,059	160,962	166,979	170,514	194,650	214,580	213,156
Airport	87,538	78,487	80,368	91,557	98,403	92,780	102,774	101,991	107,389	108,291
Convention	38,844	41,992	43,956	52,911	52,219	51,818	54,231	56,142	62,884	58,763
Environmental and health services	45,739	50,290	55,386	69,805	67,097	66,380	91,151	87,450	81,544	92,997
Public recreation	9,408	9,225	9,800	10,169	10,274	9,715	5,209	5,624	7,185	6,765
Urban growth management	60,562	63,981	69,293	84,886	89,306	106,618	110,996	114,270	129,583	125,983
Total business-type expenses	<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>	<u>1,750,468</u>	<u>1,850,437</u>	<u>1,917,306</u>	<u>1,967,415</u>	<u>2,098,392</u>
Total primary government expenses	<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>	<u>2,704,828</u>	<u>2,853,428</u>	<u>2,962,255</u>	<u>3,087,773</u>	<u>3,260,519</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,334	9,718	2,633	9,572	11,319	7,902	8,126	17,285	15,223	17,890
Public safety	37,825	40,314	40,529	45,880	51,710	47,530	52,998	51,009	53,826	62,832
Transportation, planning, and sustainability	2,689	3,186	3,260	3,531	3,960	3,792	3,823	4,158	4,431	5,214
Public health	59,948	45,610	40,238	43,122	25,181	7,561	7,592	5,106	9,510	9,720
Public recreation and culture	3,208	3,339	2,998	3,749	3,819	3,456	7,891	7,576	8,753	8,205
Urban growth management	31,953	37,609	43,012	43,840	45,000	38,895	21,305	28,613	32,917	37,848
Operating grants and contributions	67,494	77,923	57,331	65,782	54,022	66,831	66,348	57,818	48,567	50,333
Capital grants and contributions	5,702	1,111	2,942	3,652	85,085	50,546	51,182	35,880	64,781	66,856
Total governmental activities program revenues	<u>216,153</u>	<u>218,810</u>	<u>192,943</u>	<u>219,128</u>	<u>280,096</u>	<u>226,513</u>	<u>219,265</u>	<u>207,445</u>	<u>238,008</u>	<u>258,898</u>
Business-type activities:										
Charges for services:										
Electric	972,846	1,070,606	1,056,488	1,217,735	1,162,286	1,147,676	1,249,139	1,179,872	1,288,259	1,367,155
Water	140,356	164,561	138,350	181,515	195,480	171,457	243,382	229,454	240,081	235,893
Wastewater	129,314	141,676	154,118	183,608	196,416	189,192	204,666	213,253	236,700	236,700

(Continued)

Changes in Net Position
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 2
(Continued)

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airport	82,220	87,473	96,562	102,519	96,618	100,223	106,978	114,318	123,021	128,766
Convention	11,169	14,692	14,577	17,572	16,258	14,784	18,486	19,200	22,783	25,087
Environmental and health services	44,550	45,078	46,310	49,190	65,940	74,399	75,981	75,499	81,833	84,655
Public recreation	9,117	8,968	8,784	9,760	10,119	8,864	5,260	5,239	6,069	5,849
Urban growth management	69,859	77,381	79,252	83,779	90,739	108,312	115,850	123,477	131,561	141,755
Operating grants and contributions	--	--	--	--	--	--	--	10,950	3,749	1,489
Capital grants and contributions	48,544	69,804	50,898	76,881	71,819	31,703	47,850	50,064	64,124	65,550
Total business-type revenues	<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>	<u>1,846,610</u>	<u>2,067,592</u>	<u>2,021,326</u>	<u>2,198,180</u>	<u>2,292,899</u>
Total primary government revenues	<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>	<u>2,073,123</u>	<u>2,286,857</u>	<u>2,228,771</u>	<u>2,436,188</u>	<u>2,551,797</u>
Net (Expense)/Revenue										
Governmental activities	(535,985)	(580,382)	(628,125)	(722,820)	(659,005)	(727,847)	(783,726)	(837,504)	(882,350)	(903,229)
Business-type activities	196,989	224,374	150,748	192,273	137,620	96,142	217,155	104,020	230,765	194,507
Total primary government net expense	<u>(338,996)</u>	<u>(356,008)</u>	<u>(477,377)</u>	<u>(530,547)</u>	<u>(521,385)</u>	<u>(631,705)</u>	<u>(566,571)</u>	<u>(733,484)</u>	<u>(651,585)</u>	<u>(708,722)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	220,304	236,146	258,943	268,802	309,888	341,812	355,185	381,582	420,000	448,083
Sales tax	123,617	139,289	153,098	154,445	139,795	144,710	151,125	164,193	176,198	189,464
Franchise fees and gross receipts tax	69,120	79,755	87,180	93,236	85,183	87,996	95,029	99,011	114,147	128,032
Grants and contributions not restricted to specific programs	83,365	90,083	73,711	80,178	--	--	--	--	--	--
Interest and other	24,753	35,315	54,963	29,287	20,827	31,960	19,364	15,884	23,888	21,275
Special items	(2,639)	--	--	--	--	--	--	--	--	15,830
Transfers	73,879	65,974	67,353	73,163	82,686	96,031	97,100	101,527	87,761	62,215
Total general revenues and transfers	<u>592,399</u>	<u>646,562</u>	<u>695,248</u>	<u>699,111</u>	<u>638,379</u>	<u>702,509</u>	<u>717,803</u>	<u>762,197</u>	<u>821,994</u>	<u>864,899</u>
Business-type activities:										
Interest and other	23,932	47,905	60,970	59,028	27,938	13,935	11,274	11,529	2,269	5,717
Special items	(37,443)	--	--	--	--	--	--	--	--	--
Transfers	(73,879)	(65,974)	(67,353)	(73,163)	(82,686)	(96,031)	(97,100)	(101,527)	(87,761)	(62,215)
Total business-type activities	<u>(87,390)</u>	<u>(18,069)</u>	<u>(6,383)</u>	<u>(14,135)</u>	<u>(54,748)</u>	<u>(82,096)</u>	<u>(85,826)</u>	<u>(89,998)</u>	<u>(85,492)</u>	<u>(56,498)</u>
Total primary government	<u>505,009</u>	<u>628,493</u>	<u>688,865</u>	<u>684,976</u>	<u>583,631</u>	<u>620,413</u>	<u>631,977</u>	<u>672,199</u>	<u>736,502</u>	<u>808,401</u>
Change in Net Position										
Governmental activities	56,414	66,180	67,123	(23,709)	(20,626)	(25,338)	(65,923)	(75,307)	(60,356)	(38,330)
Business-type activities	109,599	206,305	144,365	178,138	82,872	14,046	131,329	14,022	145,273	138,009
Total primary government	<u>166,013</u>	<u>272,485</u>	<u>211,488</u>	<u>154,429</u>	<u>62,246</u>	<u>(11,292)</u>	<u>65,406</u>	<u>(61,285)</u>	<u>84,917</u>	<u>99,679</u>

Note:

- (1) Travis County Hospital District reserve payments
- (2) Beginning in 2009, these amounts were assigned to the appropriate programs

Program Revenues by Function/Program
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 3

Function/Program	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities:										
General government	7,755	10,933	5,678	13,338	15,524	11,831	17,491	31,179	29,603	29,150
Public safety	48,596	62,287	52,317	53,565	64,997	57,135	63,617	59,997	60,221	74,805
Transportation, planning, and sustainability	7,055	3,246	3,260	3,531	57,178	17,928	42,282	24,942	51,095	55,324
Public health	82,395	67,839	61,221	66,680	42,750	34,369	31,185	28,122	30,307	29,390
Public recreation and culture	6,593	4,849	4,505	5,253	7,846	9,536	11,544	13,145	14,343	17,233
Urban growth management	63,759	69,656	65,962	76,761	91,801	95,714	53,146	50,060	52,439	52,996
Subtotal governmental activities	<u>216,153</u>	<u>218,810</u>	<u>192,943</u>	<u>219,128</u>	<u>280,096</u>	<u>226,513</u>	<u>219,265</u>	<u>207,445</u>	<u>238,008</u>	<u>258,898</u>
Business-type activities:										
Electric	978,115	1,083,758	1,065,001	1,228,542	1,168,242	1,152,532	1,259,400	1,201,722	1,303,299	1,381,040
Water	154,837	182,801	153,148	216,654	225,881	180,918	257,346	241,205	262,212	261,270
Wastewater	138,652	157,973	167,851	189,823	211,080	190,625	213,339	221,561	249,564	249,564
Airport	97,786	103,490	104,462	113,368	112,804	108,022	112,457	124,042	128,301	134,208
Convention	11,459	14,968	14,577	17,572	16,258	14,784	18,499	19,234	23,149	25,138
Environmental and health services	44,887	46,350	46,640	50,311	66,592	75,033	77,008	78,694	83,080	84,807
Public recreation	9,230	9,225	9,073	11,134	11,268	12,809	5,410	5,404	6,776	6,626
Urban growth management	73,009	81,674	84,587	95,155	93,550	111,887	124,133	129,464	141,799	150,246
Subtotal business-type activities	<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>	<u>1,846,610</u>	<u>2,067,592</u>	<u>2,021,326</u>	<u>2,198,180</u>	<u>2,292,899</u>
Total primary government	<u><u>1,724,128</u></u>	<u><u>1,899,049</u></u>	<u><u>1,838,282</u></u>	<u><u>2,141,687</u></u>	<u><u>2,185,771</u></u>	<u><u>2,073,123</u></u>	<u><u>2,286,857</u></u>	<u><u>2,228,771</u></u>	<u><u>2,436,188</u></u>	<u><u>2,551,797</u></u>

Fund Balances, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 4

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund										
Reserved	6,504	6,761	9,458	3,566	4,510	4,135	N/A	N/A	N/A	N/A
Unreserved	98,838	105,043	97,352	85,124	87,651	104,575	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	1,109	862	774	950
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	--	--	--	--
Committed	N/A	N/A	N/A	N/A	N/A	N/A	3,117	5,220	7,130	9,028
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	10,992	11,035	11,329	16,859
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	119,035	113,046	127,859	156,659
Total general fund	<u>105,342</u>	<u>111,804</u>	<u>106,810</u>	<u>88,690</u>	<u>92,161</u>	<u>108,710</u>	<u>134,253</u>	<u>130,163</u>	<u>147,092</u>	<u>183,496</u>
All Other Governmental Funds										
Reserved	75,227	83,065	108,338	106,399	134,194	174,820	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue fund	27,994	50,020	48,916	56,008	56,385	57,694	N/A	N/A	N/A	N/A
Debt service funds	--	--	--	--	--	--	N/A	N/A	N/A	N/A
Capital projects funds	100,663	104,209	46,054	77,469	168,328	28,447	N/A	N/A	N/A	N/A
Permanent funds	332	443	660	844	819	764	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	1,040	1,040	1,040	1,052
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	175,522	174,773	160,483	162,000
Committed	N/A	N/A	N/A	N/A	N/A	N/A	26,146	27,899	44,960	66,533
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	68,949	74,328	58,180	25,095
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	(36,582)	(38,012)	(47,512)	(70,581)
Total all other governmental funds	<u>204,216</u>	<u>237,737</u>	<u>203,968</u>	<u>240,720</u>	<u>359,726</u>	<u>261,725</u>	<u>235,075</u>	<u>240,028</u>	<u>217,151</u>	<u>184,099</u>

Note: The City implemented GASB Statement No. 54 in fiscal year 2011, which changes the reporting requirements for fund balances.

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 5

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Property taxes	220,694	234,555	251,470	277,886	308,292	340,804	355,262	381,611	419,965	446,876
Sales taxes	123,617	139,289	153,098	154,445	139,795	144,710	151,125	164,193	176,198	189,464
Franchise fees and other taxes	69,168	79,755	87,180	93,236	85,183	88,321	94,920	98,903	114,039	128,032
Fine, forfeitures, and penalties	21,932	23,697	20,959	24,574	25,380	24,571	24,077	20,251	21,128	22,520
Licenses, permits, and inspections	17,399	22,131	25,635	24,268	20,531	15,716	18,653	22,664	28,669	33,719
Charges for services/goods	100,099	88,789	87,936	96,076	84,905	64,594	55,170	56,397	63,568	72,924
Intergovernmental	88,661	94,955	73,886	91,765	62,802	86,557	78,250	76,233	76,085	79,407
Property owners' participation and contributions	6,152	9,486	2,639	7,065	12,161	6,937	6,624	6,624	10,167	12,718
Interest and other	23,192	34,386	55,522	31,830	31,187	35,563	19,270	15,932	24,345	21,393
Total revenues	670,914	727,043	758,325	801,145	770,236	807,773	803,351	842,808	934,164	1,007,053
Expenditures										
General government	44,044	50,825	59,043	67,597	53,000	66,287	69,024	74,846	84,504	91,668
Public safety	324,815	359,613	383,685	399,060	409,579	421,958	449,355	483,458	497,371	528,670
Transportation, planning, and sustainability	8,623	4,839	5,559	9,370	7,675	10,634	9,983	7,556	16,007	14,053
Public health	101,917	93,725	90,719	91,863	70,762	53,229	55,508	65,861	69,418	74,310
Public recreation and culture	53,315	54,865	62,578	72,760	74,477	74,089	86,595	80,818	92,282	99,780
Urban growth management	76,142	76,565	77,928	101,492	106,149	100,218	75,865	80,021	97,840	106,715
Debt service:										
Principal	50,608	57,651	59,929	61,800	69,809	70,424	78,568	71,906	69,625	69,768
Interest	41,233	39,023	39,156	40,954	42,170	44,590	44,892	46,188	48,199	49,367
Fees and commissions	10	10	10	--	8	17	13	16	17	6
Capital outlay	81,507	87,931	94,228	119,290	96,342	166,491	160,682	178,380	214,294	257,420
Total expenditures	782,214	825,047	872,835	964,186	929,971	1,007,937	1,030,485	1,089,050	1,189,557	1,291,757
Excess (deficiency) of revenues over expenditures	(111,300)	(98,004)	(114,510)	(163,041)	(159,735)	(200,164)	(227,134)	(246,242)	(255,393)	(284,704)
Other financing sources (uses)										
Issuance of tax supported debt	26,940	67,735	--	104,060	191,310	15,000	118,778	145,175	131,499	154,444
Issuance of refunding bonds	148,125	--	--	156,038	--	--	79,342	58,347	--	107,923
Bond premiums	13,750	11	--	15,090	1,897	--	14,929	8,207	8,452	16,212
Payment to escrow agent	(161,875)	--	--	(171,128)	--	--	(94,271)	(66,554)	--	(113,836)
Capital leases	932	--	--	--	--	--	--	--	--	--
Transfers in	142,404	142,064	171,995	173,627	175,250	197,669	179,476	178,768	209,161	221,868
Transfers out	(58,609)	(71,823)	(96,248)	(96,014)	(86,245)	(93,957)	(70,146)	(76,838)	(99,667)	(114,385)
Total other financing sources (uses)	111,667	137,987	75,747	181,673	282,212	118,712	228,108	247,105	249,445	272,226
Special Item - land sale	--	--	--	--	--	--	--	--	--	15,830
Net change in fund balances	367	39,983	(38,763)	18,632	122,477	(81,452)	974	863	(5,948)	3,352
Debt service as a percentage of noncapital expenditures	13.3%	13.2%	12.7%	12.3%	13.6%	13.8%	13.6%	12.9%	11.5%	11.2%

Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 6

207

Fiscal Year Ended Sept. 30	Property Tax	Sales Tax	Mixed Drink Tax	Franchise Fees and Gross Receipts Tax	Total
	\$	\$	\$	\$	\$
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
2010	340,804	144,710	6,049	82,272	573,835
2011	355,262	151,125	6,367	88,553	601,307
2012	381,611	164,193	5,964	92,939	644,707
2013	419,965	176,198	6,941	107,098	710,202
2014	446,876	189,464	9,355	118,677	764,372
Change 2005-2014	102.49%	53.27%	120.53%	82.79%	

**Property Appraised Value, Taxable Value, Tax Rates,
Tax Levies, and Tax Collections
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30	Valuation Date (January 1)	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)			
							General Fund \$	Debt Service Fund \$	Total \$	Percentage Change in Tax Rate %
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	(10.11)
2006	2005	85.47	61,246,465,280	8,896,822,983	52,349,642,297	5.33	0.2841	0.1589	0.4430	0.00
2007	2006	84.61	71,515,572,939	11,003,244,050	60,512,328,889	15.59	0.2760	0.1366	0.4126	(6.86)
2008	2007	85.81	80,103,507,188	11,366,716,262	68,736,790,926	13.59	0.2730	0.1304	0.4034	(2.23)
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	2009	87.63	92,388,003,449	11,427,462,473	80,960,540,976	5.48	0.2950	0.1259	0.4209	4.91
2011	2010	88.15	88,051,834,377	10,432,484,993	77,619,349,384	(4.13)	0.3262	0.1309	0.4571	8.60
2012	2011	87.04	91,015,898,946	11,796,118,067	79,219,780,879	2.06	0.3551	0.1260	0.4811	5.25
2013	2012	87.30	95,412,581,152	12,118,044,659	83,294,536,493	5.14	0.3821	0.1208	0.5029	4.53
2014	2013	86.94	102,102,789,438	13,336,691,278	88,766,098,160	6.57	0.3856	0.1171	0.5027	(0.04)
2015 (2)	2014	84.81	116,563,880,233	17,704,840,917	98,859,039,316	11.37	0.3691	0.1118	0.4809	(4.34)

208

Fiscal Year Ended Sept. 30	Valuation Date (January 1)	Total Tax Levy (October 1) \$	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years \$	Total Collections to Date		Total Outstanding Delinquencies (3)	
			Amount \$	Percentage of Levy %		Amount \$	Percentage of Levy %	Amount \$	Percentage of Levy %
2005 (1)	2004	220,183,876	217,913,724	98.97	1,050,890	218,964,614	99.45	8,411,887	3.82
2006	2005	231,908,915	230,867,812	99.55	710,928	231,578,740	99.86	9,867,232	4.25
2007	2006	249,673,869	248,705,821	99.61	572,887	249,278,708	99.84	8,717,040	3.49
2008	2007	277,284,215	274,903,217	99.14	1,605,952	276,509,169	99.72	9,338,671	3.37
2009	2008	307,929,055	304,956,471	99.03	1,793,867	306,750,338	99.62	9,626,876	3.13
2010	2009	340,762,916	337,268,213	98.97	995,497	338,263,710	99.27	10,591,712	3.11
2011	2010	354,798,046	351,707,776	99.13	1,292,387	353,000,163	99.49	11,589,297	3.27
2012	2011	381,126,366	378,351,758	99.27	770,766	379,122,524	99.47	12,177,159	3.20
2013	2012	418,888,224	416,202,468	99.36	--	416,202,468	99.36	12,662,032	3.02
2014	2013	446,227,175	442,872,352	99.25	--	442,872,352	99.25	13,037,334	2.92
2015 (2)	2014	475,413,120	**	**	**	**	**	**	**

** Information not yet available for fiscal year 2015.

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 Healthcare District.
- (2) Appraised value at January 1, 2014, is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.
- (3) The total amount of outstanding delinquencies for all prior years as of fiscal year end.

**Assessed Taxable Property Value by Class
Last Ten Fiscal Years (In thousands)**

**City of Austin, Texas
Table 8**

Fiscal Year Sept. 30	Single Family Property	Multi- Family Property	Land	Commercial Property	Personal Property	Total Assessed Taxable Value	Tax Rates (per \$100 Assessed Value)
	\$	\$	\$	\$	\$	\$	\$
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	33,316,002	8,839,048	1,524,308	17,725,306	6,779,068	68,183,732	0.4034
2009	37,453,292	9,896,356	1,389,608	19,800,799	7,915,406	76,455,461	0.4012
2010	40,713,121	10,145,319	1,419,091	19,957,214	7,942,287	80,177,032	0.4209
2011	40,652,702	9,611,968	1,367,974	18,531,700	6,932,805	77,097,149	0.4571
2012	40,599,766	9,910,886	1,646,815	18,880,729	9,051,096	80,089,292	0.4811
2013	41,050,945	11,115,108	1,599,889	20,237,454	9,575,131	83,578,527	0.5029
2014	43,262,362	12,628,999	1,543,314	21,774,725	9,280,001	88,489,401	0.5027

Source: July certified tax rolls received from Travis, Williamson, and Hays Central 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

Government	Tax Rates (per 000's Assessed Value) for Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	0.4430	0.4430	0.4126	0.4034	0.4012	0.4209	0.4571	0.4811	0.5029	0.5027
Austin Community College	0.0900	0.0991	0.0965	0.0958	0.0954	0.0946	0.0951	0.0948	0.0951	0.0949
Austin Independent School District	1.6230	1.6230	1.4930	1.1630	1.2020	1.2020	1.2270	1.2420	1.2420	1.2420
Del Valle Independent School District	1.8063	1.8700	1.7277	1.4800	1.4800	1.4800	1.5300	1.5300	1.5300	1.4700
Eanes Independent School District	1.6705	1.6610	1.5625	1.2025	1.2025	1.2025	1.2025	1.2125	1.2125	1.2125
Leander Independent School District	1.7900	1.7500	1.6438	1.3334	1.3792	1.4223	1.4548	1.4998	1.5119	1.5119
Manor Independent School District	1.8262	1.8000	1.7680	1.5150	1.5350	1.5150	1.5150	1.5150	1.5150	1.5150
North Austin MUD #1	0.4500	0.4500	0.4500	0.4180	0.4050	0.3801	0.3819	0.3719	0.3450	0.3450
Northwest Austin MUD #1	0.2600	0.3000	0.2900	0.2750	0.2525	0.2427	--	--	--	--
Northwest Travis County RD #3	0.1800	0.1650	0.1300	0.1100	0.1100	0.1250	0.1450	0.1550	0.1300	0.1223
Pflugerville Independent School District	1.8300	1.8500	1.6800	1.4700	1.4600	1.4600	1.4600	1.4800	1.5400	1.5400
Round Rock Independent School District	1.8572	1.8335	1.6406	1.3238	1.3324	1.3800	1.3800	1.3350	1.3800	1.3674
Travis County (1)	0.4872	0.4993	0.4499	0.4216	0.4122	0.4215	0.4658	0.4855	0.5001	0.4946
Travis County Healthcare District	0.0779	0.0779	0.0734	0.0693	0.0679	0.0674	0.0719	0.0789	0.0789	0.1290

Government	Tax Levies (in 000's) for Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	220,184	231,909	249,674	277,284	307,929	340,763	354,798	381,126	418,888	446,227
Austin Community College	44,345	49,521	70,836	72,389	79,189	82,756	79,524	80,596	84,766	90,079
Austin Independent School District	627,876	636,792	702,291	732,434	704,839	735,582	730,909	746,896	775,231	834,029
Del Valle Independent School District	36,719	38,980	43,792	43,898	47,600	46,563	43,736	44,867	46,004	51,559
Eanes Independent School District	99,760	106,455	116,394	100,971	111,930	115,036	110,042	111,792	116,443	123,749
Leander Independent School District	123,587	129,115	140,287	142,085	173,078	185,502	185,883	195,248	204,896	219,988
Manor Independent School District	26,742	28,499	33,568	35,816	37,916	43,116	38,829	40,609	48,860	47,605
North Austin MUD #1	2,753	1,196	2,765	2,873	2,859	2,859	2,750	2,713	2,660	2,661
Northwest Austin MUD #1 (2)	867	1,105	1,226	1,230	1,216	1,173	--	--	--	--
Northwest Travis County RD #3	621	627	601	524	546	582	576	607	565	568
Pflugerville Independent School District	89,397	96,641	97,889	95,934	104,552	108,097	104,112	105,197	111,719	118,412
Round Rock Independent School District	254,174	268,176	268,063	247,325	272,758	284,082	273,120	268,675	287,687	288,217
Travis County (1)	293,753	320,020	339,590	361,662	391,696	417,426	441,859	466,691	503,068	529,149
Travis County Healthcare District	50,416	60,798	55,520	59,543	64,629	66,842	68,303	75,928	79,480	138,132

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.
- (2) Northwest Austin MUD #1 discontinued in 2010.

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Type of Property	Fiscal Year Ended September 30					
		2014			2005		
		January 1, 2013 Assessed Valuation	Rank	Percent of Total Assessed Valuation of 88,766,098,160	January 1, 2004 Assessed Valuation	Rank	Percent of Total Assessed Valuation of 49,702,906,522
		\$		%	\$		%
Samsung Austin Semiconductor LLC	Manufacturing	2,301,880,881	1	2.59	353,331,374	5	0.71
Thomas Property Group LLC	Commercial	705,803,174	2	0.80			
Columbia/St. Davids Health Care	Hospital/Medical	473,171,227	3	0.53			
Circuit of the Americas, LLC	Commercial	290,759,234	4	0.33			
IBM Corporation	Manufacturing	231,562,615	5	0.26	277,439,270	8	0.56
Freescale Semiconductor, Inc. (1)	Manufacturing	230,664,320	6	0.26	320,520,055	6	0.64
Shopping Center at Gateway LP	Commercial	214,852,216	7	0.24			
IMT Capital II Riata LP	Commercial	211,437,260	8	0.24			
Brandywine Acquisition Partners LP	Commercial	207,880,187	9	0.23			
HEB Grocery Company LP	Retail	204,172,204	10	0.23			
Applied Materials Inc.	Manufacturing				498,789,511	1	1.00
Dell Computer Corp	Manufacturing				460,703,342	2	0.93
Motorola, Inc.	Manufacturing				370,772,348	3	0.75
FASL LLC	Manufacturing				369,679,570	4	0.74
AT & T (2)	Telephone Utility				320,068,132	7	0.64
Crescent Real Estate	Commercial				125,935,071	9	0.25
Cisco Systems	Manufacturing				123,157,334	10	0.25
Total Assessed Valuation		5,072,183,318		5.71	3,220,396,007		6.47

Source: Travis Central Appraisal District
Williamson County Appraisal District

- (1) Created from the Semiconductor Products Sector of Motorola in 2004.
- (2) Formerly Southwestern Bell

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year Ended Sept. 30	City Direct Rate (1)	Capital Metro Rate (2)	State of Texas Rate (3)
	%	%	%
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
2010	1.00	1.00	6.25
2011	1.00	1.00	6.25
2012	1.00	1.00	6.25
2013	1.00	1.00	6.25
2014	1.00	1.00	6.25

Sources: Capital Metro, Comptroller of Public Accounts, and 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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	3,004	4,822	6,850	7,609	6,929	5,914	4,680	4,212	4,803	5,193
Mining	7,615	10,401	8,709	6,537	4,034	2,854	2,264	6,549	15,455	26,557
Construction	259,845	358,782	436,157	452,770	352,053	368,296	389,154	471,649	552,802	617,274
Manufacturing	711,213	821,000	922,956	1,037,155	936,799	1,041,686	1,433,983	1,644,016	1,765,094	1,810,447
Transportation, communications, utilities	341,382	386,265	447,312	550,890	447,710	345,173	328,250	509,855	569,199	448,628
Wholesale trade	728,722	874,189	913,648	938,536	787,300	827,894	845,952	803,717	851,796	938,846
Retail trade	5,260,730	5,786,205	6,103,478	6,210,206	5,592,033	5,557,165	5,804,678	6,225,151	6,417,257	6,674,598
Finance, insurance, real estate	189,119	221,387	232,656	239,747	223,759	204,472	190,633	237,753	260,938	275,971
Services	1,024,088	1,144,477	1,251,260	1,355,771	1,233,310	1,189,812	1,257,576	1,394,822	1,510,840	1,573,103
Public administration	328,926	388,647	402,782	433,151	442,422	443,604	446,197	472,311	504,887	497,095
Unclassified establishments	28	--	--	--	--	--	--	--	--	--
Other	2,130,487	2,287,822	2,074,431	2,170,937	2,128,184	2,150,840	2,361,381	2,659,747	2,985,980	3,315,137
Total taxable sales by category	10,985,159	12,283,997	12,800,239	13,403,309	12,154,533	12,137,710	13,064,748	14,429,782	15,439,051	16,182,849

Source: State of Texas Comptroller of Public Accounts

Note: Data subject to change as more precise numbers become available.

(1) Data not available for fourth quarter FY2014. Figures are estimates.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (In thousands)**

Governmental Activities					
Fiscal Year Ended Sept. 30	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capital Lease Obligations	Total Governmental Activities
	\$	\$	\$	\$	\$
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
2010	789,619	71,586	38,295	716	900,216
2011	842,708	62,426	32,994	433	938,561
2012	877,811	95,426	44,570	159	1,017,966
2013	902,750	114,798	67,788	--	1,085,336
2014	974,855	135,829	85,036	--	1,195,720

Business-Type Activities										
Fiscal Year Ended Sept. 30	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
2010	16,233	40,169	50,064	18,178	299,797	28,000	3,643,111	--	1,628	4,097,180
2011	25,398	40,903	54,854	11,274	359,792	28,000	3,694,277	--	1,258	4,215,756
2012	34,661	34,456	52,298	10,605	305,026	--	3,944,795	--	1,218	4,383,059
2013	31,381	33,658	55,508	9,915	193,991	--	4,204,201	--	1,176	4,529,830
2014	33,701	27,232	65,854	9,195	241,456	--	4,298,643	--	1,135	4,677,216

Fiscal Year Ended Sept. 30	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	\$	%	\$
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
2010	4,997,396	0.14	6,419
2011	5,154,317	0.13	6,398
2012	5,401,025	0.14	6,578
2013	5,615,166	0.12	6,672
2014	5,872,936	0.12	6,689

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Population and personal income statistics can be found in Table 18.

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years (In thousands except per capita)**

**City of Austin, Texas
Table 14**

Fiscal Year Ended Sept. 30	General Bonded Debt Outstanding			Resources Restricted for Repayment of Outstanding Debt Principal	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Net General Bonded Debt Per Capita (2)
	General Obligation Bonds	Other Tax Supported Debt	Total				
	\$	\$	\$	\$	\$	%	\$
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
2010	805,852	218,292	1,024,144	21,958	1,002,186	1.24	1,287.23
2011	868,106	202,451	1,070,557	20,806	1,049,751	1.35	1,302.97
2012	912,472	237,356	1,149,828	17,627	1,132,201	1.43	1,379.03
2013	934,131	281,667	1,215,798	17,068	1,198,730	1.44	1,424.26
2014	1,008,556	323,146	1,331,702	18,368	1,313,334	1.48	1,495.82

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, 2014**

**City of Austin, Texas
Table 15**

Name of Governmental Unit	Net Debt Outstanding as of September 30, 2014 (in 000's) \$	Percent Applicable to City of Austin %	Amount Applicable to City of Austin (in 000's) \$
Direct debt: Governmental activities debt			
General obligation bonds	974,855		
Certificates of obligation	135,829		
Contractual obligations	85,036		
Total direct debt	<u>1,195,720</u> (1)	100.00	<u>1,195,720</u>
Overlapping debt			
Greater than 10%			
Austin Community College	82,714	68.34	56,527
Austin Independent School District	791,548	94.37	746,984
Avery Ranch Road District #1	10,510	100.00	10,510
Del Valle Independent School District	144,005	70.71	101,826
Leander Independent School District	1,559,130	11.54	179,924
Manor Independent School District	295,900	75.07	222,132
Pflugerville Independent School District	539,430	37.20	200,668
Round Rock Independent School District	621,720	33.49	208,214
Travis County	660,880	70.76	467,639
Williamson County	869,792	11.04	96,025
Eanes Independent School District	125,430	31.80	39,887
Northtown MUD	24,685	23.19	5,724
Travis County Healthcare	13,240	70.53	9,338
Subtotal greater than 10%	<u>5,738,984</u>		<u>2,345,398</u>
Less than 10%			
Travis County Mud #8	5,437	6.70	364
Subtotal less than 10%	<u>5,437</u>		<u>364</u>
Total overlapping debt	<u>5,744,421</u>		<u>2,345,762</u>
Total direct and overlapping debt	<u>6,940,141</u>		<u>3,541,482</u>

Ratio of total direct and overlapping debt to assessed valuation (2)

3.99 %

Per capita overlapping debt (3)

\$ 4,033.57

Source: Taxing jurisdictions, Travis, Williamson, and Hays Central Appraisal Districts 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 estimates 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 6.

(2) Based on assessed valuation of \$88,766,098,160 provided by the Williamson, Travis, and Hays Central Appraisal Districts.

(3) Based on 2014 estimated population of 878,002.

**Legal Debt Margin Information
Last Ten Fiscal Years (In thousands)**

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed taxable value (1)	87,878,437
Debt limit	12,942,046 (2)
Debt applicable to limit:	
General obligation debt	1,180,890
Less: Amount set aside for repayment of general obligation debt	<u>(18,368)</u>
Total net debt applicable to limit	<u>1,162,522</u>
Legal debt margin	<u><u>\$ 11,779,524</u></u>

217

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt limit	7,246,657	7,632,549	10,330,201	10,021,785	11,190,400	11,804,005	11,316,858	11,550,204	12,144,302	12,942,046
Total net debt applicable to limit	906,446	936,104	846,455	878,798	1,043,671	971,250	1,020,759	1,102,536	1,163,822	1,162,522
Legal debt margin	6,169,474	6,696,445	9,483,746	9,142,987	10,146,729	10,832,755	10,296,099	10,447,668	10,980,480	11,779,524
Total net debt applicable to the limit as a percentage of debt limit	12.51%	12.26%	8.19%	8.77%	9.33%	8.23%	9.02%	9.55%	9.58%	8.98%

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, 2013, of \$88,766,098,160 at a 99% collection rate.
- (2) Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2013, for collections of \$87,878,437 results in tax revenues of \$1,318,176. This revenue could service the debt on \$12,942,046 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	
				\$	\$					\$	\$	
2005	989,534	612,866	376,668	89,949	67,907	2.39	270,867	115,863	155,004	40,796	59,135	1.55
2006	1,103,665	692,584	411,081	75,906	63,057	2.96	309,188	128,253	180,935	42,585	63,258	1.71
2007	1,096,869	708,007	388,862	101,312	66,674	2.31	296,475	135,979	160,496	45,208	66,252	1.44
2008	1,260,817	840,898	419,919	81,366	61,834	2.93	367,444	145,101	222,343	56,091	87,544	1.55
2009	1,179,688	851,756	327,932	78,773	93,170	1.91	393,771	181,440	212,331	59,018	88,089	1.45
2010	1,159,295	866,914	292,381	65,823	99,786	1.77	361,342	166,907	194,435	54,413	101,265	1.25
2011	1,258,871	912,651	346,220	75,084	97,547	2.01	448,467	171,833	276,634	50,660	105,221	1.77
2012	1,190,798	875,675	315,123	75,772	92,959	1.87	443,028	178,891	264,137	67,295	110,872	1.48
2013	1,295,116	927,294	367,822	105,091	71,052	2.09	477,013	209,890	267,123	75,186	113,826	1.41
2014	1,375,294	1,028,794	346,500	83,151	60,101	2.42	472,717	218,071	254,646	98,245	105,901	1.25

Fiscal Year Ended Sept. 30	Airport Revenue Bonds						Convention Center Revenue Bonds						
	Service Charges (1)	Other Available Funds (5)(6)	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	
					\$	\$					\$	\$	
2005	71,831	4,170	48,780	27,221	4,415	12,266	1.63	39,055	19,371	19,684	3,520	12,599	1.22
2006	77,268	4,831	45,427	36,672	8,848	10,476	1.90	49,711	22,917	26,794	2,330	9,899	2.19
2007	87,419	3,805	46,683	44,541	5,386	9,834	2.93	55,932	23,787	32,145	1,260	9,829	2.90
2008	91,271	4,550	49,965	45,856	6,545	11,654	2.52	59,951	29,791	30,160	3,440	12,047	1.95
2009	85,070	4,924	54,453	35,541	6,843	12,851	1.80	54,491	30,058	24,433	4,720	11,330	1.52
2010	85,156	3,673	57,773	31,056	7,168	7,522	2.11	51,226	30,520	20,706	8,215	9,238	1.19
2011	90,259	3,739	64,371	29,627	7,544	7,410	1.98	59,351	32,464	26,887	8,545	9,356	1.50
2012	96,344	3,594	65,689	34,249	7,473	6,902	2.38	63,345	35,640	27,705	9,450	8,423	1.55
2013	103,705	3,805	69,338	38,172	8,438	6,783	2.51	73,977	44,684	29,293	10,205	7,991	1.61
2014	109,263	3,620	73,822	39,061	8,520	5,960	2.70	82,971	41,142	41,829	10,750	7,278	2.32

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, and interest income.
- (2) Operating expenses other than interest on debt, depreciation, amortization, and year-end unfunded other post employment benefit and pension expenses.
- (3) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements. Airport excludes debt service amounts paid with passenger facility charge revenue and restricted bond proceeds applied to current interest payments.
- (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. For Austin Water Utility, this methodology does not follow exactly the coverage calculation required by the master ordinance.
- (5) Pursuant to bond ordinance, Airport is authorized to use "other available funds" in the calculation of revenue bond coverage to not exceed 25% of the debt service requirements.
- (6) Includes transfer from capital fund to debt service fund to pay off variable rate note.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

**City of Austin, Texas
Table 18**

Fiscal Year Ended Sept. 30	City of Austin Population (1)	Area of Incorporation (Sq. Miles) (1)	Population MSA (2)	Income (MSA) (thousands of dollars) (2)	Median Household Income MSA (3)	Per Capita Personal Income MSA (2)	Unemployment Rate (MSA) (4)
				\$	\$	\$	%
2005	695,881	294	1,464,563	51,058,588	40,335	34,863	4.5
2006	714,237	296	1,528,958	56,105,872	40,888	36,695	4.2
2007	732,381	297	1,577,856	59,924,200	42,263	37,978	3.7
2008	746,105	298	1,633,870	65,153,669	46,340	39,877	4.4
2009	770,296	302	1,682,338	64,290,898	47,520	38,215	6.8
2010	778,560	306	1,727,784	67,401,503	48,460	39,010	7.1
2011	805,662	308	1,781,871	74,199,427	46,689	41,641	6.8
2012	821,012	319	1,835,110	81,694,141	46,818	44,517	5.8
2013	841,649	321	1,883,051	84,285,529	46,436	44,760	5.2
2014	878,002	321	1,912,746 (6)	89,879,067 (5)	49,227 (6)	46,990	4.2
2005-2014 Change	26.17%	9.34%	30.60%	76.03%	22.05%	34.78%	

Note: Prior year statistics are subject to change as more precise numbers become available.

(1) Source : City Demographer, City of Austin, Planning and Zoning Department based on full purpose area as of September 30.

(2) Source: Bureau of Economic Analysis for all years except 2014 which will not be available until first quarter 2015.

(3) Source: Claritas, a Nielsen company.

(4) Source: Bureau of Labor Statistics, United States Dept. of Labor as of September 30.

(5) Data not available for 2014. Figures are estimated.

(6) Source: PFM CBK - CBSA 2014

**Principal Employers
Current Year and Nine Years Ago**

**City of Austin, Texas
Table 19**

		Fiscal Year Ended September 30					
		2014			2005		
10 Largest Employers	Industry	Rank	Employees	Percent	Rank	Employees	Percent
				of MSA			of MSA
				Total (1)			Total (1)
				%			%
State Government (2)	Government	1	37,816 (3)	4.19	1	N/A (2)	
The University of Texas at Austin	Education	2	24,610 (4)	2.73	3	21,905	3.14
Dell Computer Corporation	Computers	3	14,000 (5)	1.55	2	24,600	3.52
City of Austin	Government	4	12,782 (6)	1.42	4	11,102	1.59
Seton Healthcare Network	Healthcare	5	12,770 (5)	1.42	7	7,722	1.11
Austin Independent School District	Education	6	11,538 (8)	1.28	5	10,714	1.53
HEB Grocery	Grocery retail/distribution	7	11,277 (5)	1.25			
Federal Government	Government	8	9,700 (7)	1.07	6	10,300	1.47
St. David's Healthcare Partnership	Healthcare	9	8,100 (5)	0.90	10	5,127	0.73
IBM Corporation	Computers	10	6,000 (5)	0.66	8	6,300	0.90
Freescale	Electronic Components				9	5,600	0.80
				<u>148,593</u>			<u>14.80</u>
				<u>16.47</u>			<u>103,370</u>

- (1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 902,400 for 2014 and 698,400 for 2005.
- (2) FY2014 MSA data not available by state agency. FY2005 data not available by MSA totals.
- (3) Texas State Auditor's Office: Regular and Part Time State Employees for 2014 in Bastrop, Caldwell, Hays, Travis and Williamson Counties.
- (4) University of Texas Office of Institutional Reporting - Number of Faculty and Staff as of 2/18/2015.
- (5) Austin Chamber of Commerce - Top Employers for Austin MSA - Fall 2014.
- (6) FY2014-2015 Personnel Summary (FTE's) City of Austin Budget Volume I Page 562 Approved Budget. (2013-14 Amended Budget Column)
- (7) Bureau of labor Statistics Federal Government employees in Austin MSA in September 2014.
- (8) Texas Education Agency 2013-2014 Texas Academic Performance Report for AISD Page 16.

**Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 20**

Function/Program	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
General government	152	147	157	171	169	169	169	173	177	232
Public safety	3,591	3,790	3,844	3,959	3,938	3,938	4,046	4,117	4,219	4,281
Transportation, planning, and sustainability	5	5	5	5	5	4	4	4	7	9
Public health	836	893	913	953	484	517	517	520	513	513
Public recreation	694	703	796	838	865	846	890	887	917	985
Urban growth management	308	314	335	373	373	378	387	378	386	411
Total governmental employees	5,586	5,852	6,050	6,299	5,834	5,852	6,013	6,079	6,219	6,431
Business-type activities										
Electric	1,538	1,561	1,605	1,679	1,719	1,738	1,737	1,722	1,719	1,682
Water	462	460	461	481	521	530	535	535	553	592
Wastewater	558	573	574	555	536	540	535	534	541	566
Airport	372	328	340	348	352	345	345	347	351	362
Convention	202	203	209	221	241	244	239	239	239	251
Environmental and health services	414	423	431	448	463	461	461	467	499	523
Public recreation	76	71	90	91	88	88	41	33	33	38
Urban growth management	611	631	645	661	659	632	649	681	693	767
Total proprietary programs	4,233	4,250	4,355	4,484	4,579	4,578	4,542	4,558	4,628	4,781
Internal Services (1)	1,283	1,323	1,390	1,453	1,502	1,450	1,482	1,487	1,524	1,570
Total full-time equivalent employees	11,102	11,425	11,795	12,236	11,915	11,880	12,037	12,124	12,371	12,782

(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**

**City of Austin, Texas
Table 21**

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
General government										
Municipal court cases filed	402,243	414,018	346,223	425,175	446,777	369,053	341,036	323,513	364,930	369,906
Central booking cases magistrated/arraigned	93,071	86,067	98,892	92,764	101,649	114,334	106,974	96,898	89,162	88,887
Warrants issued	125,284	118,949	121,704	139,831	159,038	158,597	140,820	115,939	115,545	116,025
Number of warrants prepared	117,022	77,687	70,651	109,239	140,668	138,379	134,038	89,969	88,401	88,400
Jail cases prepared	109,613	106,379	113,811	119,140	125,406	134,018	122,279	103,126	93,949	96,744
Public safety										
Number of law offenses	146,457	160,316	189,581	173,180	161,167	148,479	146,277	144,949	137,317	119,903
Physical arrests	54,472	58,759	60,983	59,000	46,762	45,783	42,220	55,542	41,227	36,757
Traffic violations	260,698	231,169	179,505	239,781	262,700	225,924	165,757	149,257	182,383	154,764
Fire emergency responses	64,771	68,335	75,748	76,347	74,211	75,676	81,982	84,473	86,641	89,538
Fire responses	2,295	2,799	2,241	2,767	2,816	2,172	3,208	2,086	2,404	2,129
Fire inspections	28,527	26,663	25,728	26,834	25,523	25,622	25,368	23,837	29,602	32,619
EMS response units dispatched	103,325	107,162	116,850	116,897	113,410	115,637	122,701	128,334	133,160	138,881
EMS 911 calls received	97,254	100,796	101,787	108,478	106,477	110,703	114,625	117,310	127,772	126,638
EMS ground patient transports	48,787	50,631	56,378	55,738	56,127	61,267	71,577	75,510	75,123	76,791
Transportation, planning, and sustainability										
Engineering studies completed in school zones	52	51	76	118	35	39	200	250	1,051	313
Number of children receiving safety training	44,880	45,028	47,019	49,077	44,480	44,582	44,468	46,790	52,862	49,627
Injuries to children in school zones	2	--	1	--	--	--	--	--	--	--
Public health										
Number of permits issued (food, pool and temporary establishments)	N/A	N/A	9,805	10,858	10,586	12,464	12,335	14,805	15,936	14,498
Number of animals sheltered	25,489	24,357	27,163	24,663	22,150	24,026	19,752	19,392	19,760	19,137
Birth and death certificates	131,025	130,526	134,229	121,787	96,421	84,017	63,979	57,841	61,918	69,678
STD patient clinic visits	12,463	13,046	12,856	12,696	13,248	13,869	14,187	13,033	12,927	12,956
Number of Shots for Tots Clinics vaccine visits (ages 0-18)	N/A	N/A	N/A	15,628	12,380	17,084	9,934	7,960	6,994	7,583
Women and children service encounters	349,210	352,540	363,624	375,008	433,675	458,032	439,316	421,637	406,774	389,071
Participants receiving basic needs services	10,691	7,587	7,965	8,291	7,592	7,635	9,016	7,531	10,320	11,037
Food establishment permits issued	4,803	4,634	5,016	5,355	5,783	5,909	9,452	10,137	13,968	12,445
HIV clients	3,411	3,732	3,950	4,110	4,299	4,413	4,352	4,676	5,084	5,254
HIV client visits	28,190	18,825	15,000	23,478	31,173	25,191	27,671	29,185	29,013	25,206
Public recreation and culture										
Volumes in library collection	1,652,303	1,705,805	1,490,814	1,469,288	1,455,793	1,465,765	1,454,103	1,480,479	1,464,512	1,425,914
Library volumes borrowed	3,355,351	3,373,408	3,552,013	3,791,515	4,197,963	4,316,785	4,663,483	4,845,067	5,129,759	5,392,446
Registered library borrowers	420,461	456,009	489,649	494,757	561,112	483,099	519,788	494,015	497,527	508,397
Meals served to senior citizens	118,066	114,770	107,101	119,224	64,821	64,032	63,299	65,965	62,053	63,718
Participant hours in nature center program	142,709	118,994	113,159	103,241	133,390	125,115	133,577	133,533	141,251	92,927
Visitors to garden center	385,160	392,181	411,540	426,032	463,095	374,661	402,930	116,123	121,091	115,210
Number of youth participating in out of school time activities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64,331	84,571	114,335

(Continued)

Operating Indicators by Function/Program
Last Ten Fiscal Years, continued

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Urban growth management										
One-stop shop customers served development assistance	23,421	20,702	23,534	30,447	26,531	26,597	28,983	32,362	31,477	33,116
Neighborhood plans adopted	5	9	5	2	2	4	2	2	--	--
Zoning applications processed	259	268	222	232	101	145	137	129	140	149
Building inspections performed-development and regulation	177,909	207,389	213,799	226,841	177,854	150,228	161,519	186,737	220,881	228,576
One-stop shop building permits issued	82,439	98,827	75,078	111,735	92,396	91,996	96,205	108,494	109,492	101,012
Households served by community development activities	11,688	11,325	11,166	5,574	3,162	8,573	6,621	6,461	6,087	2,901
Renters assisted through S.M.A.R.T. construction/rehabilitation units	284	270	294	2,110	1,026	273	609	392	830	1,272
Homebuyers assisted through S.M.A.R.T. housing	218	135	66	109	119	118	338	561	635	477
S.M.A.R.T. housing units completed	1,725	1,692	1,470	3,473	1,341	673	947	953	1,465	1,749
Owner-occupied homes retained through rehabilitation/construction	995	903	917	833	904	839	818	708	529	692
Business-type activities										
Electric										
Electric sales (in millions of KWH)	10,865	11,297	11,325	12,184	12,103	11,976	12,779	12,534	12,305	12,572
Number of metered customers	372,537	380,697	388,620	397,100	407,926	413,870	417,865	422,375	430,582	439,403
Water										
Actual water pumpage (in millions of gallons)	51,374	56,603	45,867	53,921	53,331	43,827	54,923	49,192	47,750	43,239
Average daily consumption (thousands of gallons)	120,179	135,537	112,394	145,386	129,600	108,600	135,576	120,438	114,631	118,464
Average daily consumption per capita	150	165	151	170	167	135	162	142	136	125
Peak daily capacity (thousands of gallons)	260,000	260,000	310,000	285,000	286,000	286,000	286,000	285,000	285,000	285,000
Wastewater										
Average daily sewage treatment (millions of gallons)	85.436	77.805	97.598	83.000	82.038	98.854	84.135	104.287	95.379	102.187
Combined daily capacity (thousands of gallons)	135,000	135,000	150,000	150,000	135,000	135,000	135,000	150,000	150,000	150,000
Airport										
Enplanements	3,707,391	3,981,081	4,473,001	4,671,819	4,150,710	4,257,715	4,524,641	4,662,738	4,928,979	5,275,464
Deplanements	3,458,973	3,984,640	4,259,696	4,463,154	4,111,620	4,240,086	4,510,247	4,654,823	4,928,279	5,244,569
Cargo (in millions of pounds) (1)	242	230	211	202	156	153	153	156	159	155
Convention										
Convention contracts executed	261	308	263	285	281	251	307	303	306	353
Vehicles parked	284,070	345,896	335,551	488,916	539,098	429,993	467,908	509,313	548,221	648,970
Environmental and health services										
Tons of garbage collected	126,047	132,458	138,801	143,950	128,519	130,851	126,497	129,653	124,183	127,924
Tons of recyclables collected	N/A	30,058	31,877	34,691	49,811	52,479	52,236	54,009	53,702	55,494
Tons of brush collected	4,737	5,938	6,614	7,380	7,683	7,350	6,853	7,720	7,359	6,692
Tons of bulk items collected	7,697	8,035	7,434	7,792	8,219	7,710	7,503	7,844	8,681	9,274
Tons of yard trimmings collected	19,230	20,697	20,315	24,027	19,497	22,456	24,777	21,712	25,898	27,357
Public recreation										
Golf rounds played	253,479	226,172	194,289	231,231	230,852	200,446	216,789	195,000	201,086	190,244
Adult sports participants	1,678	1,813	2,133	2,379	2,051	2,204	1,890	2,257	1,714	22,350

(Continued)

Operating Indicators by Function/Program
Last Ten Fiscal Years, continued

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Urban growth management										
Storm Water Discharge permits issued to businesses	1,194	1,165	1,144	1,123	1,183	1,087	1,083	1,086	1,068	1,032
Number of City maintained ponds provided vegetation control	481	500	515	519	522	533	539	547	592	596
Number of City maintained ponds identified for routine inspections	N/A	N/A	612	622	786	800	820	826	858	866
Acres treated with stormwater improvements (cumulative)	4,676	4,868	5,283	5,327	5,947	6,489	6,733	6,737	7,057	7,159
Litter and debris collection on Lady Bird Lake (in tons)	251	222	243	209	270	374	230	234	144	121
Miles of creek maintained	63	64	64	64	64	65	87	80	86	82
Stormwater sites successfully sampled and analyzed	1,009	871	1,503	1,312	903	1,370	731	905	1,041	1,285
Feet of pipeline cleaned	81,040	87,770	75,554	77,283	74,164	51,627	70,235	61,099	72,669	69,380
Potholes repaired	1,072	672	1,073	784	638	1,828	1,632	1,033	1,162	1,744
Signal studies	277	270	280	281	281	280	280	286	169	153
Signal modifications	86	52	38	32	22	9	9	3	10	26
Traffic sign installations (1)	18,784	33,709	30,820	28,002	23,144	31,754	1,812	3,834	4,308	2,037
Parking tickets	117,004	130,267	118,663	126,941	115,837	89,851	103,698	147,419	150,781	205,663
Internal services activities (2)										
Internal services										
Vehicles sold	230	224	344	326	306	473	247	340	319	379
Rental units	1,547	1,580	1,426	1,537	1,436	1,292	1,254	1,506	1,585	1,955
Payment transactions processed	262,282	306,783	259,527	243,338	216,340	218,778	200,605	158,413	170,450	185,463
Payroll payments	328,819	492,843	420,985	434,578	435,034	425,679	444,255	432,216	438,945	453,686
Units of mail processed	1,977,488	2,003,607	2,003,607	2,251,672	1,939,554	1,849,811	1,838,809	1,840,326	1,891,966	1,955,447
Employees enrolled in medical benefit plans (3)	9,902	10,095	7,288	7,730	7,693	10,770	10,916	11,049	11,219	11,551
Requests for council action processed	2,242	2,300	2,344	2,536	2,025	2,024	2,133	2,398	2,464	2,563
Active construction projects managed in-house	310	338	319	300	312	366	418	380	387	357
Land parcels acquired	130	148	239	242	218	244	169	104	135	160

Source: 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) The methodology for calculating the result changed.

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Public safety										
Police stations	4	4	4	5	8	5	5	5	5	5
Police zones	9	9	9	9	9	9	9	9	9	9
Patrol units	333	351	352	355	355	359	349	349	345	372
Fire stations	42	43	44	44	44	45	45	45	45	45
EMS stations	30	30	31	33	33	35	35	35	37	37
Public health										
Health facilities (sq. ft.)	341,607	318,462	331,462	331,462	331,726	400,426	404,059	381,806	383,306	383,306
Program vehicles	59	61	61	76	76	76	76	82	83	90
Public recreation and culture										
Libraries	22	22	22	22	22	23	23	23	23	22
District parks	11	11	11	11	13	13	13	14	15	15
Metropolitan parks	18	11	11	11	12	11	12	11	11	11
Natural preserves	15	13	13	13	13	15	15	15	15	15
Greenbelts	32	26	26	26	29	40	40	39	39	40
Neighborhood parks	85	90	90	90	96	96	79	79	82	84
Special parks (museums, etc.)	27	30	27	28	28	39	39	38	40	40
Youth entertainment complexes	1	1	1	1	1	1	1	1	1	1
Recreation centers	17	17	18	18	20	20	20	20	20	22
Open fields	89	90	90	90	89	93	103	105	100	101
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)	117	117	117	117	117	193	199	199	185	203
Tennis courts	102	102	102	102	114	110	110	115	116	124
Swimming pools	47	47	46	46	50	51	52	52	52	51
Business-type activities										
Electric										
Overhead distribution (miles)	5,549	5,540	5,527	5,489	5,493	5,475	5,450	5,403	5,361	5,263
Underground distribution (miles)	5,011	5,236	5,429	5,700	5,786	5,844	5,912	5,995	6,068	6,167
Water										
Treatment plants	3	3	3	2	2	2	2	2	2	2
Water mains (miles)	2,791	3,449	3,514	3,594	3,626	3,634	3,657	3,682	3,711	3,713
Booster pumps	47	45	44	45	45	46	45	41	41	39
Fire hydrants	28,115	29,204	30,479	31,348	32,232	32,576	33,533	33,839	34,041	36,217
Wastewater										
Sanitary sewers (miles)	2,200	2,490	2,544	2,607	2,634	2,650	2,650	2,664	2,692	2,692
Connections	178,574	181,330	186,675	191,297	196,842	198,116	199,005	202,444	202,690	204,378

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities, continued										
Airport										
Buildings maintained (sq. ft.)	2,288,130	2,288,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130
Facility (terminal) maintained (sq. ft.)	754,000	1,016,000	1,016,000	1,016,000	1,016,000	1,016,000	1,016,000	687,940	687,940	687,940
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.)	2,080,222	2,080,222	2,080,222	2,080,222	2,080,222	2,080,222	2,080,222	2,080,222	2,080,222	2,080,222
Environment and health services										
Refuse collection trucks	96	93	108	64	62	89	67	69	66	64
Recycle collection trucks	34	30	34	53	31	38	36	36	38	41
Public recreation										
Golf courses	6	6	5	5	5	5	5	5	5	6
Athletic fields	87	176	176	176	185	174	174	176	169	149
Softball fields	16	16	16	16	35	37	32	32	34	35
Urban growth management										
Residential ponds	577	599	612	630	710	803	820	840	860	865
Street (miles)	6,908	7,037	7,266	7,349	7,626	7,348	7,550	7,435	7,498	7,618
Bridges	323	323	337	366	424	427	438	438	438	447
Traffic signals	824	827	836	852	865	902	925	954	975	1,000
Metered parking spaces	3,805	3,859	3,865	3,772	4,017	5,026	5,076	5508	6015	6,072
Internal Services (1)										
Fleet facilities (sq. ft.)	123,117	123,117	123,117	123,117	123,117	127,916	127,916	127,916	127,916	127,916
Secured computer workstations	7,542	7,700	8,963	5,614	8,000	6,200	8,146	8,042	10,795	14,038
Number of network end use devices (2)	5,994	6,030	6,031	11,654	10,021	18,000	17,571	20,385	20,905	23,611
City facilities insured	1,102	1,074	1,111	1,101	1,129	1,193	1,040	1,052	1,060	1,134
Facilities maintained (sq. ft.)	1,448,379	1,621,921	1,621,921	1,621,921	1,539,244	1,539,244	1,539,244	1,539,244	1,539,244	1,539,244

Source: 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) Includes all network devices, including secured computer workstations shown above



The City of Austin *175 years of excellence in municipal service...*

Photo credits and write up:



*Front cover, top left, courtesy of Austin History Center, Austin Public Library
[Austin @ 25 years]
ca. 1860s
PICA 18936 – Walter Long Collection
Photo by Boone Photo Co.*

This is a view of Austin from the south, looking across the river. Austin was still a small, sleepy town, and there was no bridge across the river connecting the city to the south. A new capitol building was built by 1855, and the capitol was the prominent building in the cityscape for many years. Because of the Civil War, it is almost impossible to estimate the population in 1864, but by 1860, there were approximately 5000 people in Austin, including federal troops (the 1870 US Census listed 4428).



*Front cover, top right, courtesy of Austin History Center, Austin Public Library
[Austin @ 50 years]
ca. 1889
PICA 01764*

For Austin's 50th birthday, the city received a new capitol building, still the most prominent feature in the skyline. By this time, a bridge was constructed to connect South Austin, though you can see in this picture it was sparsely populated. To the left of the Capitol is the original main building for the University of Texas, the city's new educational institution. The population had grown to 25,053, according to the Austin City Directory, though the 1890 US Census figure had Austin's population at 14,575.



*Front cover, bottom left, courtesy of Austin History Center, Austin Public Library
[Austin @ 75 years]
ca. 1914
PICA 20376*

The age of skyscrapers had reached Austin by its 75th birthday, with the construction of the Littlefield and Scarbrough buildings joining the Capitol as prominent features in the skyline in 1910. Much of the surrounding area, though, was still largely rural or sparse residential, such as the area in the foreground of the image. The population estimate for 1915 (1914 not available) was 32,368 according to the City Demographer.



*Front cover, bottom right, courtesy of Austin History Center, Austin Public Library
[Austin @ 100 years]
ca. 1938
C03306 – Russell Chalberg Photo Collection
Photo by University Studio*

This aerial view, looking north from the river, reveals how much Austin changed by its 100th birthday. Joining Littlefield and Scarbrough are the Norwood Tower, Stephen F. Austin Hotel, the Driskill Hotel addition, and the State Highway Building as additional "skyscrapers." You can also see the city growing to the north to support the growing University, anchored by the new Tower building. To the left of the image you can see the new Travis County Courthouse and the new Public Library building, now the site of the AHC. The population of Austin was fast approaching 100,000, with a 1940 population of 87,930 according to the US Census.



 **Photo credits and write up (continued):**



*Inside front cover, courtesy of Austin History Center, Austin Public Library
[French Legation]
ca. 1880s
PICA 17444
Photo by S. B. Hill*

France was the first European country to recognize Texas' independence from Mexico and sent Alphonse Dubois de Saligny as the charge d'affaires to Texas. He arrived in Austin in January 1840 and lived briefly at Bullock's Hotel, then later in a rented house up the street. Needing better accommodations, he commissioned this house to be built for France's legation to Texas. He left Austin before it could be completed over a disagreement with Richard Bullock, an event later known as the Pig War, and he sold the house to Jean Marie Odin. Eventually it was acquired by Dr. Joseph W. Robertson, whose family owned it for over 100 years before being sold to the State and placed in the custody of the Daughters of the Republic of Texas.



*Inside back cover, courtesy of Austin History Center, Austin Public Library
[Austin in 1840]
1840
PICA 01081*

*This is one of the earliest views of Austin. This particular image, adapted from Edward Hall's drawing, served as the front plate for *Texas in 1840 or, the Emigrant's Guide to the New Republic*, published in 1840, with subsequent editions in later years. "For beauty of situation, the city of Austin and neighborhood exhibits at once delightful variety and perhaps unexampled symmetry of parts, presenting next the river an expanded and beautiful plain, which at some distance arises by a gentle slope, except where the elevation is divided by the charming valley through which extends Congress Avenue."*



*Back cover, top left, courtesy of Austin History Center, Austin Public Library
[Austin @ 125 years]
ca. 1960s
PICA 01358 – Official City of Austin Photograph*

This aerial view, looking north from South Austin, shows just how much the city had pushed beyond the original square mile, particularly to the south as the Bouldin Creek and Fairview Park neighborhoods became established. Though it is difficult to tell in this photograph, the view of the Capitol is still largely unimpeded, except with the addition of the Westgate building to the left of the Capitol, the first building to block a view of the Capitol. Also, the 1960s saw the start of the hi-tech boom in Austin, with the growth of Tracor and the arrival of an IBM plant. The estimated population of Austin in 1964 was 208,475 according to the City Demographer.



*Back cover, top right, courtesy of Austin History Center, Austin Public Library
[Austin @ 150 years]
ca. 1988
PICA 25892*

By 1989, Austin's 150th birthday, the Capitol was no longer the prominent building in the skyline, with numerous high-rise office buildings, such as One Congress Plaza, now dotting the landscape and creating the need for legally protected "Capitol View Corridors." The intervening 25 years also saw many changes for the better on the political front for Austin, with the city's first woman mayor, Carole Keeton (McClelland), and the first African American and Mexican Americans on the City Council, Berl Handcox and John Trevino. The city's estimated population in 1989 was 466,499 according to the City Demographer.



 Photo credits and write up (continued):



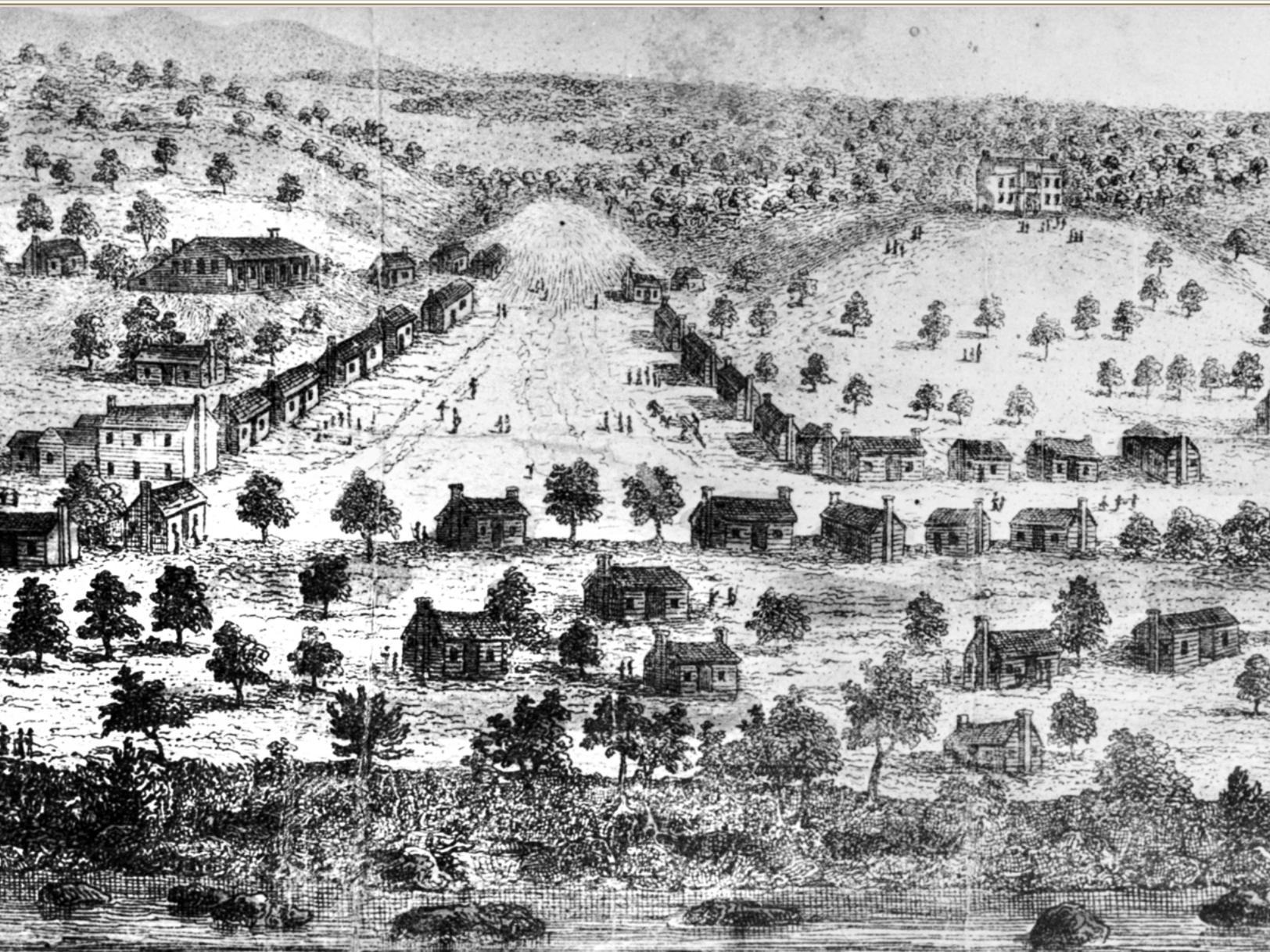
*Back cover, bottom, courtesy of Austin Energy Archives,
City of Austin
[Austin @ 175 years]
ca. 2012
6405*

Aerial view of present day Austin's diverse cityscape includes a myriad of municipal buildings. "Every time customers or City of Austin employees walk into a city library, recreation center or any city-owned building, they are entering buildings run completely with renewable energy. The City of Austin was the first large municipal government in the U.S. to power all of its city-owned facilities 100 percent with renewable energy from Austin Energy's Green Choice program. The City government achieved an ambitious goal in the Austin Climate Protection Plan adopted by the Austin City Council to require all of its facilities to be powered by renewable energy by 2012." - Our Energy Roadmap – Austin Energy.



The City of Austin would also like to thank the Austin Parks Foundation for allowing the City to use the 175th Anniversary logo displayed throughout the document. The logo was designed and donated to the Austin Parks Foundation by GSD&M.





CITY OF AUSTIN THE NEW CAPITAL OF TEXAS IN JANUARY 1. 1840



CITY OF AUSTIN, TEXAS

P.O. Box 2920, Austin, Texas 78768 ♦ 512.974.2600

www.austintexas.gov



Austin at 125 years



Austin at 150 years



Austin at 175 years



The City of Austin is in compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.