

CITY OF AUSTIN, TEXAS



Comprehensive Annual Financial Report

For the Fiscal Year ended September 30, 2016



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Comprehensive Annual Financial Report



City of Austin, Texas

*For the year ended
September 30, 2016*

*Prepared by:
Financial Services Department*

*Greg Canally
Interim Chief Financial Officer*

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Deputy Chief Financial Officer*

*Diana Thomas, CPA
Controller*

*Members of the Government Finance Officers Association
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City Council

at September 30, 2016

Steve Adler

Mayor

Term expires January 2019

Kathie Tovo

Mayor Pro Tem (District 9)

Term expires January 2019

Council Members	District	Term expiration
Ora Houston	1	January 2019
Delia Garza	2	January 2017
Sabino "Pio" Renteria	3	January 2019
Gregorio "Greg" Casar	4	January 2017
Ann Kitchen	5	January 2019
Don Zimmerman	6	January 2017
Leslie Pool	7	January 2017
Ellen Troxclair	8	January 2019
Sheri Gallo	10	January 2017

Elaine Hart

Interim City Manager

**CITY OF AUSTIN, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2016**

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INTRODUCTION



City of Austin

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

March 10, 2017

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, 2016. 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, is accurate in all material respects and is 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.

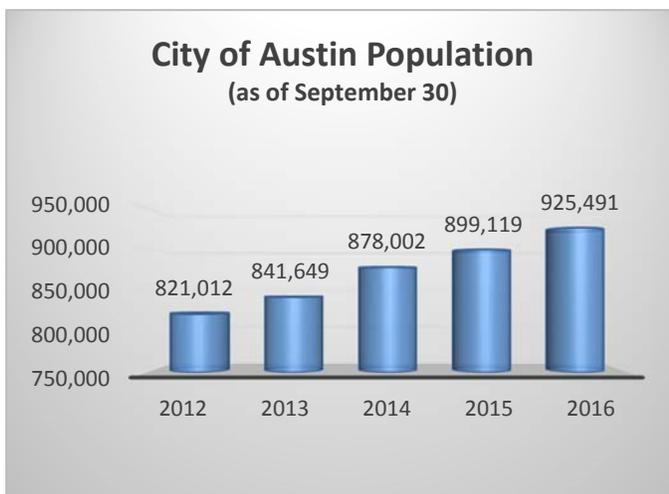
The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants Deloitte & Touche LLP. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public 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 auditors' 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 who is elected at large and ten Councilmembers who are elected by geographic district. The elected officials serve four-year staggered terms subject to a maximum of two consecutive terms. The City Manager, appointed by the City Council, is responsible to the Council for the management of all City employees, except Council appointees, and for the administration of all City affairs.



Austin, the capital of Texas, is the fourth largest city in the state (behind Houston, Dallas, and San Antonio) and the eleventh largest in the nation with a September 2016 population of 925,491 according to the City's estimates. Over the past ten years, Austin's population has increased by approximately 26.4% or 193,110 residents. The Austin metro area population is now over 2 million people. Geographically, Austin consists of approximately 326 square miles. The current estimated median household income for Austin residents is \$56,163 according to Nielsen SiteReports. Austin's per capita income is estimated to be \$55,065.

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 46.9% of adults twenty-five years or older holding a bachelor's or advanced degree, compared to 29.8% 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), a world-class center of education and research, is one of the ten largest public universities in terms of undergraduate enrollment. In the 2016 *U.S. News and World Report* Best Colleges survey the university was ranked 18th among public universities and its business programs were ranked 6th among national universities, both public and private.

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 (tie) in its "2016 Best-Performing Cities" report, which ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The index "provides an objective benchmark for examining the underlying factors and identifying unique characteristics of economic growth in metropolitan areas." Citing growth in the technology industry as well as diversification into other sectors such as travel and tourism, health services, and medical research, the report notes that the Austin-Round Rock area, "is rapidly gaining an international reputation as a model worthy of emulation in tech-based economic development policy." In February 2017 *U.S. News & World Report* ranked Austin as the "2017 Best Place to Live in the USA." The rankings were based on numerous factors such as the job market, affordability, quality of life, desirability, and net migration.

After several years of booming growth, the Austin area is seeing a return to more sustainable growth rates. At slightly over 7%, the year-over-year annual average percent change in the Austin Business Cycle Index, a measure used by the Federal Reserve Bank to track expansion and contraction in major metropolitan economies, was the lowest it has been in five years. The rate of growth calculated by this index has been declining since early 2015, but is still positive and showing signs of relative strength when compared to the state. In 2016, population, employment, retail growth, business growth, housing starts and average wages were all up over the previous year, albeit they grew at a slower rate than prior years. AngelouEconomics Inc. expects that more moderate growth rates will continue in the near term with job growth at more than 3% per year and population growth at about 2.5% per year over the next two years.

Over the longer term the Austin area population is expected to continue to grow at a rapid pace. Recently the American City Business Journals projected population growth in over 900 metropolitan and micropolitan areas around the country. The study projects that the Austin-Round Rock Metropolitan Statistical Area (MSA) population will grow by 98% to four million by the year 2040. This would make the Austin MSA the fastest growing in the nation

for the twenty-five year period. Austin is joined by three other Texas MSAs, Houston, San Antonio and Dallas-Fort Worth, in the top seven areas that are projected to be fastest growing through 2040.

While the Austin economy has diversified over the last decade, the technology industry continues to play a large role in the City's economic expansion. According to Moody's Analytics, from 2010 to 2015 the number of technology jobs in Austin increased over 37%, the third highest rate in the nation. In 2016 evidence of this growth came in many forms. Apple Inc. expanded its Austin-based workforce and completed a 1.1 million square foot campus in northwest Austin. Oracle is building a new corporate office on a 27-acre site in Austin and will expand its workforce in the area by 50%. Samsung announced plans to invest an additional \$1 billion in, and will hire additional employees, at its Austin manufacturing facility.

High rates of entrepreneurship also played a significant role in Austin's economic expansion. The Ewing Marion Kauffman Foundation annually evaluates startup and entrepreneurship activity in 40 major U.S. metropolitan areas. In 2016, for the second year in a row, the Kaufman Startup Index ranked Austin number one in startup activity and number two in the rate of growth of entrepreneurial business growth in the U.S. In addition during 2016, CNBC recognized Austin as "America's Best Place to Start a Business".

Texas Economy - The Texas economy has been strong for well over a decade. With a \$1.59 trillion economy, Texas ranks second only to California in gross state product. In October 2016, *Forbes* listed Texas as one of the top five Best States for Business and ranked the state first for current economic climate. *Chief Executive Magazine* in its 2016 survey found that CEOs consider Texas as the best state for business for the 12th year in a row stating, "Despite having been hit hard by the shale energy bust, Texas is still held in high esteem by CEOs for its favorable economic reforms."

With the current downturn in oil prices, job growth in Texas has been slowing but is still positive. For the year ended December 2016, Texas added 213,500 nonagricultural jobs. This results in a job growth of 1.8 percent, higher than the national employment growth rate of 1.4 percent. All major Texas metro areas had more jobs in December 2016 than in December 2015. In May 2016, the US Census Bureau reported that five of the nation's eleven fastest growing cities with populations in excess of 50,000 were in Texas lead by Georgetown, part of the Austin-Round Rock MSA.

Employment –Austin area employment growth continued to be solid in 2016. Employment grew by 1.9%, slightly above the Texas average. Austin's unemployment rate was at 3.2% in December 2016, near the 2015 level of 3.1%, and well below the December State and National unemployment rates of 4.6% and 4.7%, respectively. Recently high tech manufacturing is losing jobs but it is more than made up for by expansion of technical services, with its higher salaries for positions such as engineers.



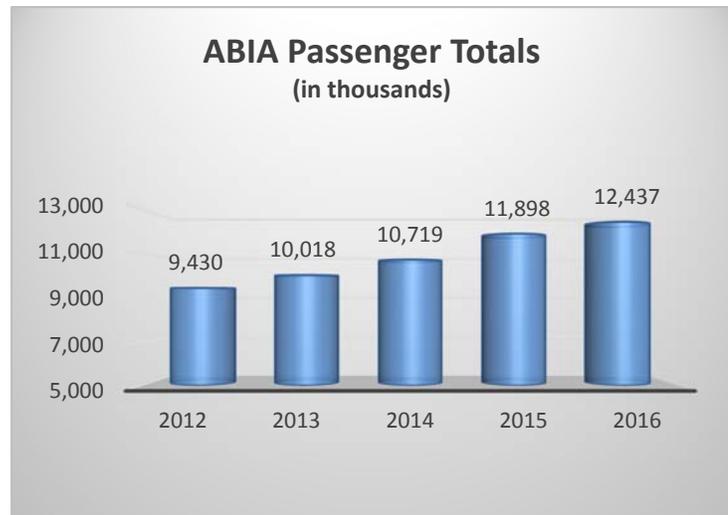
Sales Taxes – Consumer spending growth (as measured by sales tax collections) reflects Austin's population and economic growth. Since 2009, sales tax revenue has steadily increased. Fiscal year 2016 experienced a 4.2% increase over fiscal year 2015, which was a 7.7% increase over 2014.

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 "The Economic Impact of Music in Austin, 2016 Update", (based on 2014 data), TXP, Inc. estimates that the collective impact of music and music-related tourism exceeds \$1.8 billion annually, supporting more than 20,000 jobs.

In March 2016, South by Southwest (SXSW) hosted its 30th annual festival, conference, and trade show, providing a unique convergence of original music, independent films, and emerging technologies and more recently education and sustainability. This year's SXSW core events attracted approximately 88,000 registrants and included keynote addresses by the President of the United States as well as the First Lady. According to an economic impact analysis prepared by Greyhill Advisors, SXSW was responsible for injecting more than \$325 million into the Austin economy during 2016.

Other major festivals and events impacting the tourism economy include University of Texas athletic events, Austin City Limits Music Festival, Austin Film Festival, and Fun Fun Fun Fest. In addition, the Circuit of the America's, just southeast of Austin, is home to the Formula 1 United States Grand Prix, a motorcycle grand prix event, and other racing and concert events which also contribute substantially to the tourism economy.

The growing local economy in Austin relies on quality air service to foster business, government, and leisure travel. During 2016 Austin's airport, ABIA, set a new record for annual traffic for the sixth consecutive year. In 2016, over 12.4 million passengers passed through ABIA. Air carriers continue to add direct flights to Austin facilitating both domestic and international connections throughout the world. ABIA was ranked fourth Best Domestic Airport in the 2016 *Travel & Leisure* reader's poll, up from 5th in 2015.



To accommodate the increased flights and passengers, ABIA completed 3 major projects in 2015: an expanded taxiway, a consolidated rental car facility, and expansion of the east terminal, adding over 56,000 square feet including a new Customs and Border Protection area which more than doubles the capacity to process international arrivals as well as adding a new six-lane TSA checkpoint. In 2016, construction began on a nine-gate terminal and apron expansion. This expansion will accommodate approximately 4 million additional passengers annually, an increase of 27 percent. In addition, a new Hyatt Place Hotel, parking facilities, and pet boarding facility are under construction.

The rate of increase of hotel motel tax revenues has slowed somewhat from an increase of 15% in 2015 to an increase of 7.6% in 2016. While the rate of increase has slowed from the last several years, the current growth rate is still a healthy one. High occupancy rates have spurred construction of new hotels across the Austin metro area in the last few years. The greatest concentration is downtown where hoteliers such as JW Marriott, Westin, and Kimpton opened new facilities in 2015. Currently more than 2,000 additional rooms are under construction downtown including a 1,048 room Fairmont Hotel which is located adjacent to the Austin Convention Center and is slated to open in summer 2017. With the additional hotel inventory, Austin is able to accommodate an increase in both number and size of events hosted. The additional inventory is also having a positive impact on the City's convention center.

Medical School - In 2016, the Dell Medical School at the University of Texas at Austin (University), (Dell Med) became operational and accepted its first class of 50 students. The University is partnering with the Seton Healthcare Family, who is building a cutting-edge teaching hospital and Level 1 Trauma Center, and Central Health who will purchase services from the medical school for the population it serves. The hospital, Dell Seton Medical Center at the University of Texas, is scheduled to open in 2017. This partnership is expected to spur growth in the life sciences sector of the economy.

To leverage the economic potential created by the medical school, a nonprofit organization, Capital City Innovation, Inc., was established in 2016 to oversee the district. Such zones have been successful economic engines in other major U.S. cities such as Seattle, Boston, and Raleigh-Durham. Central Health supports the zone and has begun the visioning process for redevelopment of 14 acres it owns in the heart of the zone which will become available when hospital operations transition to the teaching hospital.

Real Estate - All sectors of the real estate market are performing well. The residential market in the Austin area has slowed a bit from the aggressive market conditions of the last few years. Home sales for 2016 were up 3.9% over 2015 when sales were 5% over 2014. More than 29,000 homes were sold in the MSA setting a record for annual single-family home sales. As of the end of December the market featured two months of housing inventory, two-thirds less than the level considered to represent a balanced housing market. As a result, the median price for a single family home continues to rise, up about 7% over the previous year to \$284,000.

As of September 2016, multifamily occupancy rates were near 94%. Total absorption for the first six months of 2016 was 4,193, an amount consistent with the last 6 months of 2015. With strong occupancy and absorption, rents per square foot continue to increase but at a slower pace. As of September 2016, the average effective rent per square foot was \$1.40, growing more than 3% of the last twelve months.

The commercial real estate market is also solid. As of the end of 2016, average vacancy rates for commercial real estate were 7.9%, 4.8%, and 3.5% in the office, industrial, and retail sectors, respectively. Average asking rates for office space are at an historic high of \$34.83 per square foot driving some offices into flex industrial space impacting that market. For the 24th consecutive quarter Austin experienced positive net absorption in the office space market ending the year with total absorption of over 1.7 million square feet during the year. According to *Emerging Trends in Real Estate 2017* published by PricewaterhouseCoopers US and the Urban Land Institute, Austin will be the top market to watch in 2017. Among other things, the study cited a diverse economy, a growing educated labor force, and “the undeniable “hip” factor that makes Austin attractive to the millennial-dominated workforce.”

Recognition – Austin continues to be recognized by others for being a leader in numerous areas such as job opportunities, creative economy, health, and business opportunities:

#1 Best Cities in the US to Start a Small Business
American City Business Journals
April 2016

#2 2016 Destination Experience Satisfaction Study
JD Power and Associates
October 2016

#4 Best Metro Areas for Young Entrepreneurs
Nerdwallet.com
December 2016

#6 Best Places to Live and Work as a MovieMaker (Big Cities) 2016
MovieMaker - January 2017

#2 World's Best Tech Hubs to Live and Work In
Expert Market – June 2016

#1 Healthiest City in Texas
24/7 Wall St.
September 2016

#5 Top Ten Cities for Creatives
SmartAsset – June 2016

#1 2016 STEM Job Growth Index
RCLCO – Robert Charles Lessar & Co. – June 2016

Major Initiatives

Achieving the Vision - – The City could not achieve its vision of making Austin the most livable city in the country without a highly dedicated and exceptional workforce to support City Council’s policies and initiatives. Council’s priorities of affordability, equal opportunity for all residents, mobility, health, and safety can only be achieved by partnering with the community in engaging ways.

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. Reflecting the PRIDE that the City’s employees take in their work, Austin ranks 25 percentage points above the national average for large cities for overall quality of customer service. During 2016, Forbes included the City of Austin in the top 25 of its list of *America’s Best Employers*. Austin was the highest ranked governmental employer in this survey of more than 30,000 workers from companies with more than 5,000 employees.

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. Imagine Austin, a comprehensive plan for the City’s future, sets a context to guide decision-makers for the next 30 years. The plan adheres to 6 core principles established in collaboration with 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

The plan's success is monitored annually with performance metrics and will be formally assessed at least every five years. During the development of both the annual and capital improvement budgets, Imagine Austin, is a consideration in how resources are allocated.

One initiative resulting from Imagine Austin is CodeNEXT, a major revision of the City's land development code which determines how land can be used throughout the City. A draft of the revised code was published in January 2017. Currently the public is learning about the draft and providing feedback through a variety of mechanisms. Final adoption of the plan is expected in mid-2018.

Development – For a number of years, the City has been committed to the redevelopment of many 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 downtown development and an enhanced tax base. In recent years that vision in 2000 is becoming a reality. The waterfront once filled with warehouses and utility operations has evolved into a vibrant neighborhood filled with residences, offices, restaurants, hotels, a new library, green spaces, and entertainment venues.

Current downtown redevelopment is focused in the Seaholm District, an area in the southwest portion of downtown which was previously home to a water plant, an electric generation plant, and other electric facilities. Construction in this area includes:

- A street grid for the area, portions of which were opened in 2016.
- The City's new central library which will open in 2017. Among other things, this "library for the future" will feature flexible and blended spaces, state-of-the-art technology, sustainable features, and community gathering places.
- Extensive improvements to Shoal Creek in the Seaholm area to facilitate bicycle and pedestrian use.
- A mixed-used development that involves renovation and reuse of the historical and architecturally-significant Seaholm power plant and as well as several new buildings on the site. Construction of the site was completed in 2016, and the development has an assessed value of over \$209 million, 60% higher than originally projected.
- Redevelopment of the Green Water Treatment Plant site with 1.7 million square feet of mixed use development in a four block area. Construction on one of the blocks was completed in 2016 and is underway on two others.

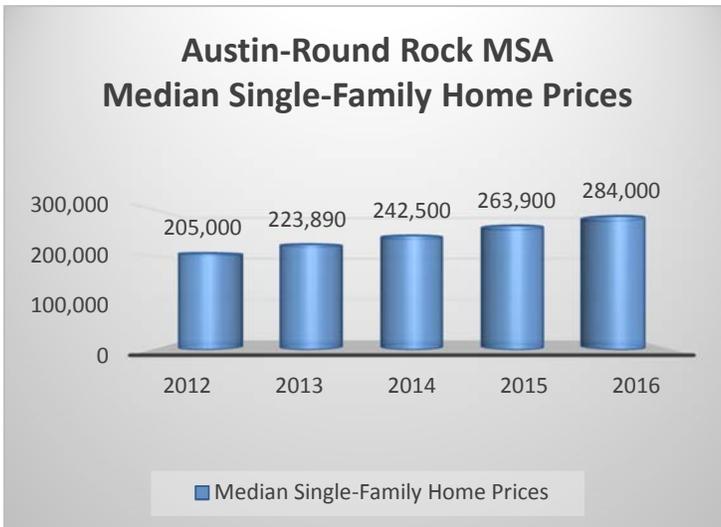
On the eastern edge of downtown, construction of the Waller Creek Tunnel Project to address problems of flooding, erosion, and water pollution along lower Waller Creek continues. The major components of this mile-long stormwater bypass tunnel are scheduled to be complete by the end of 2017. By taking 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.

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 over 40 percent complete, and has a current assessed value of over one billion dollars. Demand for housing at Mueller continues to be high due to its proximity to downtown and many amenities. During 2016, construction of the town center continued as several mixed use buildings are taking shape.

In support of the City's commitment to sustainability, an important part of the Mueller partnership agreement was sustainability. In November 2016, Mueller was certified as LEED Gold for Neighborhood Development Stage 3 by the U.S. Green Building Council. Mueller is the largest neighborhood in the world to attain this certification.

Addressing the Impacts of Growth – The level of growth that Austin has sustained over the last few years, does not come without a cost. Housing affordability is increasingly an issue in a region where housing costs have been rising

at a brisk pace and the impact is felt the most by those in the service, music, and creative areas. Since 2012, the median sales price of a home has increased almost 40% gradually pricing more and more families out of the home buying market. Further, shortages of multifamily housing impact Austin renters who on average pay more than 30% of their incomes for housing.



Affordability is a prime consideration as the City makes 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. During 2016, to help mitigate the impact increases in the appraised value of homes, City Council increased the City's general

homestead exemption from 6% to 8% and also increased the fixed-value exemption for senior and disabled homeowners by more than 3%. In addition, Austin Energy, the City's electric utility underwent a cost of service and rate review. After a year-long process including public and customer participation, an agreement was reached among 22 parties representing all stakeholders in the process. In August City Council approved the agreement which lowers base rates for most customers beginning in January 2017.

Another growth-related issue is traffic congestion. According to the Texas A&M Transportation Institute, Austin has the 7th worst traffic in the nation and traffic issues will continue to be exacerbated by future growth. To help ease mobility issues and transit times, in November 2016, Austinites approved a \$720 million general obligation bond proposition to fund transportation and mobility improvements. Approximately two thirds of the funding will be devoted to corridor improvement projects with the remainder earmarked for regional and local mobility improvements. In addition, the 2017 budget includes additional funding for street repair as well as for expanding staffing to enhance signal timing, promote safety, and improve mobility.

Other entities are also doing their part to help alleviate congestion. State entities are expanding toll lanes and roads and improving interchanges along major corridors through town. These actions will help ease traffic delays, but continued focus on mobility by all parties will be required to meet existing demands as well as further stress is placed on the system as the population grows and more Austin workers live in the surrounding area.

As a result of construction levels at an all-time high, the City is dealing with the stresses placed on its development-related services. An external operational assessment was completed in 2015 and the City developed a multiyear action plan to address the resulting recommendations beginning with the addition of funding and staff in the 2016 budget. The focus continues in 2017 with the implementation of an expedited permit review program, expansion of third-party review services, additional staffing for the review and inspection areas, and a customer survey to gauge the impacts of corrective actions taken to date.

Transparency – Transparency and open government are high priorities for the City of Austin. In 2016, as a result of its efforts in this area, the City was selected by the Open Government Partnership to participate in a new pilot program for regional governments to collaborate on innovations around transparency issues. Austin was one of eight cities worldwide and the only U.S. city to be included in this program.

In November 2016, the City of Austin was designated as one of the top-ranked U.S. digital cities by the Center for Digital Government and the Digital Communities Program. Austin was ranked fifth in the population category of 500,000 or more in this survey that “recognizes cities using technology to improve citizen services, enhance transparency and encourage citizen engagement.” One of the projects highlighted in the survey was Austin Finance Online that 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.

Another project highlighted in this survey was the City’s Open Data Portal as well as a collaboration with the community group, Open Austin, to develop unique tools based on the open data available through the portal. In June 2016, the City of Austin open data policy also received high marks from the Sunlight Foundation, a national nonpartisan, non-profit organization.

Innovation and Sustainability – Austin’s commitment to sustainability and innovation was recognized by a number of organizations over the last year. In February 2017, Austin was the winner of the Smart Cities Council Readiness Challenge Grant. The City was one of five cities chosen from a pool of over 130 applicants. All the winners “will receive a tailored Readiness Workshop during 2017 to develop a roadmap for applying smart technologies to further innovation, inclusion and investment within their cities.” In addition, the City’s Neighborhood Partnering Program received an Outstanding Achievement in Innovation award from the Alliance for Innovation. Through this program, the City works with community groups to develop and resource improvement projects on City property or right of way, transforming vacant lots into community gardens and retaining walls into vibrant mosaics.

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 2015 and ranked third when compared to all utilities both public and private.

In January 2016, Austin Energy was awarded a \$4.3 million grant to pilot a platform to promote integrated distributed energy resources including community solar, battery storage, and smart inverter technologies. In September, U.S. Department of Energy SunShot Initiative awarded the City of Austin with a gold designation to recognize the City’s work to improve access to solar energy.

During 2015, Council approved an update of the Austin Energy’s Energy Resource Plan to 2025 which increased the renewable energy goal to 55 percent by 2025. Progress towards this goal was made during 2016 with the purchase of 438 MW of utility-scale solar.

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. 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. An important element of the policies dictates 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. The City maintains the goal of a structurally balanced budget to achieve long-term financial stability for the Austin community.

Long-term Financial Planning

Austin leaders are continually looking towards and planning for the future. 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. 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. A second plan covering a 10-year planning horizon, the Long-Range CIP Strategic Plan, is also updated annually. This plan provides a data-driven approach to planning for how the City's future capital improvements support the way Austin functions and grows. Such an approach assists in aligning 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 rapidly growing community and strategic investments that support community priorities.

City departments prepare a number of other long- and mid- range service plans that provide input into decisions made in the planning and budgeting process. These plans range from annexation to clean energy and climate protection to strategic mobility planning. A brief summary of these planning documents can be found in the Integrated Planning section of Volume 2 of the City's approved budget.

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 and the area's healthy economy, 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 2016, two of the three rating agencies upgraded Austin Energy's ratings. Moody's ratings are now Aa3 and Standard & Poor's are now AA Stable. Both agencies cited numerous factors impacting their decisions including improved liquidity levels and debt service coverage. Fitch ratings remained constant at AA- Stable. Finally, Austin Water Utility bond ratings were improved from negative to stable in 2016.

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 2016 CAFR, the City continues to meet its responsibility for sound financial management.

Budgetary Information

The 2017 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.

The structurally balanced fiscal year 2017 Approved Budget totals \$3.7 billion and includes \$971 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 2017 budget was approved with a decrease to the property tax rate of more than 1.7 cents, from 45.89 to 44.18 cents per \$100 of taxable value.

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 455,000 customers within a service territory of approximately 437 square miles in the Greater Austin area. The approved budget for fiscal year 2017 is \$1.28 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 such as solar and wind.

The City's second largest enterprise activity is the Austin Water Utility, which provides water and wastewater services to more than one million retail and wholesale customers spanning more than 540 square miles within Austin and surrounding areas. The fiscal year 2017 budget projects revenues of \$580 million. Growth in revenue is the result of projected customer growth as well as a combined system-wide rate increase of 3%. In the fall of 2016, the utility began a cost of service study to determine how future rates will be established.

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 2015 CAFR. The City has received this award for 9 consecutive years. The certificate is valid for a period of one year only. City management believes that this 2016 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 2016 budget as well as a 2015 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. Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report: the Budget Office, Treasury Office, 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.

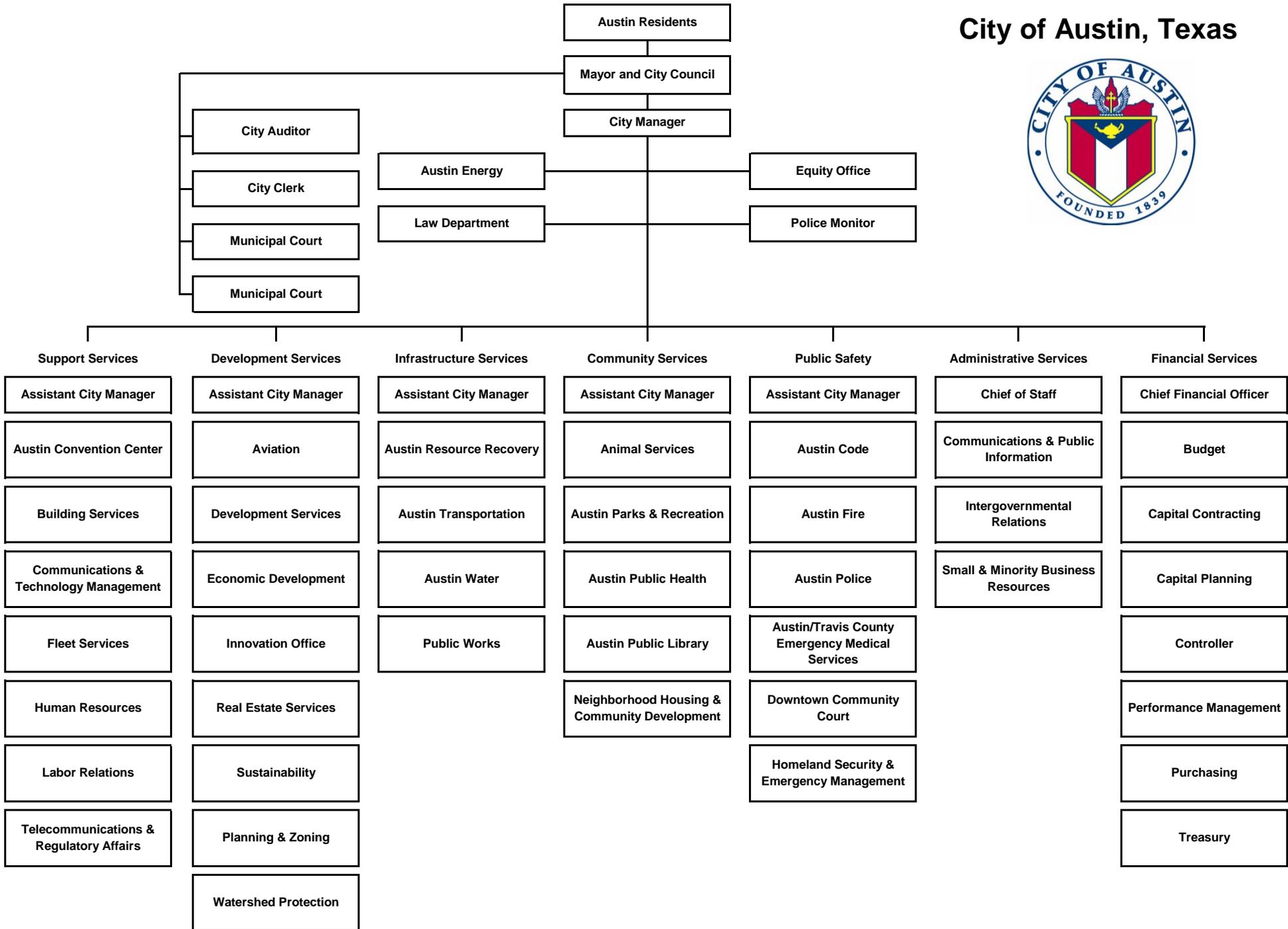


Elaine Hart, CPA
Interim City Manager



Greg Canally
Interim Chief Financial Officer

City of Austin, Texas





Government Finance Officers Association

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, 2015.

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 2016 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

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, 2015

Executive Director/CEO

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, 2016, 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.

Auditors' 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% 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 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 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, 2016, 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.

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 Postemployment 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 supplemental 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 supplemental 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 by us and other auditors. 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 and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 10, 2017

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, 2016.

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. 73, No. 76, No. 79, and No. 82.

FINANCIAL HIGHLIGHTS

Government-wide financial statements

The assets of the City exceeded its liabilities at the end of the fiscal year 2016, resulting in \$4.3 billion of net position. Net position associated with governmental activities is approximately \$0.6 billion, or 14.7% of total net position, while the net position associated with business-type activities is approximately \$3.7 billion, or 85.3% of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is \$4 billion, or 92.1% of total net position.

The City's unrestricted net position is a deficit of \$474.3 million. Unrestricted net position for governmental activities is a deficit of \$1.2 billion, while unrestricted net position for business-type activities is approximately \$737.2 million, or 20% of total business-type net position. The deficit in governmental unrestricted net position is largely due to the net pension liability of \$1.1 billion and other postemployment benefits payable of \$537.8 million.

During fiscal year 2016, total net position for the City of Austin increased \$222.8 million or 5.5%. Of this amount, governmental activities decreased \$29.1 million, or 4.4% from the previous year and business-type activities increased \$252 million, or 7.4%.

Total revenues for the City increased \$255.2 million; revenues for governmental activities increased \$106.4 million; revenues for business-type activities increased \$148.8 million. Total expenses for the City increased \$216.3 million; expenses for governmental activities increased \$168.3 million; expenses for business-type activities increased \$48 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 prepares 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 Energy™, 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

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 nine 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 postemployment 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:

	Condensed Statement of Net Position as of September 30 (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 620,994	688,543	1,451,381	1,339,775	2,072,375	2,028,318
Capital assets	2,898,442	2,792,395	7,692,806	7,446,085	10,591,248	10,238,480
Other noncurrent assets	138,151	1,488	1,797,435	1,644,741	1,935,586	1,646,229
Total assets	<u>3,657,587</u>	<u>3,482,426</u>	<u>10,941,622</u>	<u>10,430,601</u>	<u>14,599,209</u>	<u>13,913,027</u>
Deferred outflows of resources	<u>393,054</u>	<u>167,627</u>	<u>413,338</u>	<u>313,209</u>	<u>806,392</u>	<u>480,836</u>
Current liabilities	333,146	324,557	532,423	489,483	865,569	814,040
Noncurrent liabilities	3,077,582	2,661,982	6,002,049	5,923,535	9,079,631	8,585,517
Total liabilities	<u>3,410,728</u>	<u>2,986,539</u>	<u>6,534,472</u>	<u>6,413,018</u>	<u>9,945,200</u>	<u>9,399,557</u>
Deferred inflows of resources	<u>7,009</u>	<u>1,464</u>	<u>1,142,181</u>	<u>904,455</u>	<u>1,149,190</u>	<u>905,919</u>
Net position:						
Net investment in capital assets	1,719,704	1,645,359	2,250,698	2,223,964	3,970,402	3,869,323
Restricted	124,695	133,984	690,459	642,052	815,154	776,036
Unrestricted (deficit)	<u>(1,211,495)</u>	<u>(1,117,293)</u>	<u>737,150</u>	<u>560,321</u>	<u>(474,345)</u>	<u>(556,972)</u>
Total net position	<u>\$ 632,904</u>	<u>662,050</u>	<u>3,678,307</u>	<u>3,426,337</u>	<u>4,311,211</u>	<u>4,088,387</u>

In the current fiscal year, total assets increased \$686.2 million and deferred outflows of the City increased by \$325.6 million. Total liabilities increased \$545.6 million and deferred inflows increased by \$243.3 million. Governmental-type total assets increased by \$175.2 million and business-type increased by \$511 million, while governmental-type liabilities increased by \$424.2 million and business-type increased by \$121.5 million.

The most significant increase in governmental total assets resulted from an increase in capital assets of \$106 million as the City continues to build out projects from the 2006 and 2012 bond programs. Factors in the increase of governmental-type liabilities include increases in the bonds payable of \$77.3 million, related to the 2006 (\$43.2 million) and 2012 (\$61.8 million) bond programs along with increases in the net pension liability of \$281.2 million and other postemployment benefits payable of \$53 million.

The most significant factor in the increase of business-type total assets is related to growth in capital assets of \$246.7 million or 48.3% of the increase in business-type total assets. The primary factors in the increase in business-type total liabilities of \$121.5 million include a decrease in long term debt of \$89.6 million and an increase in the net pension liability of \$189 million.

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 \$4.3 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, buildings, and equipment offset by related debt), which is \$4 billion, or 92.1% 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, \$815.2 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 is a deficit of \$474.3 million of unrestricted net position. Unrestricted net position decreased \$82.6 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 business-type activities. However, governmental activities as well as the government as a whole report a deficit of \$1.2 billion and \$474.3 million for unrestricted net position, respectively.

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		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Program revenues:						
Charges for services	\$ 182,045	160,708	2,411,212	2,296,132	2,593,257	2,456,840
Operating grants and contributions	47,430	45,470	739	1,039	48,169	46,509
Capital grants and contributions	95,486	70,484	144,139	110,580	239,625	181,064
General revenues:						
Property tax	507,485	476,439	--	--	507,485	476,439
Sales tax	212,634	204,029	--	--	212,634	204,029
Franchise fees and gross receipts tax	147,773	141,368	--	--	147,773	141,368
Interest and other	41,708	21,951	10,936	10,498	52,644	32,449
Special item - land sale	4,309	11,983	--	--	4,309	11,983
Total revenues	<u>1,238,870</u>	<u>1,132,432</u>	<u>2,567,026</u>	<u>2,418,249</u>	<u>3,805,896</u>	<u>3,550,681</u>
Program expenses:						
General government	177,302	131,993	--	--	177,302	131,993
Public safety	657,846	601,112	--	--	657,846	601,112
Transportation, planning, and sustainability	66,739	77,349	--	--	66,739	77,349
Public health	100,195	85,326	--	--	100,195	85,326
Public recreation and culture	147,191	134,567	--	--	147,191	134,567
Urban growth management	179,081	135,386	--	--	179,081	135,386
Interest on debt	61,500	55,855	--	--	61,500	55,855
Electric	--	--	1,226,585	1,203,729	1,226,585	1,203,729
Water	--	--	244,907	294,624	244,907	294,624
Wastewater	--	--	237,450	219,320	237,450	219,320
Airport	--	--	135,860	120,015	135,860	120,015
Convention	--	--	63,796	65,657	63,796	65,657
Environmental and health services	--	--	102,994	97,690	102,994	97,690
Public recreation	--	--	8,266	8,824	8,266	8,824
Urban growth management	--	--	173,360	135,360	173,360	135,360
Total expenses	<u>1,389,854</u>	<u>1,221,588</u>	<u>2,193,218</u>	<u>2,145,219</u>	<u>3,583,072</u>	<u>3,366,807</u>
Excess (deficiency) before transfers	(150,984)	(89,156)	373,808	273,030	222,824	183,874
Transfers	121,838	70,865	(121,838)	(70,865)	--	--
Increase (decrease) in net position	<u>(29,146)</u>	<u>(18,291)</u>	<u>251,970</u>	<u>202,165</u>	<u>222,824</u>	<u>183,874</u>
Beginning net position, as previously reported	662,050	1,308,194	3,426,337	3,328,362	4,088,387	4,636,556
Restatement adjustment	--	(627,853)	--	(104,190)	--	(732,043)
Beginning net position, as restated	<u>662,050</u>	<u>680,341</u>	<u>3,426,337</u>	<u>3,224,172</u>	<u>4,088,387</u>	<u>3,904,513</u>
Ending net position	<u>\$ 632,904</u>	<u>662,050</u>	<u>3,678,307</u>	<u>3,426,337</u>	<u>4,311,211</u>	<u>4,088,387</u>

Total net position of the City increased by \$222.8 million in the current fiscal year. Governmental net position decreased by \$29.1 million. The decrease is attributable to expenses exceeding revenues by \$150.9 million before transfers from other funds of \$121.8 million. Business-type net position increased by \$252 million due to revenues exceeding expenses by \$373.8 million, before transfers to other funds of \$121.8 million.

The beginning balance of fiscal year 2015 was restated for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27*.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

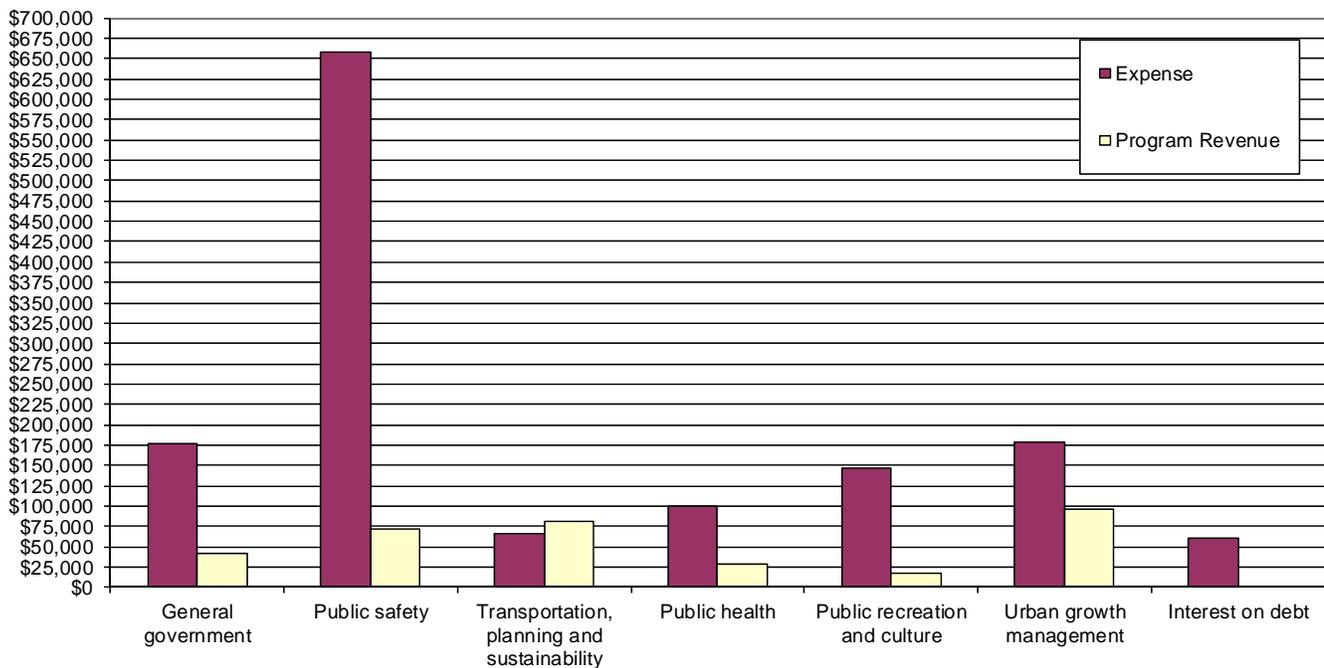
c -- Program revenues and expenses -- governmental activities

Governmental activities decreased the City's net position by \$29.1 million in fiscal year 2016, a 4.4% decrease of governmental net position from the previous year. Key factors for the change from fiscal year 2015 to 2016 are as follows:

- The City's property tax revenue increased by \$31 million from the previous year due to an increase in assessed property values of \$12 billion, while the property tax rate per \$100 of valuation decreased from 0.4809 to 0.4589.
- Sales tax collections and franchise fees for the year were \$8.6 million and \$6.4 million, respectively, more than the prior year as result of the continued improvement in the Austin economy.
- The City sold a piece of land for \$4.3 million, which is reported as a special item. See Note 1 for more details.
- Public safety expenses, urban growth management, and general government expenses increased \$56.7 million, \$43.7 million, and \$45.3 million, respectively, primarily due to increases in salaries and contractual expenditures. This increase in salaries can be attributed to an additional 157 full time equivalents and general wage increases, whereas the increase in contractual expenditures can be attributed to rising information technology costs.

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.

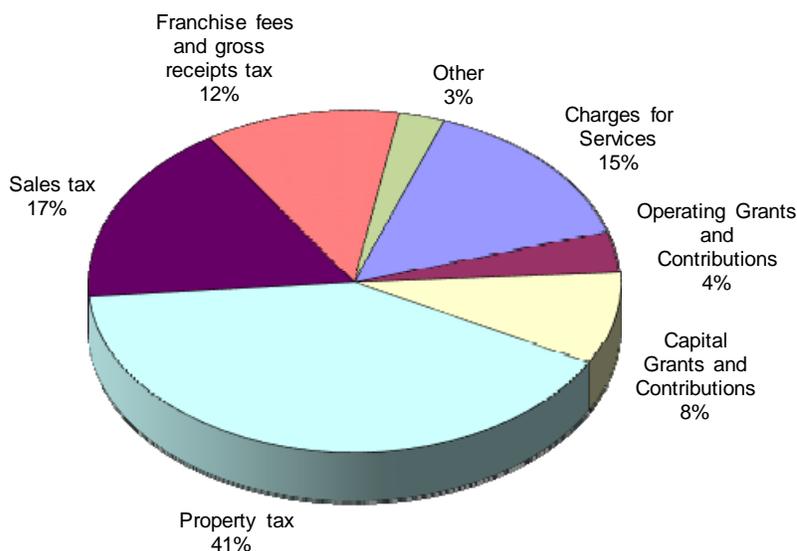
**Government-wide Program Expenses and Revenues – Governmental Activities
(in thousands)**



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

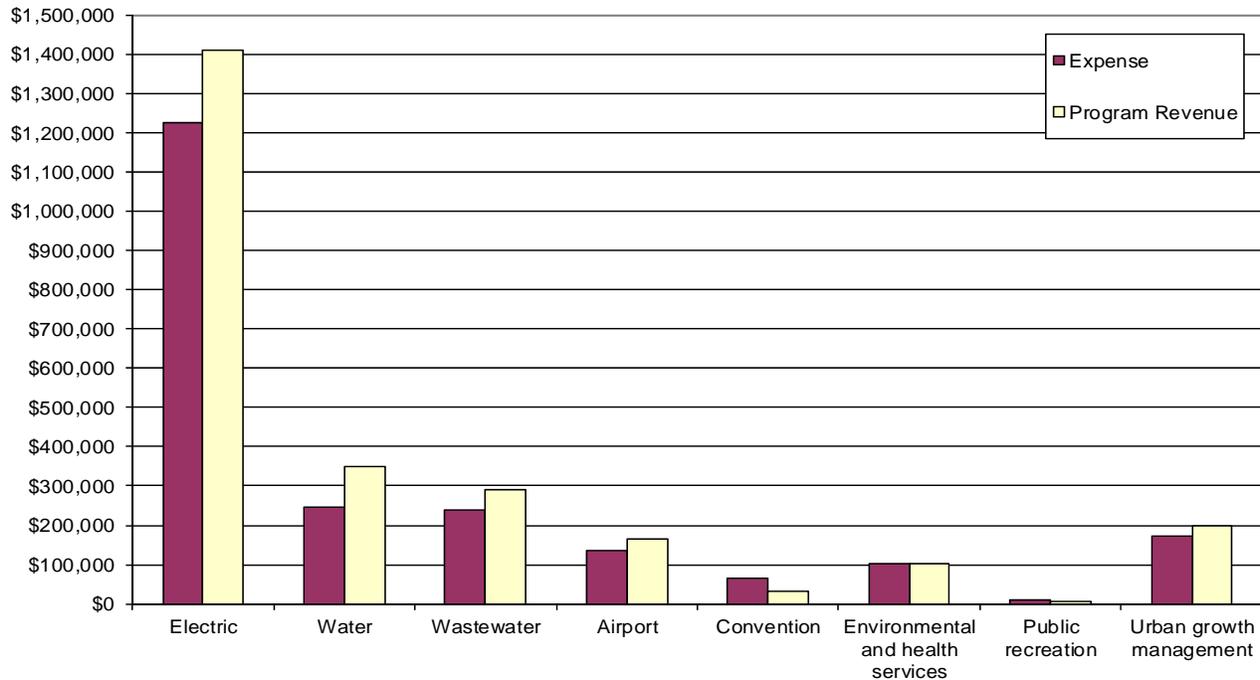
Business-type activities increased the City's net position by approximately \$252 million, accounting for a 7.4% increase in the City's total net position. Key factors include:

- Austin Energy net position increased approximately \$77.8 million. This increase is consistent with prior year results. Operating revenues increased slightly primarily due to an increase in regulatory revenue and operating expenses increased primarily due to transmission costs.
- Austin Water Utility net position increased approximately \$115.1 million. Revenues increased 11.5% largely due to a combined utility rate increase of 4.9% for fiscal year 2016. Expenses decreased by 6.1% due to a decrease in expenses resulting from accounting for regulated operations.
- Airport net position increased approximately \$29 million. Revenues increased 8% due to an increase in passenger traffic and higher rental and landing fees. Passenger traffic increased 6.7% over the previous year. Expenses increased 13.2% due to an increase in operating and maintenance costs.
- Convention Center net position increased approximately \$11 million. Revenues and transfers from the Hotel Occupancy and Vehicle Rental Tax Funds increased 11.4% due to additional hotels put in service causing an increase in total room nights as well as growth of large events, including the Formula 1 event and South by Southwest. Expenses stayed relatively flat in fiscal year 2016.
- Environmental and health services activities are comprised of the Austin Resource Recovery nonmajor enterprise fund. Net position increased approximately \$0.2 million. Revenues increased by 7.1% due mainly to an increase in the Clean Community Fee of \$0.25 per residential account and \$3.50 per commercial customer account and an increase to the base customer charge of \$1.70. Expenses increased by 5.4% due mainly to an increase in 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 \$19 million. Drainage revenues increased by 7.7% primarily due to a newly restructured monthly Drainage Utility Fee as well as residential growth. Drainage expenses increased 8.9% due to an increase in operations and support services costs. Transportation revenues increased approximately 20.7% primarily due to an increase in the Transportation User Fee of \$1.52 per single-family home and a 20% increase in the downtown parking hourly rate. Transportation expenses increased 33.4% due to an increase in operations and support services costs.

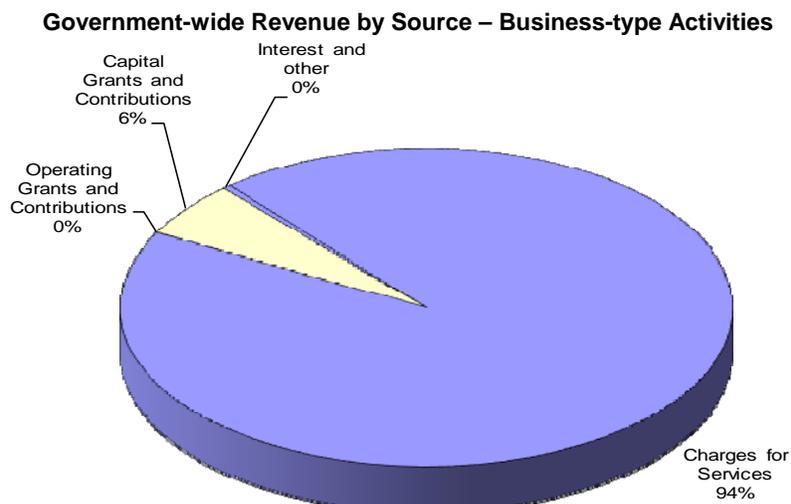
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

As shown in the following chart, Austin Energy (electric), with expenses of \$1.2 billion is the City's largest business-type activity, followed by water with \$244.9 million, wastewater with \$237.5 million, urban growth management with \$173.4 million, airport with \$135.9 million, environmental and health services with \$103 million, convention with \$63.8 million, and public recreation with \$8.3 million. For the fiscal year, operating revenues exceeded operating expenses for all business-type activities except convention 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 (93.92%), followed by capital grants and contributions (5.62%), interest and other revenues (0.43%), and operating grants and contributions (0.03%).



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 \$483.9 million, an increase of \$65.3 million from the previous year. Approximately \$1.6 million is nonspendable, \$186.4 million is restricted, \$42.5 million is committed, \$136.5 million is assigned, and \$116.9 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 \$0.5 million, assigned fund balance of \$28.7 million, and unassigned fund balance of \$131.7 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 14.1% of total General Fund expenditures of \$932.2 million, and total fund balance represents 17.3% 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 \$70.9 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 decreased \$16.2 million during the fiscal year. Significant differences from the previous year include:

- Property tax revenues increased \$25.3 million due to an increase in assessed property values.
- Sales tax revenues increased \$8.6 million, and licenses, permits, and inspections increased \$8.5 million.
- The City sold a piece of land for \$4.3 million, which is reported as a special item. See Note 1 for more details.

General Fund expenditures increased \$53.4 million, due primarily to increases in the following areas: general government (\$16.5 million), public safety (\$12.6 million), public health (\$10.9 million), and urban growth management (\$6.7 million). These increases are primarily due to the addition of 200 FTEs, wage increases, and contractual expenses.

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 \$248.2 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 not amended during fiscal year 2016. The original expenditure budget of the General Fund was amended during fiscal year 2016 to increase expenditures due to additional public safety support for the Spring Festival Season (\$1.5 million), increase in childcare services for families in the Passage Program (\$160 thousand), and to PARD to hire temporary and seasonal staff for the 2016 summer swim season (\$418 thousand). These amounts were appropriated from the Budget Stabilization Reserve.

During the year, revenues were \$9 million more than budgeted. Tax collections were \$2.3 million more than budgeted due to a higher collection rate of 99.4% above the budgeted 98.5% collection rate; licenses, permits and inspections were \$5.7 million more than budgeted due to higher fees, and larger than anticipated inspection volume; and charges for services/goods were \$3.1 million more than budgeted due to higher collection of Emergency Medical Services fees.

OTHER INFORMATION, continued

Actual budget-basis expenditures were \$5.4 million less than budgeted. Fire exceeded budget by \$3.6 million as a result of sworn overtime as a result of sworn vacancies and retirements. All other departments were under budget. The total budget-basis fund balance at year-end was \$157.4 million.

b -- Capital assets

The City's capital assets for governmental and business-type activities as of September 30, 2016, total \$10.6 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 \$352.8 million, with an increase of 3.8% for governmental activities and an increase of 3.3% for business-type activities. Additional information on capital assets can be found in Note 5. Capital asset balances are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Building and improvements	\$ 551	550	1,776	1,649	2,327	2,199
Plant and equipment	74	77	2,321	2,306	2,395	2,383
Vehicles	50	47	81	82	131	129
Electric plant	--	--	2,222	2,219	2,222	2,219
Non-electric plant	--	--	144	138	144	138
Nuclear fuel	--	--	47	47	47	47
Water rights	--	--	83	84	83	84
Infrastructure	1,581	1,451	--	--	1,581	1,451
Land and improvements	374	368	651	594	1,025	962
Construction in progress	241	272	341	300	582	572
Plant held for future use	--	--	23	23	23	23
Other assets not depreciated	27	27	4	4	31	31
Total net capital assets	\$ 2,898	2,792	7,693	7,446	10,591	10,238

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

- Governmental capital assets increased \$106 million primarily due to additions of new facilities and improvements to existing facilities. Significant additions and improvements were also made including acquisitions of parkland, upgrades to information technology equipment, pedestrian facility improvements, and street reconstructions across the City. Construction on the new Central Library and Waller Creek Tunnel has progressed throughout the fiscal year.
- Business-type activities purchased, constructed or received capital asset contributions of \$246.7 million. Asset additions included a \$151 million of Airport assets with the October 2015 opening of the Consolidated Rental Car Facility (CONRAC) and continued work on terminal and apron expansion projects. Additionally, the Drainage Fund continued to acquire properties at risk of flooding in Onion Creek.

OTHER INFORMATION, continued

c -- Debt administration

At the end of the current fiscal year, the City reported \$6.2 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	
	2016	2015	2016	2015	2016	2015
General obligation bonds and other tax supported debt, net	\$ 1,376	1,298	136	133	1,512	1,431
Commercial paper notes, net	--	--	130	200	130	200
Revenue bonds, net	--	--	4,579	4,601	4,579	4,601
Capital lease obligations	--	--	1	1	1	1
Total	\$ 1,376	1,298	4,846	4,935	6,222	6,233

During fiscal year 2016, the City's total outstanding debt decreased by \$12.3 million. The City issued new debt, used cash to defease debt and refinanced portions of existing debt to achieve lower borrowing costs. Debt issues include the following:

- Bond debt for governmental activities increased by \$77.3 million. The resulting net increase is a combination of the issuance of \$315.8 million in new debt to be used primarily for facility improvements, streets and signals, drainage improvements, watershed home buyouts, central library, parks and recreation, capital equipment, transportation projects, affordable housing and the Waller Creek Tunnel project, offset by debt payments during the year.
- Outstanding debt for business-type functions decreased by \$89.6 million. The City issued \$247.8 million in Water and Wastewater System separate lien revenue refunding bonds to refund separate lien debt, offset by debt payments during the year and the defeasance of \$13.6 million in Water and Wastewater combined utility system revenue bonds and separate lien bonds.

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, 2016 and 2015 were as follows:

Debt	Moody's Investors Service, Inc.		Standard & Poor's		Fitch, Inc.	
	2016	2015	2016	2015	2016	2015
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	A1	A1	A	A	NUR (1)	NUR (1)
Convention Center revenue bonds	Aa3	Aa3	AA-	AA-	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 to the area. Both the Austin and the Texas economies continue to expand at rates slightly above the national economy. The City's primary economic drivers, the technology sector, business startups and growth of entrepreneurial business, and tourism, are expected to continue to generate job growth. In addition the opening of a new medical school in 2016 and teaching hospital in 2017 are expected to spur growth in the life sciences sector of the economy. As a result, employment growth of 3% to 3.4% is expected over the next two years. All sectors of the real estate market are performing well. Although home sales have slowed a bit from the aggressive market conditions of the last several years, more than 29,000 homes were sold in the Metropolitan Statistical Area setting a record for annual single-family home sales. In 2016 sales tax revenue increased 4.2% following a 7.7% increase in 2015, another indicator that the economy is slowing to more normal and sustainable levels. For 2017, the rate of growth in sales tax collections is expected to be 5%. Overall the Austin economy is expected to continue to grow at a steady pace barring any events at the national or international level that would have an adverse impact.

The City's 2017 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 taxable property values within the City increased by 14.1% in 2016 for fiscal year 2017. The property tax rate for fiscal year 2017 is 44.18 cents per \$100 valuation, down from 45.89 cents per \$100 valuation in 2016. The tax rate consists of 33.99 cents for the General Fund and 10.19 cents for debt service. Each 1 cent of the 2016 (fiscal year 2017) property tax rate is equivalent to \$12,614,658 of tax levy, as compared to \$11,052,603 in the previous year. In fiscal year 2017, Austin Water Utility will implement a 3% combined system-wide rate increase. Under an agreement approved by the City Council in August 2016, electric base rates for most customers were reduced effective January 2017.

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>.





Statement of Net Position
September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit A-1

	Governmental Activities	Business-type Activities	Total (†)	Component Units
ASSETS				
Current assets:				
Cash	\$ 64	61	125	4,532
Pooled investments and cash	471,712	716,491	1,188,203	--
Pooled investments and cash - restricted	1,999	107,405	109,404	--
Total pooled investments and cash	473,711	823,896	1,297,607	--
Investments - restricted	20,470	181,427	201,897	--
Cash held by trustee - restricted	5,207	--	5,207	--
Investments held by trustee - restricted	1	--	1	--
Working capital advances	--	1,982	1,982	--
Property taxes receivable, net of allowance of \$4,678	11,489	--	11,489	--
Accounts receivable, net of allowance of \$274,418	99,319	235,836	335,155	2,980
Receivables from other governments	11,545	--	11,545	--
Receivables from other governments - restricted	--	8,412	8,412	--
Notes receivable, net of allowance of \$14,044	22,863	--	22,863	--
Internal balances	(34,581)	34,581	--	--
Inventories, at cost	1,886	87,145	89,031	978
Real property held for resale	4,937	--	4,937	--
Regulatory assets, net of accumulated amortization	--	52,556	52,556	--
Prepaid expenses	1,039	9,745	10,784	538
Other receivables - restricted	--	728	728	--
Other assets	3,044	15,012	18,056	--
Total current assets	620,994	1,451,381	2,072,375	9,028
Noncurrent assets:				
Cash - restricted	--	4,972	4,972	353
Pooled investments and cash - restricted	133,161	556,545	689,706	--
Investments - restricted	--	285,824	285,824	68,278
Investments held by trustee - restricted	1,739	228,310	230,049	1,652
Cash held by trustee - restricted	1,823	--	1,823	--
Interest receivable - restricted	--	528	528	--
Depreciable capital assets, net	2,256,926	6,673,948	8,930,874	181,200
Nondepreciable capital assets	641,516	1,018,858	1,660,374	8,317
Derivative instruments - energy risk management	--	1,921	1,921	--
Regulatory assets, net of accumulated amortization	--	696,309	696,309	--
Other receivables - restricted	--	9,744	9,744	--
Other long-term assets	1,428	13,282	14,710	5,449
Total noncurrent assets	3,036,593	9,490,241	12,526,834	265,249
Total assets	3,657,587	10,941,622	14,599,209	274,277
Deferred outflows of resources	\$ 393,054	413,338	806,392	17,860

(†) 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, 2016
(In thousands)

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

	Governmental Activities	Business-type Activities	Total (†)	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 40,300	84,682	124,982	10,357
Accounts and retainage payable from restricted assets	14,377	35,614	49,991	--
Accrued payroll	29,124	16,096	45,220	244
Accrued compensated absences	60,643	24,981	85,624	--
Due to other governments	24	3,809	3,833	--
Claims payable	24,523	--	24,523	--
Accrued interest payable from restricted assets	10	105,190	105,200	9,564
Interest payable on other debt	8,290	965	9,255	--
Bonds payable	55,506	15,010	70,516	43,321
Bonds payable from restricted assets	20,762	181,573	202,335	--
Capital lease obligations payable	--	51	51	25
Customer and escrow deposits payable from restricted assets	65,458	49,228	114,686	--
Accrued landfill closure and postclosure costs	--	2,704	2,704	--
Decommissioning liability payable from restricted assets	--	7,333	7,333	--
Other liabilities	14,129	4,244	18,373	--
Other liabilities payable from restricted assets	--	943	943	--
Total current liabilities	333,146	532,423	865,569	63,511
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	76,039	124	76,163	--
Claims payable	24,815	--	24,815	--
Capital appreciation bond interest payable	--	70,716	70,716	--
Commercial paper notes payable, net of discount	--	129,916	129,916	--
Bonds payable, net of discount and inclusive of premium	1,299,503	4,517,988	5,817,491	260,989
Net pension liability	1,125,290	634,844	1,760,134	--
Other postemployment benefits payable	537,840	325,744	863,584	--
Capital lease obligations payable	--	989	989	7
Accrued landfill closure and postclosure costs	--	9,899	9,899	--
Decommissioning liability payable from restricted assets	--	179,017	179,017	--
Derivative instruments - energy risk management	--	26,151	26,151	--
Derivative instruments - interest rate swaps	--	70,524	70,524	--
Other liabilities	14,095	32,366	46,461	--
Other liabilities payable from restricted assets	--	3,771	3,771	--
Total noncurrent liabilities	3,077,582	6,002,049	9,079,631	260,996
Total liabilities	3,410,728	6,534,472	9,945,200	324,507
Deferred inflows of resources	7,009	1,142,181	1,149,190	--
NET POSITION				
Net investment in capital assets	1,719,704	2,250,698	3,970,402	(100,740)
Restricted for:				
Bond reserve	--	43,458	43,458	--
Capital projects	41,920	220,214	262,134	--
Debt service	12,472	98,877	111,349	21,427
Housing activities	25,979	--	25,979	--
Operating reserve	--	46,026	46,026	--
Passenger facility charges	--	72,745	72,745	--
Perpetual care:				
Expendable	1	--	1	--
Nonexpendable	1,070	--	1,070	--
Renewal and replacement	--	19,830	19,830	--
Strategic reserve	--	189,309	189,309	--
Tourism	20,251	--	20,251	--
Other purposes	23,002	--	23,002	--
Unrestricted (deficit)	(1,211,495)	737,150	(474,345)	46,943
Total net position	\$ 632,904	3,678,307	4,311,211	(32,370)

(†) 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, 2016
(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	\$ 177,302	15,915	21	13,729	(147,637)	--	(147,637)	--
Public safety	657,846	65,087	6,539	--	(586,220)	--	(586,220)	--
Transportation, planning, and sustainability	66,739	4,572	618	75,185	13,636	--	13,636	--
Public health	100,195	9,160	19,662	--	(71,373)	--	(71,373)	--
Public recreation and culture	147,191	8,781	2,402	6,502	(129,506)	--	(129,506)	--
Urban growth management	179,081	78,530	18,188	70	(82,293)	--	(82,293)	--
Interest on debt	61,500	--	--	--	(61,500)	--	(61,500)	--
Total governmental activities	<u>1,389,854</u>	<u>182,045</u>	<u>47,430</u>	<u>95,486</u>	<u>(1,064,893)</u>	<u>--</u>	<u>(1,064,893)</u>	<u>--</u>
Business-type activities								
Electric	1,226,585	1,370,228	45	40,862	--	184,550	184,550	--
Water	244,907	301,860	--	47,335	--	104,288	104,288	--
Wastewater	237,450	259,974	--	30,743	--	53,267	53,267	--
Airport	135,860	159,866	548	3,018	--	27,572	27,572	--
Convention	63,796	33,221	--	--	--	(30,575)	(30,575)	--
Environmental and health services	102,994	103,420	118	--	--	544	544	--
Public recreation	8,266	6,480	--	221	--	(1,565)	(1,565)	--
Urban growth management	173,360	176,163	28	21,960	--	24,791	24,791	--
Total business-type activities	<u>2,193,218</u>	<u>2,411,212</u>	<u>739</u>	<u>144,139</u>	<u>--</u>	<u>362,872</u>	<u>362,872</u>	<u>--</u>
Total primary government	<u>\$ 3,583,072</u>	<u>2,593,257</u>	<u>48,169</u>	<u>239,625</u>	<u>(1,064,893)</u>	<u>362,872</u>	<u>(702,021)</u>	<u>--</u>
Component Units	<u>87,576</u>	<u>98,565</u>	<u>200</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,189</u>
General revenues:								
Property tax					507,485	--	507,485	--
Sales tax					212,634	--	212,634	--
Franchise fees and gross receipts tax					147,773	--	147,773	--
Interest and other					41,708	10,936	52,644	23
Special item - land sale					4,309	--	4,309	--
Transfers-internal activities					121,838	(121,838)	--	--
Total general revenues and transfers					<u>1,035,747</u>	<u>(110,902)</u>	<u>924,845</u>	<u>23</u>
Change in net position					(29,146)	251,970	222,824	11,212
Beginning net position, as previously reported					662,050	3,426,337	4,088,387	(43,582)
Ending net position					<u>\$ 632,904</u>	<u>3,678,307</u>	<u>4,311,211</u>	<u>(32,370)</u>

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



Governmental Funds
Balance Sheet
September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit B-1

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 52	--	52
Pooled investments and cash	160,731	313,566	474,297
Investments	--	20,470	20,470
Cash held by trustee - restricted	--	5,472	5,472
Investments held by trustee - restricted	--	1,740	1,740
Property taxes receivable, net of allowance	7,885	3,604	11,489
Accounts receivable, net of allowance	61,065	29,012	90,077
Receivables from other governments	1	11,204	11,205
Notes receivable, net of allowance	199	22,664	22,863
Due from other funds	--	15,560	15,560
Advances to other funds	--	9,516	9,516
Inventories, at cost	49	--	49
Real property held for resale	--	4,937	4,937
Prepaid items	497	--	497
Other assets	58	2,986	3,044
Total assets	230,537	440,731	671,268
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Accounts payable	21,578	16,851	38,429
Accrued payroll	23,630	111	23,741
Accrued compensated absences	162	--	162
Due to other funds	204	15,560	15,764
Due to other governments	--	20	20
Unearned revenue	--	4,106	4,106
Advances from other funds	861	8,583	9,444
Deposits and other liabilities	5,830	65,502	71,332
Total liabilities	52,265	110,733	162,998
Deferred inflows of resources	17,283	7,068	24,351
Fund balances			
Nonspendable:			
Inventories and prepaid items	546	--	546
Permanent funds	--	1,070	1,070
Restricted	--	186,395	186,395
Committed	--	42,508	42,508
Assigned	28,700	107,833	136,533
Unassigned	131,743	(14,876)	116,867
Total fund balances	160,989	322,930	483,919
Total liabilities, deferred inflows of resources, and fund balances	\$ 230,537	440,731	671,268

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, 2016
(In thousands)

City of Austin, Texas
Exhibit B-1.1

Total fund balances - Governmental funds \$ 483,919

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	4,465,271	
Less: accumulated depreciation	<u>(1,630,063)</u>	
		2,835,208

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

Other assets	<u>1,428</u>	
		1,428

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

Deferred outflow of resources	<u>392,923</u>	
		392,923

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

Compensated absences	(127,329)	
Interest payable	(8,290)	
Bonds and other tax supported debt payable, net	(1,373,057)	
Net pension liability	(1,125,290)	
Other postemployment benefits payable	(537,840)	
Other liabilities	<u>(15,507)</u>	
		(3,187,313)

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

Unavailable revenue		
Property taxes and interest	11,557	
Accounts and other taxes receivable	12,791	
Pension actuarial experience deferral	<u>(7,005)</u>	
		17,343

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.

89,396

Total net position - Governmental activities		<u><u>\$ 632,904</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, 2016
(In thousands)

City of Austin, Texas
Exhibit B-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 383,550	125,554	509,104
Sales taxes	212,634	--	212,634
Franchise fees and other taxes	47,855	99,918	147,773
Fines, forfeitures and penalties	15,027	5,052	20,079
Licenses, permits and inspections	47,470	2,716	50,186
Charges for services/goods	59,062	39,849	98,911
Intergovernmental	--	56,746	56,746
Property owners' participation and contributions	--	14,554	14,554
Interest and other	15,205	23,129	38,334
Total revenues	780,803	367,518	1,148,321
EXPENDITURES			
Current:			
General government	117,102	1,671	118,773
Public safety	569,002	7,459	576,461
Transportation, planning and sustainability	814	6,225	7,039
Public health	72,392	19,684	92,076
Public recreation and culture	105,835	10,696	116,531
Urban growth management	67,096	88,363	155,459
Debt service:			
Principal	--	80,859	80,859
Interest	--	61,388	61,388
Fees and commissions	--	13	13
Capital outlay-capital project funds	--	142,822	142,822
Total expenditures	932,241	419,180	1,351,421
Deficiency of revenues over expenditures	(151,438)	(51,662)	(203,100)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	--	142,775	142,775
Issuance of refunding bonds	--	139,690	139,690
Bond premiums	--	33,305	33,305
Payment to refunding bond escrow agent	--	(159,589)	(159,589)
Transfers in	157,201	91,130	248,331
Transfers out	(26,246)	(114,161)	(140,407)
Total other financing sources (uses)	130,955	133,150	264,105
Net change in fund balances, before special items	(20,483)	81,488	61,005
Special item - land sale (See Note 1)	4,309	--	4,309
Net change in fund balances	(16,174)	81,488	65,314
Fund balances at beginning of year	177,163	241,442	418,605
Fund balances at end of year	\$ 160,989	322,930	483,919

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, 2016
(In thousands)

City of Austin, Texas
Exhibit B-2.1

Net change in fund balances - Governmental funds \$ 65,314

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	113,962	
Depreciation expense	(113,836)	
Loss on disposal of capital assets	<u>(259)</u>	(133)

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

Property taxes	(1,619)	
Charges for services	311	
Interest and other	3,605	
Capital asset contributions	<u>71,408</u>	73,705

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 premiums, discounts, 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	(156,181)	
Principal repayment on long-term debt	80,859	
Issuance of refunding bonds	(139,690)	
Refunding bond premiums	(19,899)	
Payment to refunding bond escrow agent	<u>159,589</u>	(75,322)

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	(4,600)	
Pensions	(67,450)	
Other postemployment benefits	(52,986)	
Interest and other	<u>33,999</u>	(91,037)

A portion of the net revenue (expense) of the internal service funds is reported with the governmental activities. (1,673)

Change in net position - Governmental activities \$ (29,146)

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

Proprietary Funds
Statement of Net Position
September 30, 2016
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
ASSETS			
Current assets:			
Cash	\$ 21	5	3
Pooled investments and cash	351,763	117,108	10,964
Pooled investments and cash - restricted	29,477	41,043	24,497
Total pooled investments and cash	381,240	158,151	35,461
Investments - restricted	53,748	91,744	25,257
Cash held by trustee - restricted	--	--	--
Working capital advances	1,982	--	--
Accounts receivable, net of allowance	145,082	65,755	5,839
Receivables from other governments	--	--	--
Receivables from other governments-restricted	6,044	--	1,088
Due from other funds	622	301	--
Inventories, at cost	79,944	2,341	1,815
Regulatory assets, net of accumulated amortization	19,091	33,465	--
Prepaid expenses	9,575	22	29
Other receivables - restricted	10	689	--
Other assets	14,577	--	435
Total current assets	711,936	352,473	69,927
Noncurrent assets:			
Cash - restricted	4,972	--	--
Pooled investments and cash - restricted	56,718	98,463	376,593
Advances to other funds	18,531	2,405	--
Advances to other funds - restricted	--	--	51
Investments - restricted	199,390	58,421	14,708
Investments held by trustee - restricted	211,692	16,618	--
Interest receivable - restricted	528	--	--
Depreciable capital assets, net	2,420,254	3,177,382	712,395
Nondepreciable capital assets	189,699	371,441	165,941
Derivative instruments - energy risk management	1,921	--	--
Regulatory assets, net of accumulated amortization	436,123	260,186	--
Other receivables - restricted	9,744	--	--
Other long-term assets	1,111	--	12,171
Total noncurrent assets	3,550,683	3,984,916	1,281,859
Total assets	4,262,619	4,337,389	1,351,786
Deferred outflows of resources	\$ 141,510	129,641	54,517

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

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
ASSETS			
Current assets:			
Cash	32	61	12
Pooled investments and cash	236,656	716,491	130,576
Pooled investments and cash - restricted	12,388	107,405	1,999
Total pooled investments and cash	249,044	823,896	132,575
Investments - restricted	10,678	181,427	--
Cash held by trustee - restricted	--	--	1,558
Working capital advances	--	1,982	--
Accounts receivable, net of allowance	19,160	235,836	9,242
Receivables from other governments	--	--	340
Receivables from other governments-restricted	1,280	8,412	--
Due from other funds	1,732	2,655	1,005
Inventories, at cost	3,045	87,145	1,837
Regulatory assets, net of accumulated amortization	--	52,556	--
Prepaid expenses	119	9,745	542
Other receivables - restricted	29	728	--
Other assets	--	15,012	--
Total current assets	285,119	1,419,455	147,111
Noncurrent assets:			
Cash - restricted	--	4,972	--
Pooled investments and cash - restricted	24,771	556,545	--
Advances to other funds	--	20,936	42
Advances to other funds - restricted	370	421	--
Investments - restricted	13,305	285,824	--
Investments held by trustee - restricted	--	228,310	--
Interest receivable - restricted	--	528	--
Depreciable capital assets, net	363,917	6,673,948	62,618
Nondepreciable capital assets	291,777	1,018,858	616
Derivative instruments - energy risk management	--	1,921	--
Regulatory assets, net of accumulated amortization	--	696,309	--
Other receivables - restricted	--	9,744	--
Other long-term assets	--	13,282	--
Total noncurrent assets	694,140	9,511,598	63,276
Total assets	979,259	10,931,053	210,387
Deferred outflows of resources	87,670	413,338	131

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2016
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 72,191	4,413	2,484
Accounts and retainage payable from restricted assets	4,513	17,634	8,533
Accrued payroll	6,559	3,484	1,143
Accrued compensated absences	10,271	5,531	1,988
Claims payable	--	--	--
Due to other funds	--	--	157
Due to other funds payable from restricted assets	--	261	--
Due to other governments	3,804	--	5
Accrued interest payable from restricted assets	24,309	73,561	5,962
Interest payable on other debt	137	135	--
Bonds payable	--	--	24
Bonds payable from restricted assets	44,405	103,078	21,940
Capital lease obligations payable	51	--	--
Customer and escrow deposits payable from restricted assets	29,477	13,080	760
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	7,333	--	--
Other liabilities	899	1,130	2,215
Other liabilities payable from restricted assets	459	--	68
Total current liabilities	204,408	222,307	45,279
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	--	--	--
Claims payable	--	--	--
Advances from other funds	--	977	666
Advances from other funds payable from restricted assets	--	16,766	--
Capital appreciation bond interest payable	3,309	67,407	--
Commercial paper notes payable, net of discount	87,746	42,170	--
Bonds payable, net of discount and inclusive of premium	1,295,191	2,440,820	524,611
Net pension liability	266,357	142,157	44,268
Other postemployment benefits payable	128,415	83,250	21,935
Capital lease obligations payable	989	--	--
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	179,017	--	--
Derivative instruments - energy risk management	26,151	--	--
Derivative instruments - interest rate swaps	--	23,426	32,027
Other liabilities	32,366	--	--
Other liabilities payable from restricted assets	3,771	--	--
Total noncurrent liabilities	2,023,312	2,816,973	623,507
Total liabilities	2,227,720	3,039,280	668,786
Deferred inflows of resources	\$ 345,351	637,424	159,119

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	5,594	84,682	16,247
Accounts and retainage payable from restricted assets	4,934	35,614	--
Accrued payroll	4,910	16,096	5,383
Accrued compensated absences	7,191	24,981	8,770
Claims payable	--	--	24,523
Due to other funds	2,033	2,190	1,005
Due to other funds payable from restricted assets	--	261	--
Due to other governments	--	3,809	4
Accrued interest payable from restricted assets	1,358	105,190	10
Interest payable on other debt	693	965	--
Bonds payable	14,986	15,010	441
Bonds payable from restricted assets	12,150	181,573	--
Capital lease obligations payable	--	51	--
Customer and escrow deposits payable from restricted assets	5,911	49,228	283
Accrued landfill closure and postclosure costs	2,704	2,704	--
Decommissioning liability payable from restricted assets	--	7,333	--
Other liabilities	--	4,244	2,455
Other liabilities payable from restricted assets	416	943	--
Total current liabilities	62,880	534,874	59,121
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	124	124	421
Claims payable	--	--	24,815
Advances from other funds	3,062	4,705	--
Advances from other funds payable from restricted assets	--	16,766	--
Capital appreciation bond interest payable	--	70,716	--
Commercial paper notes payable, net of discount	--	129,916	--
Bonds payable, net of discount and inclusive of premium	257,366	4,517,988	2,273
Net pension liability	182,062	634,844	--
Other postemployment benefits payable	92,144	325,744	--
Capital lease obligations payable	--	989	--
Accrued landfill closure and postclosure costs	9,899	9,899	--
Decommissioning liability payable from restricted assets	--	179,017	--
Derivative instruments - energy risk management	--	26,151	--
Derivative instruments - interest rate swaps	15,071	70,524	--
Other liabilities	--	32,366	--
Other liabilities payable from restricted assets	--	3,771	--
Total noncurrent liabilities	559,728	6,023,520	27,509
Total liabilities	622,608	6,558,394	86,630
Deferred inflows of resources	287	1,142,181	1

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2016
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
NET POSITION			
Net investment in capital assets	\$ 1,026,409	496,702	332,774
Restricted for:			
Bond reserve	10,080	20,584	2,483
Capital projects	25,859	35,065	141,041
Debt service	29,439	18,184	41,521
Operating reserve	--	28,018	13,580
Passenger facility charges	--	--	72,745
Renewal and replacement	9,064	--	10,000
Strategic reserve	189,309	--	--
Unrestricted	540,898	191,773	(35,746)
Total net position	\$ 1,831,058	790,326	578,398
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	14,974	8,784	2,757
Total net position - Business-type activities	\$ 1,846,032	799,110	581,155

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	394,813	2,250,698	60,520
Restricted for:			
Bond reserve	10,311	43,458	--
Capital projects	18,249	220,214	1,999
Debt service	9,733	98,877	--
Operating reserve	4,428	46,026	--
Passenger facility charges	--	72,745	--
Renewal and replacement	766	19,830	--
Strategic reserve	--	189,309	--
Unrestricted	5,734	702,659	61,368
Total net position	<u>444,034</u>	<u>3,643,816</u>	<u>123,887</u>
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	7,976	34,491	
Total net position - Business-type activities	<u>452,010</u>	<u>3,678,307</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, 2016
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
OPERATING REVENUES			
Utility services	\$ 1,370,228	561,834	--
User fees and rentals	--	--	135,765
Billings to departments	--	--	--
Employee contributions	--	--	--
Operating revenues from other governments	--	--	--
Other operating revenues	--	--	--
Total operating revenues	1,370,228	561,834	135,765
OPERATING EXPENSES			
Operating expenses before depreciation	1,020,959	236,320	88,257
Depreciation and amortization	156,699	116,070	28,092
Total operating expenses	1,177,658	352,390	116,349
Operating income (loss)	192,570	209,444	19,416
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	6,632	1,212	1,891
Interest on revenue bonds and other debt	(60,913)	(108,042)	(21,161)
Interest capitalized during construction	--	--	1,282
Passenger facility charges	--	--	24,101
Cost (recovered) to be recovered in future years	8,544	(21,471)	--
Other nonoperating revenue (expense)	1,701	(1,231)	535
Total nonoperating revenues (expenses)	(44,036)	(129,532)	6,648
Income (loss) before contributions and transfers	148,534	79,912	26,064
Capital contributions	40,862	78,078	3,018
Transfers in	867	--	5
Transfers out	(114,203)	(43,864)	(442)
Change in net position	76,060	114,126	28,645
Total net position - beginning	1,754,998	676,200	549,753
Total net position - ending	\$ 1,831,058	790,326	578,398
Reconciliation to government-wide Statement of Activities			
Change in net position	76,060	114,126	28,645
Adjustment to consolidate internal service activities	1,786	1,003	381
Change in net position - Business-type activities	\$ 77,846	115,129	29,026

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	--	1,932,062	--
User fees and rentals	319,284	455,049	--
Billings to departments	--	--	412,968
Employee contributions	--	--	37,844
Operating revenues from other governments	--	--	4,372
Other operating revenues	--	--	8,186
Total operating revenues	319,284	2,387,111	463,370
OPERATING EXPENSES			
Operating expenses before depreciation	301,062	1,646,598	431,732
Depreciation and amortization	30,236	331,097	12,364
Total operating expenses	331,298	1,977,695	444,096
Operating income (loss)	(12,014)	409,416	19,274
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	1,201	10,936	162
Interest on revenue bonds and other debt	(9,899)	(200,015)	(112)
Interest capitalized during construction	1,381	2,663	--
Passenger facility charges	--	24,101	--
Cost (recovered) to be recovered in future years	--	(12,927)	--
Other nonoperating revenue (expense)	(42,878)	(41,873)	(8,693)
Total nonoperating revenues (expenses)	(50,195)	(217,115)	(8,643)
Income (loss) before contributions and transfers	(62,209)	192,301	10,631
Capital contributions	22,181	144,139	11,150
Transfers in	78,178	79,050	1,135
Transfers out	(8,806)	(167,315)	(20,794)
Change in net position	29,344	248,175	2,122
Total net position - beginning	414,690	3,395,641	121,765
Total net position - ending	444,034	3,643,816	123,887
Reconciliation to government-wide Statement of Activities			
Change in net position	29,344	248,175	
Adjustment to consolidate internal service activities	625	3,795	
Change in net position - Business-type activities	29,969	251,970	

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

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2016
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,392,139	562,274	129,194
Cash received from other funds	34,035	8,104	--
Cash payments to suppliers for goods and services	(683,020)	(43,836)	(24,080)
Cash payments to other funds	(45,645)	(69,870)	(23,744)
Cash payments to employees for services	(192,399)	(103,355)	(34,552)
Cash payments to claimants/beneficiaries	--	--	--
Taxes collected and remitted to other governments	(44,098)	--	--
Net cash provided by operating activities	461,012	353,317	46,818
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	867	--	5
Transfers out	(114,091)	(43,599)	(10)
Contributions from other funds	--	--	--
Contributions to other funds	--	(336)	--
Loans to other funds	--	--	--
Loans from other funds	464	--	--
Loan repayments to other funds	--	(396)	(178)
Loan repayments from other funds	664	300	--
Collections from other governments	(28)	1,765	880
Net cash provided (used) by noncapital financing activities	(112,124)	(42,266)	697
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	55,700	62,420	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	2,369	--
Principal paid on long-term debt	(66,371)	(89,689)	(18,375)
Proceeds from the sale of capital assets	15,781	--	--
Interest paid on revenue bonds and other debt	(62,966)	(106,822)	(21,528)
Passenger facility charges	--	--	24,101
Acquisition and construction of capital assets	(179,840)	(100,139)	(63,807)
Contributions from state and federal governments	--	587	3,019
Contributions in aid of construction	40,776	34,469	--
Bond issuance costs	--	(1,796)	--
Bond premiums	--	58,671	--
Cash paid for bond defeasance	--	(18,135)	--
Bonds issued for advanced refundings of debt	--	247,770	--
Cash paid for bond refunding escrow	--	(115,920)	--
Cash paid to payoff commercial paper	--	(188,785)	--
Cash paid for nuclear fuel inventory	(18,379)	--	--
Net cash provided (used) by capital and related financing activities	\$ (215,299)	(215,000)	(76,590)

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	317,270	2,400,877	46,770
Cash received from other funds	3,525	45,664	412,968
Cash payments to suppliers for goods and services	(66,439)	(817,375)	(82,468)
Cash payments to other funds	(60,163)	(199,422)	(21,717)
Cash payments to employees for services	(145,848)	(476,154)	(159,071)
Cash payments to claimants/beneficiaries	--	--	(168,041)
Taxes collected and remitted to other governments	--	(44,098)	--
Net cash provided by operating activities	48,345	909,492	28,441
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	77,624	78,496	--
Transfers out	(8,627)	(166,327)	(20,095)
Contributions from other funds	1,063	1,063	--
Contributions to other funds	(631)	(967)	--
Loans to other funds	(504)	(504)	--
Loans from other funds	620	1,084	--
Loan repayments to other funds	(639)	(1,213)	--
Loan repayments from other funds	70	1,034	--
Collections from other governments	536	3,153	--
Net cash provided (used) by noncapital financing activities	69,512	(84,181)	(20,095)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	--	118,120	--
Proceeds from the sale of general obligation bonds and other tax supported debt	20,669	23,038	--
Principal paid on long-term debt	(29,499)	(203,934)	(369)
Proceeds from the sale of capital assets	--	15,781	--
Interest paid on revenue bonds and other debt	(11,024)	(202,340)	(131)
Passenger facility charges	--	24,101	--
Acquisition and construction of capital assets	(80,540)	(424,326)	(10,548)
Contributions from state and federal governments	--	3,606	--
Contributions in aid of construction	13,112	88,357	--
Bond issuance costs	(163)	(1,959)	(5)
Bond premiums	3,189	61,860	--
Cash paid for bond defeasance	--	(18,135)	--
Bonds issued for advanced refundings of debt	--	247,770	--
Cash paid for bond refunding escrow	--	(115,920)	--
Cash paid to payoff commercial paper	--	(188,785)	--
Cash paid for nuclear fuel inventory	--	(18,379)	--
Net cash provided (used) by capital and related financing activities	(84,256)	(591,145)	(11,053)

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2016
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ (277,743)	(220,428)	(44,417)
Proceeds from sale and maturities of investment securities	245,859	202,984	41,306
Interest on investments	3,864	1,212	1,848
Net cash provided (used) by investing activities	(28,020)	(16,232)	(1,263)
Net increase (decrease) in cash and cash equivalents	105,569	79,819	(30,338)
Cash and cash equivalents, October 1	337,382	176,800	442,395
Cash and cash equivalents, September 30	442,951	256,619	412,057
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	192,570	209,444	19,416
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	156,699	116,070	28,092
Change in assets and liabilities:			
Decrease in working capital advances	2,962	--	--
(Increase) decrease in accounts receivable	14,161	7,601	(1,605)
Increase (decrease) in allowance for doubtful accounts	(2,309)	(200)	187
Decrease in due from other funds	--	--	--
(Increase) decrease in inventory	705	(187)	17
(Increase) decrease in prepaid expenses and other assets	29,913	(3)	(6)
Increase in deferred outflows related to operations	(57,633)	(30,776)	(9,637)
Decrease in advances to other funds	--	--	--
Decrease in other long-term assets	21,705	--	--
Increase (decrease) in accounts payable	4,165	(272)	38
Increase in accrued payroll and compensated absences	1,451	857	309
Increase (decrease) in claims payable	--	(932)	--
Increase in due to other governments	--	--	--
Increase in due to other funds	--	--	--
Increase in net pension liability	76,068	41,398	13,365
Increase in other postemployment benefits payable	12,755	8,242	2,198
Increase (decrease) in other liabilities	464	--	(403)
Increase (decrease) in customer deposits	161	2,075	(101)
Increase (decrease) in deferred inflows related to operations	7,175	--	(5,052)
Total adjustments	268,442	143,873	27,402
Net cash provided by operating activities	\$ 461,012	353,317	46,818

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	(18,825)	(561,413)	--
Proceeds from sale and maturities of investment securities	18,577	508,726	--
Interest on investments	1,202	8,126	162
Net cash provided (used) by investing activities	954	(44,561)	162
Net increase (decrease) in cash and cash equivalents	34,555	189,605	(2,545)
Cash and cash equivalents, October 1	239,292	1,195,869	136,690
Cash and cash equivalents, September 30	273,847	1,385,474	134,145
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	(12,014)	409,416	19,274
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	30,236	331,097	12,364
Change in assets and liabilities:			
Decrease in working capital advances	--	2,962	--
(Increase) decrease in accounts receivable	2,090	22,247	(4,018)
Increase (decrease) in allowance for doubtful accounts	(583)	(2,905)	--
Decrease in due from other funds	--	--	(324)
(Increase) decrease in inventory	(511)	24	(368)
(Increase) decrease in prepaid expenses and other assets	(44)	29,860	(381)
Increase in deferred outflows related to operations	(39,748)	(137,794)	(33)
Decrease in advances to other funds	--	--	29
Decrease in other long-term assets	--	21,705	--
Increase (decrease) in accounts payable	1,645	5,576	(1,072)
Increase in accrued payroll and compensated absences	1,488	4,105	1,145
Increase (decrease) in claims payable	--	(932)	1,874
Increase in due to other governments	--	--	4
Increase in due to other funds	--	--	335
Increase in net pension liability	58,204	189,035	--
Increase in other postemployment benefits payable	9,705	32,900	--
Increase (decrease) in other liabilities	(2,127)	(2,066)	(665)
Increase (decrease) in customer deposits	4	2,139	277
Increase (decrease) in deferred inflows related to operations	--	2,123	--
Total adjustments	60,359	500,076	9,167
Net cash provided by operating activities	48,345	909,492	28,441

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2016
(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	\$ (475)	(8,886)	--
Capital assets contributed from other funds	--	32	--
Capital assets contributed to other funds	--	(990)	--
Capital assets acquired through service concession arrangements	--	--	151,565
Contributed facilities	--	42,991	--
Contributions in aid of construction	86	--	--
Increase in the fair value of investments	(1,799)	--	--
Amortization of bond (discounts) premiums	6,321	13,568	1,252
Amortization of gain/loss on refundings	(8,005)	(5,997)	(890)
Gain (loss) on disposal of assets	2,393	(258)	(108)
Costs (recovered) to be recovered	8,544	(21,471)	--
Transfers (to) from other funds	(112)	(265)	(432)
Capitalized interest	--	--	1,282

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	--	(9,361)	--
Capital assets contributed from other funds	9,060	9,092	19,928
Capital assets contributed to other funds	(42,418)	(43,408)	(224)
Capital assets acquired through service concession arrangements	--	151,565	--
Contributed facilities	--	42,991	--
Contributions in aid of construction	--	86	--
Increase in the fair value of investments	--	(1,799)	--
Amortization of bond (discounts) premiums	2,160	23,301	40
Amortization of gain/loss on refundings	(1,135)	(16,027)	(22)
Gain (loss) on disposal of assets	(878)	1,149	(81)
Costs (recovered) to be recovered	--	(12,927)	--
Transfers (to) from other funds	375	(434)	436
Capitalized interest	1,381	2,663	--

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

Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit D-1

	<u>Private-purpose</u>	
	<u>Trust</u>	<u>Agency</u>
ASSETS		
Pooled investments and cash	\$ 1,978	2,006
Other assets	122	--
Total assets	<u>2,100</u>	<u>2,006</u>
LIABILITIES		
Accounts payable	--	1
Due to other governments	--	1,411
Deposits and other liabilities	1,388	594
Total liabilities	<u>1,388</u>	<u>2,006</u>
NET POSITION		
Held in trust	<u>712</u>	
Total net position	<u>\$ 712</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, 2016
(In thousands)

City of Austin, Texas
Exhibit D-2

	<u>Private-Purpose</u> <u>Trust</u>
ADDITIONS	
Contributions	\$ 1,092
Interest and other	11
Total additions	<u>1,103</u>
DEDUCTIONS	
Benefit payments	<u>1,422</u>
Total deductions	<u>1,422</u>
Net additions (deductions)	(319)
Total net position - beginning	<u>1,031</u>
Total net position - ending	<u><u>\$ 712</u></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 who is elected at large and ten Councilmembers who are elected by geographic district, all of whom serve four-year staggered terms subject to a maximum of two consecutive terms. A petition signed by 5% of the registered voters waives the term limit for a Councilmember.

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

The City of Austin’s charter requires an annual audit by an independent certified public accountant. These financial statements have been prepared in accordance with 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. 74, No. 73, No. 79, and No. 82. In fiscal year 2016, the City implemented the following GASB Statements:

GASB Statement	Impact
<i>72 – “Fair Value Measurement and Application”</i>	This statement provides general principles for measuring fair value, additional guidance regarding fair value application, and enhances disclosures about fair value measurements. The implementation of this standard resulted in additional disclosures in the investment footnote (see Note 3).
<i>73 – “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”</i>	This statement primarily provides guidance to entities that do not have a trust fund for administering pension funds. Only one section regarding notes to Required Supplementary Information currently applies to the City and was implemented for 2016.
<i>76 – “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”</i>	This statement establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The implementation of this standard had no impact on the amounts reported in the financial statements.
<i>79 – “Certain External Investment Pools and Pool Participants”</i>	This statement provides general principles for disclosure related to participation in external investment pools that meet the criteria in this statement. The implementation of this standard resulted in additional disclosures in the investment footnote (see Note 3).
<i>82 – “Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73”</i>	This statement was implemented for 2016. It primarily impacted the payroll-related measures presented in the Required Supplementary Information and required a restatement of those measures as previously presented in 2015.

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)

MLGC is a non-profit local government corporation created by the City under Subchapter D of Chapter 431 of the Texas Transportation Code. MLGC was created for the purpose of financing infrastructure projects required for the development of the former site of Mueller Airport. The Austin City Council acts as the board of directors of the corporation. 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. 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. 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 -- Government-wide and Fund Financial Statements, 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 incurred. 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, to the extent they are considered available, 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: Accounts for the operations of the Austin-Bergstrom International Airport.

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, planning, and sustainability; 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. 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. Realized gains or losses resulting from the sale of investments are determined by the specific cost of the securities sold. As of September 30, 2016, the City carries all of its investments in U.S. government and agency debt securities at fair value and money market mutual funds at amortized cost. Investments in local government investment pools are carried at either NAV or at amortized cost.

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, 2016 (in thousands):

	Charges for Services	Fines	Taxes	Other Govern- ments	Other	Total
Governmental activities						
General Fund	\$ 256,172	18,566	45,119	--	--	319,857
Nonmajor governmental funds	1,285	--	22,732	2,607	2,958	29,582
Internal service funds	9,242	--	--	--	--	9,242
Allow ance for doubtful accounts	(249,929)	(8,863)	--	(570)	--	(259,362)
Total	\$ 16,770	9,703	67,851	2,037	2,958	99,319

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

	Austin Energy	Austin Water	Airport	Nonmajor Enterprise	Total
Accounts Receivable	\$ 153,332	69,017	7,446	21,097	250,892
Allow ance for doubtful accounts	(8,250)	(3,262)	(1,607)	(1,937)	(15,056)
Total	\$ 145,082	65,755	5,839	19,160	235,836

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 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	\$ 41,903	115,770	281,830	24,713	464,216
Customer and escrow deposits	29,478	13,025	759	5,608	48,870
Debt service	53,748	91,744	47,484	11,201	204,177
Environmental and landfill	--	--	--	84	84
Federal grants	12,240	--	1,088	1,280	14,608
Operating reserve account	14,281	28,018	13,580	5,678	61,557
Passenger facility charge account	--	--	72,745	--	72,745
Plant decommissioning	212,220	--	--	--	212,220
Renewal and replacement account	9,064	--	10,000	952	20,016
Revenue bond reserve	10,080	58,421	14,708	13,305	96,514
Strategic reserve	189,309	--	--	--	189,309
	<u>\$ 572,323</u>	<u>306,978</u>	<u>442,194</u>	<u>62,821</u>	<u>1,384,316</u>

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	Business-type Activities				
	Governmental Activities (1)	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 \$16.8 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 postemployment 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.

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

Deferred Outflows (Inflows) of Resources -- Deferred outflows of resources represent the consumption of net position 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 position that have a negative effect on net position, similar to liabilities.

The following chart reflects the activities included in deferred outflows and inflows (in thousands).

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.	\$96,675	1,921
Gain/loss on debt refundings	Deferred outflows or inflows. When debt is refunded, the associated gains (deferred inflows) or losses (deferred outflows) are recognized as deferred outflows or inflows of resources and amortized over future periods.	123,003	285
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.		980,860
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.		160,436
Pensions	Deferred outflows or inflows. Differences between estimated and actual investment earnings, changes in actuarial assumptions, and differences between projected and actual actuarial experience may be treated as either deferred outflows or inflows. Contributions made to the pension systems between the Plans' measurement date (December 31) and the City's fiscal year end (September 30) are recognized as deferred outflows.	586,714	5,687

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 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 unused vacation, exception vacation, and sick leave eligible for payout upon termination for employees that terminated by the fiscal year end.

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

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

	Work- week	Non-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
	56	N/A	N/A	N/A	N/A
Exception vacation (4)	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
	56	N/A	N/A	N/A	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	864
	53	N/A	N/A	1,080	N/A
	56	N/A	N/A	N/A	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.

Other Postemployment 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, 2016, 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 as a liability and the related deferred loss (gain) amount as deferred outflows (or deferred inflows) of resources on the statement of net position. Austin Energy and Austin Water Utility recognize gains and losses on debt defeasance in accordance with accounting for regulated operations.

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

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):

	<u>Bad Debt Expense</u>
Austin Energy	\$ 5,869
Austin Water Utility	2,200
Airport	189
Nonmajor Enterprise	1,528

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, 2016. The amount of unbilled revenue recorded, as of September 30, 2016, was \$34.9 million. Austin Water Utility records unbilled revenue as earned based upon the percentage of October's billing that represented water usage through September 30, 2016. The amount of unbilled revenue reported in accounts receivable as of September 30, 2016 was \$18 million for water and \$14.3 million for wastewater.

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	\$ 1,219
Nonmajor Enterprise	2,168

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.

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

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 City received a payment of \$4.31 million in fiscal year 2016; sales to date total \$32.12 million. The final sale is anticipated in fiscal year 2019, according to the current schedule. Due to 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 an ordinance, the highest level action taken, adopted by the City Council. An equal action (ordinance) must be enacted to rescind the commitment. The City Council is the highest level of decision making authority.

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 \$58,000 in fiscal year 2016 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; only the General Fund reports a positive unassigned fund balance.

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

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

	General Fund	Nonmajor Governmental			Total
		Special Revenue	Debt Service	Capital Projects Permanent	
Nonspendable					
Inventory	\$ 49	--	--	--	49
Prepaid items	497	--	--	--	497
Permanent funds	--	--	--	1,070	1,070
Total Nonspendable	546	--	--	1,070	1,616
Restricted					
Municipal court services	--	2,602	--	--	2,602
Police special purpose	--	6,860	--	--	6,860
Fire special purpose	--	46	--	--	46
Transportation, planning, and sustainability	--	224	--	--	224
Public health services	--	289	--	--	289
Parks services	--	2,224	--	--	2,224
Library services	--	1,802	--	1	1,803
Tourism programs	--	23,727	--	--	23,727
Affordable housing programs	--	27,055	--	--	27,055
Urban growth programs	--	4,403	--	--	4,403
Capital construction	--	--	--	95,533	95,533
Debt service	--	--	21,629	--	21,629
Total Restricted	--	69,232	21,629	95,533 1	186,395
Committed					
Transportation, planning, and sustainability	--	92	--	--	92
Parks services	--	5,091	--	--	5,091
Affordable housing programs	--	3,871	--	--	3,871
Urban growth programs	--	33,454	--	--	33,454
Total Committed	--	42,508	--	--	42,508
Assigned					
Municipal court services	182	--	--	--	182
Police special purpose	3,444	39	--	--	3,483
Fire special purpose	1,205	--	--	--	1,205
EMS special purpose	1,138	--	--	--	1,138
Transportation, planning, and sustainability	486	9	--	--	495
Public health services	4,531	30	--	--	4,561
Parks services	1,953	119	--	--	2,072
Library services	172	6	--	--	178
Tourism programs	--	63	--	--	63
Affordable housing programs	90	5,537	--	--	5,627
Urban growth programs	15,499	5,222	--	--	20,721
Capital construction	--	--	--	96,808	96,808
Total Assigned	28,700	11,025	--	96,808	136,533
Unassigned	131,743	(6,370)	--	(8,506)	116,867
Total Fund Balance	\$ 160,989	116,395	21,629	183,835 1,071	483,919

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 two reserve funds: an emergency reserve and a budget stabilization reserve. These reserves are part of unassigned fund balance for the General Fund. As of September 30, 2016, the emergency reserve maintains a balance of six percent of total General Fund requirements, or \$54.7 million, and the budget stabilization reserve reports a balance of \$70.9 million. The funds in the budget stabilization reserve may be appropriated to fund capital or other one-time costs, but such appropriation should not exceed one-third of the total amount in the reserve.

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

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

Pensions -- For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's three pension plans and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability, pension expenses, and long-term deferrals are allocated to funds based on actual contributions by fund during the corresponding measurement period with the exception of the internal service funds, which are presented in governmental activities in the government-wide statements (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, 2016 (in thousands):

	Pooled Investments and Cash	
	Unrestricted	Restricted
General Fund	\$ 160,731	--
Nonmajor governmental funds	313,566	--
Austin Energy	351,763	86,195
Austin Water Utility	117,108	139,506
Airport	10,964	401,090
Nonmajor enterprise funds	236,656	37,159
Internal service funds	130,576	1,999
Fiduciary funds	3,984	--
Subtotal pooled investments and cash	<u>1,325,348</u>	<u>665,949</u>
Total pooled investments and cash	<u>\$ 1,991,297</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 depository institutions that have a main office or branch office 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. Share certificates issued by a depository institution that has a main office or branch office in Texas;
10. Money market mutual funds;
11. Local government investment pools (LGIPs); and
12. Securities lending program.

The City did not participate in any reverse repurchase agreements or security lending arrangements during fiscal year 2016.

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 City participates in TexPool, TexasDAILY, TexStar, and Lone Star (collectively referred to as the LGIPs). 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.

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

The City invests in LGIPs to provide its liquidity needs. The LGIPs 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. The LGIPs are structured like money market mutual funds and allow shareholders the ability to deposit or withdraw funds on a daily basis. In addition, interest rates are adjusted on a daily basis, and the funds seek to maintain a constant NAV of \$1.00, although this cannot be fully guaranteed. The LGIPs are rated AAAM and must maintain a dollar weighted average maturity not to exceed a 60-day limit. At September 30, 2016, TexPool, TexasDAILY, TexStar, and Lone Star had a weighted average maturity of 45 days, 55 days, 41 days, and 31 days, respectively. The City's LGIP investments are not subject to limitations, penalties, or restrictions on withdrawals outside emergency conditions that make the sale of assets or determination of fund NAV not reasonably practical, and therefore, the City considers holdings in these funds to have an effective weighted average maturity of one day.

GASB Statement No. 79 established an option for certain external investment pools and pool participants to continue measuring these investment pools at amortized cost rather than fair value. Qualifying pool participants may measure investments at amortized cost if certain criteria are met. All City LGIPs are qualifying pools for purposes of GASB Statement No. 79. TexStar measures their investments at fair value while TexPool, TexasDAILY and Lone Star opted to report at amortized cost.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other observable inputs; Level 3 inputs are unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2016:

- U.S. Treasury securities of \$324 million are valued using other observable inputs, including but not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing (Level 2 inputs).
- U.S. Agency securities of \$1.2 billion are valued using other observable inputs, including but not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing (Level 2 inputs).

As of September 30, 2016, the City presented Money Market Funds of \$116 million, LGIPs of \$838 million are valued using amortized cost, and LGIP's of \$234 million valued using NAV.

The following table includes the portfolio balances of all non-pooled and pooled investments of the City at September 30, 2016 (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	\$ 20,470	342,034	--	362,504
Money Market Funds	1,740	113,844	--	115,584
US Treasury Notes	--	33,606	--	33,606
US Agency Bonds	--	206,077	--	206,077
Total non-pooled investments	<u>22,210</u>	<u>695,561</u>	<u>--</u>	<u>717,771</u>
Pooled investments:				
Local Government Investment Pools	216,016	491,658	1,419	709,093
US Treasury Notes	88,459	201,217	581	290,257
US Agency Bonds	304,991	693,777	1,984	1,000,752
Total pooled investments	<u>609,466</u>	<u>1,386,652</u>	<u>3,984</u>	<u>2,000,102</u>
Total investments	<u>\$ 631,676</u>	<u>2,082,213</u>	<u>3,984</u>	<u>2,717,873</u>

Concentration of Credit Risk

At September 30, 2016, 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 (\$308.3 or 11%), Federal Home Loan Bank (\$327.3 or 12%), Federal Home Loan Mortgage Corporation (\$295.5 or 11%), and Federal National Mortgage Association (\$275.8 or 10%).

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

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.

b -- Investment Categories

As of September 30, 2016, the City had the following investments in each of these strategic categories (in thousands):

<u>Investment Type by Category</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Weighted Average Maturity (days)</u>
Operating funds					
Local Government Investment Pools	\$ 216,016	491,658	1,419	709,093	1
US Treasury Notes	88,459	201,217	581	290,257	244
US Agency Bonds	304,991	693,777	1,984	1,000,752	520
Total operating funds	<u>609,466</u>	<u>1,386,652</u>	<u>3,984</u>	<u>2,000,102</u>	
Debt service funds					
General Obligation Debt Service					
Local Government Investment Pools	20,470	--	--	20,470	1
Utility (1)					
Local Government Investment Pools	--	145,492	--	145,492	1
Airport					
Local Government Investment Pools	--	25,181	--	25,181	1
Nonmajor Enterprise-Convention Center					
Local Government Investment Pools	--	10,678	--	10,678	1
Total Debt service funds	<u>20,470</u>	<u>181,351</u>	<u>--</u>	<u>201,821</u>	
Debt service reserve funds					
Utility (1)					
Local Government Investment Pools	--	41,394	--	41,394	1
Airport					
Local Government Investment Pools	--	14,708	--	14,708	1
Nonmajor Enterprise-Convention Center					
Local Government Investment Pools	--	13,305	--	13,305	1
Total Debt service reserve funds	<u>--</u>	<u>69,407</u>	<u>--</u>	<u>69,407</u>	
Special projects/purpose funds					
Austin Energy Strategic Reserve					
Local Government Investment Pools	--	64,092	--	64,092	1
US Treasury Notes	--	15,050	--	15,050	141
US Agency Bonds	--	110,167	--	110,167	1141
Total Austin Energy Strategic Reserve	<u>--</u>	<u>189,309</u>	<u>--</u>	<u>189,309</u>	
Austin Energy Nuclear Decommissioning Trust Funds (NDTF)					
Money Market Funds	--	97,226	--	97,226	1
US Treasury Notes	--	18,556	--	18,556	308
US Agency Bonds	--	95,910	--	95,910	619
Total Austin Energy NDTF	<u>--</u>	<u>211,692</u>	<u>--</u>	<u>211,692</u>	
Special Projects - Utility Reserve (1)					
Local Government Investment Pools	--	27,108	--	27,108	1
Special Projects - Airport Construction					
Local Government Investment Pools	--	76	--	76	1
Special Purpose Funds - Investments Held by Trustee					
Money Market Funds	1,740	16,618	--	18,358	1
Total Special projects/purpose funds	<u>1,740</u>	<u>444,803</u>	<u>--</u>	<u>446,543</u>	
Total funds	<u>\$ 631,676</u>	<u>2,082,213</u>	<u>3,984</u>	<u>2,717,873</u>	

(1) Includes combined pledge debt service

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

Credit Risk

At September 30, 2016, City funds held investments in LGIPs and Money Market Funds rated AAAM by Standard & Poor's, short-to-medium term U.S. Agency bonds rated AA+ by Standard & Poor's, and the remaining investments in Treasury securities, which are direct obligations of the U.S. government.

Concentration of Credit Risk

Operating Funds

At September 30, 2016, 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 (\$303.2 or 15%), Federal Home Loan Bank (\$287.2 or 14%), Federal Home Loan Mortgage Corporation (\$250.2 or 13%), and Federal National Mortgage Association (\$160.1 or 8%).

Special Projects or Special Purpose Funds

At September 30, 2016, 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 (\$30.0 or 16%), Federal Home Loan Mortgage Corporation (\$20.1 or 11%), and Federal National Mortgage Association (\$55.0 or 29%).

At September 30, 2016, the NDTF held investments with more than five percent of the total in securities of the following issuers (in millions): Federal Home Loan Mortgage Corporation (\$25.2 or 12%), Federal National Mortgage Association (\$60.7 or 29%).

Interest Rate Risk

Operating Funds

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, 2016, less than half of the Investment Pool was invested in AAAM rated LGIPs, with the remainder invested in short-to-medium term U.S. 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 296 days, which was less than the threshold of 365 days.

Debt Service Funds

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.

Debt Service Reserve Funds

Investment strategies for debt service reserve funds shall have as the primary objective 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

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

At September 30, 2016, the portfolios held investments in TexPool, U.S. Treasury, and U.S. Agency obligations with maturities that will meet anticipated cash flow requirements and an overall dollar weighted average maturity of 675 days.

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

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 stated maturity dates, shall not exceed seven years, although the portfolio's weighted average maturity may be substantially shorter if market conditions so dictate. At September 30, 2016, the dollar weighted average maturity was 306 days.

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

Special Purpose Funds - Investments Held by Trustee

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.

c -- Investment and Deposits

Investments and deposits portfolio balances at September 30, 2016, are as follows (in thousands):

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Non-pooled investments and cash	\$ 29,304	700,594	--	729,898
Pooled investments and cash	611,138	1,390,454	3,984	2,005,576
Total investments and cash	<u>640,442</u>	<u>2,091,048</u>	<u>3,984</u>	<u>2,735,474</u>
Unrestricted cash	64	61	--	125
Restricted cash	7,030	4,972	--	12,002
Pooled investments and cash	611,138	1,390,454	3,984	2,005,576
Investments	22,210	695,561	--	717,771
Total	<u>\$ 640,442</u>	<u>2,091,048</u>	<u>3,984</u>	<u>2,735,474</u>

A difference of \$14.3 million exists between portfolio balance and book balance, primarily due to deposits in transit offset by outstanding checks.

Deposits

The September 30, 2016 carrying amount of deposits at the bank and cash on hand are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total
Cash			
Unrestricted	\$ 64	61	125
Restricted	--	4,972	4,972
Cash held by trustee			
Restricted	7,030	--	7,030
Pooled cash	1,672	3,802	5,474
Total deposits	<u>\$ 8,766</u>	<u>8,835</u>	<u>17,601</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, 2016.

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, 2015, upon which the 2016 levy was based, was \$110,526,026,399.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2016, 99.54% of the current tax levy (October 1, 2015) was collected. The statutory lien date is January 1.

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

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District, 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, 2016, was \$0.3527 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, 2016 was \$0.1062 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$0.6473 per \$100 assessed valuation, and could levy approximately \$715,434,969 in additional taxes from the assessed valuation of \$110,526,026,399 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, 2016, 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	\$ 861,875	26,078	(7)	887,946
Plant and equipment	245,398	18,995	(4,827)	259,566
Vehicles	127,244	13,591	(5,714)	135,121
Infrastructure	2,494,659	199,115	(61)	2,693,713
Total depreciable capital assets	<u>3,729,176</u>	<u>257,779</u>	<u>(10,609)</u>	<u>3,976,346</u>
Less accumulated depreciation for				
Building and improvements	(311,378)	(25,276)	28	(336,626)
Plant and equipment	(168,406)	(21,578)	4,659	(185,325)
Vehicles	(80,684)	(10,421)	5,549	(85,556)
Infrastructure	(1,042,988)	(68,925)	--	(1,111,913)
Total accumulated depreciation	<u>(1,603,456)</u>	<u>(126,200)</u> (2)	<u>10,236</u>	<u>(1,719,420)</u>
Depreciable capital assets, net	<u>2,125,720</u>	<u>131,579</u>	<u>(373)</u>	<u>2,256,926</u>
Nondepreciable capital assets				
Land and improvements	368,037	14,066	(8,129)	373,974
Arts and treasures	9,233	124	--	9,357
Library collections	17,610	--	--	17,610
Construction in progress	271,795	152,767	(183,987)	240,575
Total nondepreciable assets	<u>666,675</u>	<u>166,957</u>	<u>(192,116)</u>	<u>641,516</u>
Total capital assets	<u>\$ 2,792,395</u>	<u>298,536</u>	<u>(192,489)</u>	<u>2,898,442</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	\$ 5,236
Public safety	14,656
Transportation, planning and sustainability	56,333
Public health	1,553
Public recreation and culture	16,718
Urban growth management	19,340
Internal service funds	12,364
Total increases in accumulated depreciation/amortization	<u>\$ 126,200</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Total

Capital asset activity for the year ended September 30, 2016, 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	\$ 2,317,368	185,485	(11)	2,502,842
Plant and equipment	3,681,756	114,839	(4,433)	3,792,162
Vehicles	204,992	18,529	(9,868)	213,653
Electric plant	4,670,279	157,655	(23,375)	4,804,559
Non-electric plant	200,540	14,785	(19)	215,306
Nuclear fuel	345,841	16,872	--	362,713
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>11,520,776</u>	<u>508,165</u>	<u>(37,706)</u>	<u>11,991,235</u>
Less accumulated depreciation/amortization for				
Building and improvements	(668,532)	(58,456)	7	(726,981)
Plant and equipment	(1,374,830)	(99,666)	3,305	(1,471,191)
Vehicles	(123,232)	(17,283)	7,898	(132,617)
Electric plant	(2,451,372)	(146,086)	14,930	(2,582,528)
Non-electric plant	(62,479)	(8,618)	10	(71,087)
Nuclear fuel	(299,017)	(17,075)	--	(316,092)
Water rights	(15,803)	(988)	--	(16,791)
Total accumulated depreciation/amortization	<u>(4,995,265)</u>	<u>(348,172)</u> (2)	<u>26,150</u>	<u>(5,317,287)</u>
Depreciable capital assets, net	<u>6,525,511</u>	<u>159,993</u>	<u>(11,556)</u>	<u>6,673,948</u>
Nondepreciable capital assets				
Land and improvements	593,807	56,742	(41)	650,508
Arts and treasures	3,864	217	--	4,081
Construction in progress	299,788	445,999	(404,633)	341,154
Plant held for future use	23,115	--	--	23,115
Total nondepreciable assets	<u>920,574</u>	<u>502,958</u>	<u>(404,674)</u>	<u>1,018,858</u>
Total capital assets	<u>\$ 7,446,085</u>	<u>662,951</u>	<u>(416,230)</u>	<u>7,692,806</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	\$ 173,774
Water	55,676
Wastewater	60,394
Airport	28,092
Convention Center	9,112
Environmental and health services	8,613
Public recreation	834
Urban growth management	11,677
Total increases in accumulated depreciation/amortization	<u>\$ 348,172</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Energy

Capital asset activity for the year ended September 30, 2016, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets				
Vehicles	\$ 30,586	2,484	(453)	32,617
Electric plant	4,670,279	157,655	(23,375)	4,804,559
Non-electric plant	200,540	14,785	(19)	215,306
Nuclear fuel	345,841	16,872	--	362,713
Total depreciable capital assets	<u>5,247,246</u>	<u>191,796</u>	<u>(23,847)</u>	<u>5,415,195</u>
Less accumulated depreciation/amortization for				
Vehicles	(23,640)	(1,995)	401	(25,234)
Electric plant	(2,451,372)	(146,086)	14,930	(2,582,528)
Non-electric plant	(62,479)	(8,618)	10	(71,087)
Nuclear fuel	(299,017)	(17,075)	--	(316,092)
Total accumulated depreciation/amortization	<u>(2,836,508)</u>	<u>(173,774) (1)</u>	<u>15,341</u>	<u>(2,994,941)</u>
Depreciable capital assets, net	<u>2,410,738</u>	<u>18,022</u>	<u>(8,506)</u>	<u>2,420,254</u>
Nondepreciable capital assets				
Land and improvements	63,913	628	(30)	64,511
Plant held for future use	23,115	--	--	23,115
Construction in progress	106,002	177,858	(181,787)	102,073
Total nondepreciable assets	<u>193,030</u>	<u>178,486</u>	<u>(181,817)</u>	<u>189,699</u>
Total capital assets	<u>\$ 2,603,768</u>	<u>196,508</u>	<u>(190,323)</u>	<u>2,609,953</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	\$ 156,699
Current year amortization included in operating expense	17,075
Total increases in accumulated depreciation/amortization	<u>\$ 173,774</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Water Utility

Capital asset activity for the year ended September 30, 2016, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets				
Building and improvements	\$ 1,160,190	21,697	--	1,181,887
Plant and equipment	3,456,431	104,630	(1,301)	3,559,760
Vehicles	39,663	2,108	(1,069)	40,702
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>4,756,284</u>	<u>128,435</u>	<u>(2,370)</u>	<u>4,882,349</u>
Less accumulated depreciation/amortization for				
Building and improvements	(255,516)	(23,999)	--	(279,515)
Plant and equipment	(1,289,518)	(88,633)	838	(1,377,313)
Vehicles	(29,844)	(2,450)	946	(31,348)
Water rights	(15,803)	(988)	--	(16,791)
Total accumulated depreciation/amortization	<u>(1,590,681)</u>	<u>(116,070) (1)</u>	<u>1,784</u>	<u>(1,704,967)</u>
Depreciable capital assets, net	<u>3,165,603</u>	<u>12,365</u>	<u>(586)</u>	<u>3,177,382</u>
Nondepreciable capital assets				
Land and improvements	230,920	14	(11)	230,923
Arts and treasures	84	19	--	103
Construction in progress	120,562	112,227	(92,374)	140,415
Total nondepreciable assets	<u>351,566</u>	<u>112,260</u>	<u>(92,385)</u>	<u>371,441</u>
Total capital assets	<u>\$ 3,517,169</u>	<u>124,625</u>	<u>(92,971)</u>	<u>3,548,823</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	
Water	\$ 54,688
Wastewater	60,394
Current year amortization	
Water	988
Total increases in accumulated depreciation/amortization	<u>\$ 116,070</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Airport

Capital asset activity for the year ended September 30, 2016, 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	\$ 825,117	159,788	--	984,905
Plant and equipment	28,212	3,028	(1,984)	29,256
Vehicles	12,214	2,866	(695)	14,385
Total depreciable capital assets	<u>865,543</u>	<u>165,682</u>	<u>(2,679)</u>	<u>1,028,546</u>
Less accumulated depreciation for				
Building and improvements	(267,970)	(25,116)	--	(293,086)
Plant and equipment	(15,658)	(1,584)	1,472	(15,770)
Vehicles	(6,570)	(1,392)	667	(7,295)
Total accumulated depreciation	<u>(290,198)</u>	<u>(28,092) (1)</u>	<u>2,139</u>	<u>(316,151)</u>
Depreciable capital assets, net	<u>575,345</u>	<u>137,590</u>	<u>(540)</u>	<u>712,395</u>
Nondepreciable capital assets				
Land and improvements	96,381	--	--	96,381
Arts and treasures	3,168	198	--	3,366
Construction in progress	14,077	67,259	(15,142)	66,194
Total nondepreciable assets	<u>113,626</u>	<u>67,457</u>	<u>(15,142)</u>	<u>165,941</u>
Total capital assets	<u>\$ 688,971</u>	<u>205,047</u>	<u>(15,682)</u>	<u>878,336</u>

(1) Components of accumulated depreciation/amortization increases:
Current year depreciation

\$ 28,092

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Nonmajor Enterprise Funds

Capital asset activity for the year ended September 30, 2016, 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	\$ 332,061	4,000	(11)	336,050
Plant and equipment	197,113	7,181	(1,148)	203,146
Vehicles	122,529	11,071	(7,651)	125,949
Total depreciable capital assets	<u>651,703</u>	<u>22,252</u>	<u>(8,810)</u>	<u>665,145</u>
Less accumulated depreciation for				
Building and improvements	(145,046)	(9,341)	7	(154,380)
Plant and equipment	(69,654)	(9,449)	995	(78,108)
Vehicles	(63,178)	(11,446)	5,884	(68,740)
Total accumulated depreciation	<u>(277,878)</u>	<u>(30,236)</u> (2)	<u>6,886</u>	<u>(301,228)</u>
Depreciable capital assets, net	<u>373,825</u>	<u>(7,984)</u>	<u>(1,924)</u>	<u>363,917</u>
Nondepreciable capital assets				
Land and improvements	202,593	56,100	--	258,693
Arts and treasures	612	--	--	612
Construction in progress	59,147	88,655	(115,330)	32,472
Total nondepreciable assets	<u>262,352</u>	<u>144,755</u>	<u>(115,330)</u>	<u>291,777</u>
Total capital assets	<u>\$ 636,177</u>	<u>136,771</u>	<u>(117,254)</u>	<u>655,694</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	\$ 9,112
Environmental and health services	8,613
Public recreation	834
Urban growth management	11,677
Total increases in accumulated depreciation/amortization	<u>\$ 30,236</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. 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, 2016, were as follows (in thousands):

Description	October 1, 2015	Increases	Decreases	September 30, 2016	Amounts Due Within One Year
Governmental activities					
General obligation bonds, net	\$ 1,030,680	275,111	(197,233)	1,108,558	58,614
Certificates of obligation, net	165,350	30,055	(29,204)	166,201	5,890
Contractual obligations, net	102,396	10,604	(11,988)	101,012	11,764
Debt service requirements total	1,298,426	315,770	(238,425)	1,375,771	76,268
Other long-term obligations					
Accrued compensated absences	132,389	4,805	(512)	136,682	60,643
Claims payable	47,464	26,485	(24,611)	49,338	24,523
Net pension liability	844,086	381,807	(100,603)	1,125,290	--
Other postemployment benefits	484,854	52,986	--	537,840	--
Other liabilities	92,306	5,984	(4,608)	93,682	79,587
Governmental activities total	2,899,525	787,837	(368,759)	3,318,603	241,021
Total business-type activities					
General obligation bonds, net	28,852	--	(4,779)	24,073	3,406
Certificates of obligation, net	40,695	20,637	(2,518)	58,814	2,141
Contractual obligations, net	54,686	5,590	(14,739)	45,537	12,082
Other tax supported debt, net	8,450	--	(795)	7,655	539
General obligation bonds and other tax supported debt total	132,683	26,227	(22,831)	136,079	18,168
Commercial paper notes, net	200,581	118,120	(188,785)	129,916	--
Revenue bonds, net	4,600,817	306,441	(328,766)	4,578,492	178,415
Capital lease obligations	1,089	--	(49)	1,040	51
Debt service requirements total	4,935,170	450,788	(540,431)	4,845,527	196,634
Other long-term obligations					
Accrued compensated absences	24,708	698	(301)	25,105	24,981
Net pension liability	445,809	239,367	(50,332)	634,844	--
Other postemployment benefits	292,845	32,899	--	325,744	--
Accrued landfill closure and postclosure costs	11,448	1,384	(229)	12,603	2,704
Decommissioning expense payable	183,008	3,801	(459)	186,350	7,333
Other liabilities	100,773	6,953	(17,174)	90,552	54,415
Business-type activities total	5,993,761	735,890	(608,926)	6,120,725	286,067
Total liabilities (1)	\$ 8,893,286	1,523,727	(977,685)	9,439,328	527,088

(1) This schedule excludes select short-term liabilities of \$92,125 for governmental activities. For business-type activities, it excludes select short-term liabilities of \$246,356, capital appreciation bond interest payable of \$70,716 and derivative instruments of \$96,675.

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

Description	October 1, 2015	Increases	Decreases	September 30, 2016	Amounts Due Within One Year
Business-type activities:					
Electric activities					
General obligation bonds, net	\$ 529	--	(123)	406	127
General obligation bonds and other tax supported debt total	529	--	(123)	406	127
Commercial paper notes, net	32,046	55,700	--	87,746	--
Revenue bonds, net	1,410,643	--	(71,453)	1,339,190	44,278
Capital lease obligations	1,089	--	(49)	1,040	51
Debt service requirements total	1,444,307	55,700	(71,625)	1,428,382	44,456
Other long-term obligations					
Accrued compensated absences	10,257	61	(47)	10,271	10,271
Net pension liability	190,289	97,186	(21,118)	266,357	--
Other postemployment benefits	115,660	12,755	--	128,415	--
Decommissioning expense payable	183,008	3,801	(459)	186,350	7,333
Other liabilities	74,542	4,391	(11,961)	66,972	30,835
Electric activities total	2,018,063	173,894	(105,210)	2,086,747	92,895
Water and Wastewater activities					
General obligation bonds, net	2,856	--	(1,103)	1,753	856
Contractual obligations, net	7,087	2,369	(2,016)	7,440	1,830
Other tax supported debt, net	5,410	--	(509)	4,901	345
General obligation bonds and other tax supported debt total	15,353	2,369	(3,628)	14,094	3,031
Commercial paper notes, net	168,535	62,420	(188,785)	42,170	--
Revenue bonds, net	2,448,471	306,441	(225,108)	2,529,804	100,047
Debt service requirements total	2,632,359	371,230	(417,521)	2,586,068	103,078
Other long-term obligations					
Accrued compensated absences	5,472	203	(144)	5,531	5,531
Net pension liability	100,759	52,676	(11,278)	142,157	--
Other postemployment benefits	75,008	8,242	--	83,250	--
Other liabilities	13,073	2,075	(938)	14,210	14,210
Water and Wastewater activities total	2,826,671	434,426	(429,881)	2,831,216	122,819
Airport activities					
General obligation bonds, net	105	--	(25)	80	24
General obligation bonds and other tax supported debt total	105	--	(25)	80	24
Revenue bonds, net	566,098	--	(19,603)	546,495	21,940
Debt service requirements total	566,203	--	(19,628)	546,575	21,964
Other long-term obligations					
Accrued compensated absences	1,949	39	--	1,988	1,988
Net pension liability	30,903	16,875	(3,510)	44,268	--
Other postemployment benefits	19,737	2,198	--	21,935	--
Other liabilities	3,552	68	(577)	3,043	3,043
Airport activities total	622,344	19,180	(23,715)	617,809	26,995
Nonmajor activities					
General obligation bonds, net	25,362	--	(3,528)	21,834	2,399
Certificates of obligation, net	40,695	20,637	(2,518)	58,814	2,141
Contractual obligations	47,599	3,221	(12,723)	38,097	10,252
Other tax supported debt, net	3,040	--	(286)	2,754	194
General obligation bonds and other tax supported debt total	116,696	23,858	(19,055)	121,499	14,986
Revenue bonds, net	175,605	--	(12,602)	163,003	12,150
Debt service requirements total	292,301	23,858	(31,657)	284,502	27,136
Other long-term obligations					
Accrued compensated absences	7,030	395	(110)	7,315	7,191
Net pension liability	123,858	72,630	(14,426)	182,062	--
Other postemployment benefits	82,440	9,704	--	92,144	--
Accrued landfill closure and postclosure costs	11,448	1,384	(229)	12,603	2,704
Other liabilities	9,606	419	(3,698)	6,327	6,327
Nonmajor activities total	\$ 526,683	108,390	(50,120)	584,953	43,358

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, 2016, 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 - 2004	2005	\$ 2,630	855	86 (1)(3)	4.05 - 4.30%	9/1/2017-2020
NW Austin MUD - 2006	2006	7,995	6,505	2,482 (1)(3)	4.00 - 4.25%	9/1/2017-2026
NW Austin MUD - 2009	2010	2,760	295	12 (1)(3)	4.25%	3/1/2017-2018
Mueller Contractual Obligation - 2006	2006	12,000	7,810	2,059 (1)(4)	4.00 - 5.00%	9/1/2017-2026
Public Improvement - 2007	2008	97,525	4,880	226 (1)	4.64%	9/1/2017
Certificates of Obligation - 2007	2008	3,820	180	9 (1)	4.88%	9/1/2017
Contractual Obligation - 2007	2008	9,755	720	27 (2)	3.66%	11/1/2016-2017
Public Improvement Refunding - 2008	2008	172,505	55,385	6,647 (1)	5.00%	9/1/2017-2021
Public Improvement - 2008	2009	76,045	60,755	23,196 (1)	3.75 - 5.00%	9/1/2017-2028
Certificates of Obligation - 2008	2009	10,700	7,720	2,483 (1)	4.00 - 5.00%	9/1/2017-2028
Public Improvement - 2009B	2009	78,460	78,460	29,457 (1)	4.15 - 5.31%	9/1/2017-2029
Certificates of Obligation - 2009	2009	12,500	8,610	4,367 (1)	3.00 - 4.75%	9/1/2017-2039
Contractual Obligation - 2009	2009	13,800	2,725	137 (2)	3.00 - 3.25%	11/1/2016-2019
Mueller Contractual Obligation - 2009	2010	15,000	11,225	3,507 (1)(4)	3.50 - 4.25%	9/1/2017-2029
Public Improvement - 2010A	2011	79,528	66,130	23,258 (1)	2.00 - 4.00%	9/1/2017-2030
Public Improvement - 2010B	2011	26,400	24,670	9,877 (1)	3.50 - 4.65%	9/1/2017-2030
Certificates of Obligation - 2010	2011	22,300	17,710	4,705 (1)	2.00 - 3.50%	9/1/2017-2030
Contractual Obligation - 2010	2011	16,450	3,665	63 (2)	1.50 - 1.75%	11/1/2016-2017
Public Improvement Refunding - 2010	2011	91,560	71,325	15,384 (1)	4.34 - 5.00%	9/1/2017-2023
Public Improvement - 2011A	2012	78,090	68,240	28,582 (1)	2.00 - 4.00%	9/1/2017-2031
Public Improvement - 2011B	2012	8,450	7,900	3,110 (1)	2.50 - 4.50%	9/1/2017-2031
Certificates of Obligation - 2011	2012	51,150	46,580	26,015 (1)	3.00 - 5.00%	9/1/2017-2041
Contractual Obligation - 2011	2012	26,725	10,410	316 (2)	2.00%	11/1/2016-2018
Public Improvement Refunding - 2011A	2012	68,285	24,975	4,451 (1)	4.00 - 5.00%	9/1/2017-2023
Public Improvement - 2012A	2013	74,280	70,945	27,624 (1)	3.00 - 5.00%	9/1/2023-2032
Public Improvement - 2012B	2013	6,640	5,265	1,541 (1)	2.00 - 3.50%	9/1/2017-2032
Certificates of Obligation - 2012	2013	24,645	21,445	6,957 (1)	3.00 - 4.00%	9/1/2017-2037
Contractual Obligation - 2012	2013	27,135	14,345	1,038 (2)	3.00 - 4.00%	11/1/2016-2019
Mueller Contractual Obligation - 2012	2013	16,735	14,775	4,933 (1)(4)	2.00 - 3.38%	9/1/2017-2032
Public Improvement - 2013	2014	104,665	94,705	48,999 (1)	4.00 - 5.00%	9/1/2017-2033
Certificates of Obligation - 2013	2014	25,355	24,565	13,335 (1)	3.25 - 5.00%	9/1/2017-2038
Contractual Obligation - 2013	2014	50,150	32,305	1,921 (2)	2.13 - 3.00%	11/1/2016-2020
Public Improvement Refunding - 2013A	2014	43,250	30,815	7,423 (1)	5.00%	9/1/2017-2024
Public Improvement Refunding - 2013B	2014	71,455	52,350	2,600 (1)	1.58 - 2.72%	9/1/2017-2020
Public Improvement - 2014	2015	89,915	89,655	61,150 (1)	3.00 - 5.00%	9/1/2017-2034
Public Improvement - 2014	2015	10,000	9,865	5,083 (1)	1.28 - 4.02%	9/1/2017-2034
Certificates of Obligation - 2014	2015	35,490	33,060	16,979 (1)	2.00 - 5.00%	9/1/2017-2034
Certificates of Obligation - 2014	2015	9,600	8,875	3,413 (1)	1.28 - 3.92%	9/1/2017-2034
Contractual Obligation - 2014	2015	14,100	12,760	1,904 (2)	3.00 - 5.00%	11/1/2016-2021
Mueller Contractual Obligation - 2014	2015	15,845	15,600	6,858 (1)(4)	3.00 - 5.00%	9/1/2017-2029
Public Improvement and Refunding - 2015	2016	236,905	231,935	89,178 (1)	2.95 - 5.00%	9/1/2017-2035
Public Improvement - 2015	2016	10,000	9,605	4,282 (1)	2.89 - 4.27%	9/1/2018-2035
Certificates of Obligation - 2015	2016	43,710	42,165	23,636 (1)	3.00 - 5.00%	9/1/2017-2035
Contractual Obligation - 2015	2016	14,450	13,570	2,373 (2)	2.00 - 5.00%	11/1/2016-2022
			<u>\$ 1,416,335</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 \$4,901 and interest of \$1,652 and Drainage Fund principal of \$2,754 and interest of \$928.

(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 2015, the City issued \$236,905,000 of Public Improvement and Refunding Bonds, Series 2015. The net proceeds of \$104,630,000 (after issue costs, discounts, and premiums) from the non-refunding portion of the issue will be used as follows: streets and signals (\$32,235,000), parks and recreation (\$17,275,000), central library (\$43,200,000), and facility improvements (\$11,920,000). The net proceeds of the refunding portion of \$158,626,892 were used to refund \$4,490,000 Certificates of Obligation, Series 2005, \$12,140,000 Public Improvement and Refunding Bonds, Series 2005, \$14,965,000 Certificates of Obligation Series 2006, \$27,900,000 Public Improvement Bonds, Series 2006, \$2,375,000 Certificates of Obligation, Series 2007, and \$87,945,000 Public Improvement Bonds, Series 2007. These bonds will be amortized serially on September 1 of each year from 2016 to 2035. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2016. Total interest requirements for these bonds, at rates ranging from 2.0% to 5.0%, are \$98,473,671.

In October 2015, the City issued \$10,000,000 of Public Improvement Taxable Bonds, Series 2015. The net proceeds of \$10,000,000 (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 2016 to 2035, commencing on March 1, 2016. Principal payments are due September 1 of 2016, then each year on September 1 from 2018 to 2035. Total interest requirements for this obligation, at rates ranging from 2.9% to 4.3% are \$4,632,484.

In October 2015, the City issued \$43,710,000 of Certificates of Obligation, Series 2015. The net proceeds of \$50,351,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: watershed home buyouts (\$20,500,000), Waller Creek Tunnel (\$11,051,000), central library (\$12,500,000), and building and golf course improvements (\$6,300,000). These certificates of obligation will be amortized serially on September 1 of each year from 2016 to 2035. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2016. Total interest requirements for these obligations, at rates ranging from 2.0% to 5.0%, are \$25,524,363.

In October 2015, the City issued \$14,450,000 of Public Property Finance Contractual Obligations, Series 2015. The net proceeds of \$16,065,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: water and wastewater utility capital equipment (\$2,350,000), public works capital equipment (\$2,500,000), golf capital equipment (\$1,365,000), transportation capital equipment (\$695,000), and network equipment (\$9,155,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2016 to 2022. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2016. Total interest requirements for these obligations, at rates ranging from 2.0% to 5.0%, are \$2,728,846.

General obligation bonds authorized and unissued amounted to \$210,230,000 at September 30, 2016. Bond ratings at September 30, 2016 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.

The total combined utility systems revenue bond obligations at September 30, 2016, exclusive of discounts, premiums, and loss on refundings consists of \$27,844,345 prior lien bonds and \$119,001,511 subordinate lien bonds. Aggregate interest requirements for all prior lien and subordinate lien bonds are \$152,881,995 at September 30, 2016. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2016, 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.

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

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 -- Revenue Bond Cash Defeasance - In June 2016, the City defeased \$750,323 of Water and Wastewater combined utility systems revenue bonds, Series 1994, with a \$3,603,150 cash payment. The funds were deposited in an irrevocable escrow account to provide for the future debt service payments on the defeased bonds. The City is legally released from the obligation for the defeased debt.

Combined Utility Systems Debt -- Bonds Issued and Outstanding - The following schedule shows the refunding revenue bonds outstanding at September 30, 2016 (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	1,701	10,379 (2)	7.35%	11/15/2016-2017
1994 Refunding	1995	142,559	26,143	94,012 (2)	6.60%	5/15/2017-2019
1998 Refunding	1999	139,965	109,875	33,723 (1)	5.25%	5/15/2017-2025
1998A Refunding	1999	105,350	9,127	14,768 (2)	4.25%	5/15/2017-2020
			<u>\$ 146,846</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, 2016, 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.

At September 30, 2016, Austin Energy had outstanding tax exempt commercial paper notes of \$74,615,000 and Austin Water Utility had \$42,170,000 of commercial paper notes outstanding with interest ranging from 0.48% to 0.80%, 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):

Note Series	Liquidity Provider	Commitment Fee Rate	Remarketing	Remarketing Fee Rate	Outstanding	Expiration
Various	Bank of Tokyo Mitsubishi	0.41%	Goldman Sachs	0.05%	<u>\$ 116,785</u>	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.

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

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, 2016, 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, 2016, Austin Energy had outstanding taxable commercial paper notes of \$13,135,000 (net of discount of \$4,496) with interest rates ranging from 0.65% to 0.67%. 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):

Note Series	Liquidity Provider	Commitment Fee Rate	Remarketing	Remarketing Fee Rate	Outstanding	Expiration
Various	Citibank	0.28%	Goldman Sachs	0.05%	\$ 13,135	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, 2016, were A1 (Moody’s Investors Service, Inc.), AA- (Standard & Poor’s), and AA- (Fitch).

Electric Utility System Revenue Debt -- Bonds Issued and Outstanding - The following table summarizes all electric system refunding revenue bonds outstanding at September 30, 2016 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2002A Refunding	2002	\$ 172,880	13,230	364 (1)	5.50%	11/15/2016
2006A Refunding	2007	137,800	4,360	109 (1)	5.00%	11/15/2016
2007 Refunding	2007	146,635	37,430	4,517 (1)	5.00%	11/15/2016-2020
2008 Refunding	2008	50,000	41,475	25,700 (1)	5.20 - 6.26%	11/15/2016-2032
2008A Refunding	2008	175,000	105,460	90,637 (1)	5.00 - 6.00%	11/15/2016-2038
2010A Refunding	2010	119,255	100,565	56,293 (1)	4.00 - 5.00%	11/15/2016-2040
2010B Refunding	2010	100,990	100,990	87,417 (1)	4.54 - 5.72%	11/15/2019-2040
2012A Refunding	2013	267,770	267,770	178,663 (1)	2.50 - 5.00%	11/15/2016-2040
2012B Refunding	2013	107,715	88,880	22,007 (1)	0.92 - 3.16%	11/15/2016-2027
2015A Refunding	2015	327,845	327,845	299,939 (1)	5.00%	11/15/2021-2045
2015B Refunding	2015	81,045	81,045	28,252 (1)	1.11 - 4.66%	11/15/2017-2037
			<u>\$ 1,169,050</u>			

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

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

Electric Utility System Revenue Debt -- Pledged Revenues - The net revenue of 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, 2016 (in thousands):

	Gross Revenue (1)	Operating Expense (2)(3)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$	1,378,749	989,768	388,981	127,731	3.05

- (1) Gross revenue includes revenues from operations and interest income.
- (2) Excludes depreciation.
- (3) Excludes other postemployment benefits and net pension liability 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. Bond ratings at September 30, 2016, were Aa2 (Moody's Investors Service, Inc.), AA (Standard & Poor's), and AA- (Fitch).

Water and Wastewater System Revenue Debt -- Revenue Bond Refunding Issues - In June 2016, the City issued \$247,770,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2016. The net proceeds of \$305,325,500 (after issue costs, discounts, and premiums) from the bond refunding were used to refund \$47,605,000 of the City's separate lien revenue refunding bonds, series 2006A and \$63,355,000 of the City's separate lien revenue refunding bonds, series 2007. The debt service requirements on the refunding bonds are \$234,417,650 with interest at a rate of 5.0%. Interest payments are due May 15 and November 15 of each year from 2016 to 2045. Principal payments are due November 15 of each year from 2019 to 2021, and 2025 to 2045. An economic gain of \$16,822,415 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$23,551,752. An accounting loss of \$3,818,585, which will be deferred and amortized, was recorded on this refunding.

Water and Wastewater System Revenue Debt -- Revenue Bond Cash Defeasance - In June 2016, the City defeased \$12,830,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2009, with a \$14,532,262 cash payment. The funds were deposited in an irrevocable escrow account to provide for the future debt service payments on the defeased bonds. The City is legally released from the obligation for the defeased debt.

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, 2016 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2002A Refunding	2002	\$ 139,695	14,950	411 (1)	5.50%	11/15/2016
2004A Refunding	2005	165,145	14,010	2,110 (1)	5.00%	11/15/2016-2019
2006 Refunding	2006	63,100	2,935	73 (1)	5.00%	11/15/2016
2006A Refunding	2007	135,000	3,165	79 (1)	5.00%	11/15/2016
2007 Refunding	2008	135,000	6,275	334 (1)	5.25%	11/15/2016-2017
2008 Refunding	2008	170,605	113,890	38,539 (2)	0.01 - 0.65%	11/15/2016-2031 (3)
2009 Refunding	2009	175,000	129,980	50,497 (1)	4.00 - 5.13%	11/15/2016-2029
2009A Refunding	2010	166,575	143,645	100,582 (1)	4.00 - 5.00%	11/15/2016-2039
2010	2010	31,815	27,565	-- (4)	0.00%	11/15/2016-2041
2010A Refunding	2011	76,855	72,730	55,348 (1)	5.00 - 5.13%	11/15/2016-2040
2010B Refunding	2011	100,970	98,410	82,337 (1)	2.91 - 6.02%	11/15/2016-2040
2011 Refunding	2012	237,530	236,530	161,459 (1)	2.00 - 5.00%	11/15/2016-2041
2011 Revenue	2012	18,485	12,977	1,953 (5)	2.80%	12/1/2016
2011 Revenue	2012	2,332	1,143	172 (5)	2.80%	12/1/2016
2012 Refunding	2012	336,820	287,125	181,204 (1)	2.50 - 5.00%	11/15/2016-2042
2013A Refunding	2013	282,460	276,535	191,850 (1)	3.00 - 5.00%	11/15/2016-2043
2014 Refunding	2014	282,205	282,205	222,627 (1)	4.00 - 5.00%	5/15/2018-2043
2015A Refunding	2015	249,145	249,145	119,672 (1)	2.00 - 5.00%	11/15/2016-2036
2015B Refunding	2015	40,000	38,920	2,818 (1)	0.98 - 2.54%	5/15/2017-2021
2016 Refunding	2016	247,770	247,770	234,418 (1)	5.00%	11/15/2019-2045
			<u>\$ 2,259,905</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 of 3.60% in effect at the end of the fiscal year.
- (3) Series matures on May 15 of the final year.
- (4) Zero interest bond placed with Texas Water Development Board.
- (5) Special Assessment Revenue Bonds.

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	Citibank	0.28%	Goldman Sachs	0.05%	<u>\$ 113,890</u>	10/15/2018

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.

The remarketing agent takes the variable debt to auction on a weekly basis; the winning bid determines the weekly rate paid.

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, 2016 (in thousands):

	Gross Revenue (1)	Operating Expense (2)(3)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage (4)
\$	563,066	217,457	345,609	184,750	1.87

- (1) Gross revenue includes revenues from operations and interest income.
- (2) Excludes depreciation.
- (3) Excludes other postemployment benefits and net pension liability 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 -- General - 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, 2016, the total airport system obligation for prior lien bonds is \$519,908,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior lien bonds are \$307,802,120 at September 30, 2016. Revenue bonds authorized and unissued amount to \$735,795,000. Bond ratings at September 30, 2016, for the revenue bonds were A (Standard & Poor's) and A1 (Moody's Investors Service, Inc.).

The following table summarizes all airport system original and refunding revenue bonds outstanding at September 30, 2016 (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	181,925	42,012 (2)	0.02 - 0.59%	11/15/2016-2025
2013 Revenue	2013	60,000	59,120	9,197 (3)	2.25%	11/15/2016-2028 (4)
2013A Refunding	2014	35,620	34,368	570 (3)	1.56%	11/15/2016-2018
2014 Revenue	2015	244,495	244,495	256,023 (3)	5.00%	11/15/2026-2044
			<u>\$ 519,908</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 of 4.05% 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 15 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 \$181,925,000. 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
2005-1	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	\$ 45,500	10/15/2018
2005-2	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	45,450	10/15/2018
2005-3	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	45,500	10/15/2018
2005-4	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	45,475	10/15/2018
					<u>\$ 181,925</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 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, 2016. 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.

The remarketing agent takes the variable debt to auction on a weekly basis; the winning bid determines the weekly rate paid.

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, 2016 (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
\$ 137,826	3,700	82,330	59,196	14,800	4.00

- (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 postemployment benefits and net pension liability accruals.
- (5) Excludes debt service amounts paid with passenger facility charge revenues and restricted bond proceeds applied to current interest payments.

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

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, 2016, the total convention center obligation for prior and subordinate lien bonds is \$160,000,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior and subordinate lien bonds are \$42,054,983 at September 30, 2016. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2016.

Bond ratings at September 30, 2016, 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 refunding revenue bonds outstanding at September 30, 2016 (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	30,510	11,772 (1)	4.00 - 5.00%	11/15/2016-2029
2008AB Refunding	2008	125,280	93,155	21,819 (2)	0.01 - 0.68%	11/15/2016-2029
2012 Refunding	2012	20,185	17,945	6,591 (1)	2.50 - 5.00%	11/15/2016-2029
2013 Refunding	2014	26,485	18,390	1,873 (1)	4.00 - 5.00%	11/15/2016-2019
			<u>\$ 160,000</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 of 3.25% 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%	\$ 46,575	10/1/2017
2008-B	JPMorgan Chase Bank, NA	0.42%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.05%	46,580	10/1/2017
					<u>\$ 93,155</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, 2016. 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.

The remarketing agent takes the variable debt to auction on a weekly basis; the winning bid determines the weekly rate paid.

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
2017	\$ 58,614	44,419	5,890	6,330	11,764	3,453
2018	57,671	42,180	5,932	6,136	13,325	3,092
2019	62,118	39,916	6,169	5,937	12,245	2,667
2020	64,996	37,349	6,334	5,726	10,424	2,283
2021	68,522	34,387	6,594	5,504	7,905	1,936
2022-2026	343,986	124,634	37,611	23,530	22,041	6,253
2027-2031	274,600	55,124	43,127	15,212	15,990	2,041
2032-2036	104,740	9,878	31,561	6,584	2,085	70
2037-2041	--	--	13,455	1,550	--	--
	<u>1,035,247</u>	<u>387,887</u>	<u>156,673</u>	<u>76,509</u>	<u>95,779</u>	<u>21,795</u>
Less: Unamortized bond discounts	(141)	--	--	--	(8)	--
Add: Unamortized bond premiums	73,452	--	9,528	--	5,241	--
Net debt service requirements	<u>1,108,558</u>	<u>387,887</u>	<u>166,201</u>	<u>76,509</u>	<u>101,012</u>	<u>21,795</u>

Fiscal Year Ended September 30	Total Governmental Debt Service Requirements		
	Principal	Interest	Total
2017	76,268	54,202	130,470
2018	76,928	51,408	128,336
2019	80,532	48,520	129,052
2020	81,754	45,358	127,112
2021	83,021	41,827	124,848
2022-2026	403,638	154,417	558,055
2027-2031	333,717	72,377	406,094
2032-2036	138,386	16,532	154,918
2037-2041	13,455	1,550	15,005
	<u>1,287,699</u>	<u>486,191</u>	<u>1,773,890</u>
Less: Unamortized bond discounts	(149)	--	(149)
Add: Unamortized bond premiums	88,221	--	88,221
Net debt service requirements	<u>\$ 1,375,771</u>	<u>486,191</u>	<u>1,861,962</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
2017	\$ 3,406	1,017	2,141	2,260	12,082	1,241
2018	3,725	870	2,223	2,195	11,050	922
2019	3,171	715	2,321	2,128	9,195	605
2020	3,118	586	2,421	2,052	6,851	339
2021	3,254	443	2,541	1,970	3,285	162
2022-2026	5,939	551	14,658	8,333	1,669	73
2027-2031	--	--	17,252	4,921	--	--
2032-2036	--	--	9,589	1,424	--	--
2037-2041	--	--	1,090	105	--	--
2042-2046	--	--	--	--	--	--
	<u>22,613</u>	<u>4,182</u>	<u>54,236</u>	<u>25,388</u>	<u>44,132</u>	<u>3,342</u>
Less: Unamortized bond discounts	(6)	--	--	--	--	--
Add: Unamortized bond premiums	1,466	--	4,578	--	1,405	--
Net debt service requirements	<u>24,073</u>	<u>4,182</u>	<u>58,814</u>	<u>25,388</u>	<u>45,537</u>	<u>3,342</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Commercial Paper Notes (1)		Revenue Bonds (2)(3)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2017	539	470	129,920	67	178,415
2018	545	467	--	--	133,517	238,511
2019	455	575	--	--	132,734	207,346
2020	776	258	--	--	169,308	179,557
2021	820	226	--	--	184,730	168,360
2022-2026	4,520	584	--	--	982,425	711,811
2027-2031	--	--	--	--	906,320	490,754
2032-2036	--	--	--	--	602,980	319,828
2037-2041	--	--	--	--	609,756	160,685
2042-2046	--	--	--	--	355,524	37,379
	<u>7,655</u>	<u>2,580</u>	<u>129,920</u>	<u>67</u>	<u>4,255,709</u>	<u>2,743,120</u>
Less: Unamortized bond discounts	--	--	(4)	--	(2,066)	--
Add: Unamortized bond premiums	--	--	--	--	324,849	--
Net debt service requirements	<u>\$ 7,655</u>	<u>2,580</u>	<u>129,916</u>	<u>67</u>	<u>4,578,492</u>	<u>2,743,120</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 0.01% to 0.68%.
- (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
	2017	\$ 51	75	326,554	234,019
2018	55	73	151,115	243,038	394,153
2019	57	70	147,933	211,439	359,372
2020	60	67	182,534	182,859	365,393
2021	63	64	194,693	171,225	365,918
2022-2026	369	269	1,009,580	721,621	1,731,201
2027-2031	385	146	923,957	495,821	1,419,778
2032-2036	--	--	612,569	321,252	933,821
2037-2041	--	--	610,846	160,790	771,636
2042-2046	--	--	355,524	37,379	392,903
	<u>1,040</u>	<u>764</u>	<u>4,515,305</u>	<u>2,779,443</u>	<u>7,294,748</u>
Less: Unamortized bond discounts	--	--	(2,076)	--	(2,076)
Add: Unamortized bond premiums	--	--	332,298	--	332,298
Net debt service requirements	<u>\$ 1,040</u>	<u>764</u>	<u>4,845,527</u>	<u>2,779,443</u>	<u>7,624,970</u>

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

Business-type Activities: Austin Energy
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Commercial Paper Notes (1)		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2017	\$ 127	9	87,750	53	44,278
2018	115	7	--	--	39,376	59,398
2019	109	5	--	--	41,632	54,834
2020	50	2	--	--	47,368	53,011
2021	4	--	--	--	46,866	51,084
2022-2026	--	--	--	--	263,390	219,663
2027-2031	--	--	--	--	267,435	154,914
2032-2036	--	--	--	--	192,010	101,711
2037-2041	--	--	--	--	179,105	52,170
2042-2046	--	--	--	--	130,085	16,757
	<u>405</u>	<u>23</u>	<u>87,750</u>	<u>53</u>	<u>1,251,545</u>	<u>824,670</u>
Less: Unamortized bond discounts	--	--	(4)	--	(292)	--
Add: Unamortized bond premiums	1	--	--	--	87,937	--
Net debt service requirements	<u>406</u>	<u>23</u>	<u>87,746</u>	<u>53</u>	<u>1,339,190</u>	<u>824,670</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Austin Energy Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2017	51	75	132,206	61,265
2018	55	73	39,546	59,478	99,024
2019	57	70	41,798	54,909	96,707
2020	60	67	47,478	53,080	100,558
2021	63	64	46,933	51,148	98,081
2022-2026	369	269	263,759	219,932	483,691
2027-2031	385	146	267,820	155,060	422,880
2032-2036	--	--	192,010	101,711	293,721
2037-2041	--	--	179,105	52,170	231,275
2042-2046	--	--	130,085	16,757	146,842
	<u>1,040</u>	<u>764</u>	<u>1,340,740</u>	<u>825,510</u>	<u>2,166,250</u>
Less: Unamortized bond discounts	--	--	(296)	--	(296)
Add: Unamortized bond premiums	--	--	87,938	--	87,938
Net debt service requirements	<u>\$ 1,040</u>	<u>764</u>	<u>1,428,382</u>	<u>825,510</u>	<u>2,253,892</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

Business-type Activities: Austin Water Utility
(in thousands)

Fiscal Year Ended September 30	General Obligation				Other Tax Supported	
	Bonds		Contractual Obligations		Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 856	75	1,830	221	345	301
2018	599	35	1,608	174	349	299
2019	101	7	1,352	126	291	368
2020	64	5	1,052	83	497	165
2021	36	2	671	50	525	145
2022-2026	13	1	594	28	2,894	374
2027-2031	--	--	--	--	--	--
2032-2036	--	--	--	--	--	--
2037-2041	--	--	--	--	--	--
2042-2046	--	--	--	--	--	--
	<u>1,669</u>	<u>125</u>	<u>7,107</u>	<u>682</u>	<u>4,901</u>	<u>1,652</u>
Less: Unamortized bond discounts	--	--	--	--	--	--
Add: Unamortized bond premiums	84	--	333	--	--	--
Net debt service requirements	<u>1,753</u>	<u>125</u>	<u>7,440</u>	<u>682</u>	<u>4,901</u>	<u>1,652</u>

Fiscal Year Ended September 30	Commercial Paper		Revenue		Total Austin Water Utility		
	Notes (1)		Bonds (2) (3)		Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2017	42,170	14	100,047	140,610	145,248	141,221	286,469
2018	--	--	57,792	152,887	60,348	153,395	213,743
2019	--	--	53,733	127,666	55,477	128,167	183,644
2020	--	--	82,120	103,224	83,733	103,477	187,210
2021	--	--	102,634	95,401	103,866	95,598	199,464
2022-2026	--	--	530,525	403,386	534,026	403,789	937,815
2027-2031	--	--	530,600	276,131	530,600	276,131	806,731
2032-2036	--	--	354,505	174,836	354,505	174,836	529,341
2037-2041	--	--	358,601	81,223	358,601	81,223	439,824
2042-2046	--	--	153,699	13,229	153,699	13,229	166,928
	<u>42,170</u>	<u>14</u>	<u>2,324,256</u>	<u>1,568,593</u>	<u>2,380,103</u>	<u>1,571,066</u>	<u>3,951,169</u>
Less: Unamortized bond discounts	--	--	(1,311)	--	(1,311)	--	(1,311)
Add: Unamortized bond premiums	--	--	206,859	--	207,276	--	207,276
Net debt service requirements	<u>\$ 42,170</u>	<u>14</u>	<u>2,529,804</u>	<u>1,568,593</u>	<u>2,586,068</u>	<u>1,571,066</u>	<u>4,157,134</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 0.01% - 0.65%.
(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: Airport
(in thousands)

Fiscal Year Ended September 30	General Obligation		Revenue Bonds (1)	
	Bonds		Principal	Interest
	Principal	Interest		
2017	\$ 24	2	21,940	21,211
2018	21	2	23,744	20,757
2019	20	1	24,249	19,897
2020	10	--	26,135	18,933
2021	2	--	26,150	17,954
2022-2026	1	--	137,610	74,802
2027-2031	--	--	59,825	56,282
2032-2036	--	--	56,465	43,281
2037-2041	--	--	72,050	27,292
2042-2046	--	--	71,740	7,393
	<u>78</u>	<u>5</u>	<u>519,908</u>	<u>307,802</u>
Less: Unamortized bond discounts	--	--	(314)	--
Add: Unamortized bond premiums	2	--	26,901	--
Net debt service requirements	<u>80</u>	<u>5</u>	<u>546,495</u>	<u>307,802</u>

Fiscal Year Ended September 30	Total Airport		
	Debt Service Requirements		
	Principal	Interest	Total
2017	21,964	21,213	43,177
2018	23,765	20,759	44,524
2019	24,269	19,898	44,167
2020	26,145	18,933	45,078
2021	26,152	17,954	44,106
2022-2026	137,611	74,802	212,413
2027-2031	59,825	56,282	116,107
2032-2036	56,465	43,281	99,746
2037-2041	72,050	27,292	99,342
2042-2046	71,740	7,393	79,133
	<u>519,986</u>	<u>307,807</u>	<u>827,793</u>
Less: Unamortized bond discounts	(314)	--	(314)
Add: Unamortized bond premiums	26,903	--	26,903
Net debt service requirements	<u>\$ 546,575</u>	<u>307,807</u>	<u>854,382</u>

(1) Portions of these bonds are variable rate bonds with rates ranging from 0.02% to 0.59%.

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

Business-type Activities: Nonmajor Enterprise
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,399	931	2,141	2,260	10,252	1,020
2018	2,990	826	2,223	2,195	9,442	748
2019	2,941	702	2,321	2,128	7,843	479
2020	2,994	579	2,421	2,052	5,799	256
2021	3,212	441	2,541	1,970	2,614	112
2022-2026	5,925	550	14,658	8,333	1,075	45
2027-2031	--	--	17,252	4,921	--	--
2032-2036	--	--	9,589	1,424	--	--
2037-2041	--	--	1,090	105	--	--
	<u>20,461</u>	<u>4,029</u>	<u>54,236</u>	<u>25,388</u>	<u>37,025</u>	<u>2,660</u>
Less: Unamortized bond discounts	(6)	--	--	--	--	--
Add: Unamortized bond premiums	1,379	--	4,578	--	1,072	--
Net debt service requirements	<u>21,834</u>	<u>4,029</u>	<u>58,814</u>	<u>25,388</u>	<u>38,097</u>	<u>2,660</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Revenue Bonds (1)		Total Nonmajor Enterprise Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2017	194	169	12,150	5,940	27,136	10,320	37,456
2018	196	168	12,605	5,469	27,456	9,406	36,862
2019	164	207	13,120	4,949	26,389	8,465	34,854
2020	279	93	13,685	4,389	25,178	7,369	32,547
2021	295	81	9,080	3,921	17,742	6,525	24,267
2022-2026	1,626	210	50,900	13,960	74,184	23,098	97,282
2027-2031	--	--	48,460	3,427	65,712	8,348	74,060
2032-2036	--	--	--	--	9,589	1,424	11,013
2037-2041	--	--	--	--	1,090	105	1,195
	<u>2,754</u>	<u>928</u>	<u>160,000</u>	<u>42,055</u>	<u>274,476</u>	<u>75,060</u>	<u>349,536</u>
Less: Unamortized bond discounts	--	--	(149)	--	(155)	--	(155)
Add: Unamortized bond premiums	--	--	3,152	--	10,181	--	10,181
Net debt service requirements	<u>\$ 2,754</u>	<u>928</u>	<u>163,003</u>	<u>42,055</u>	<u>284,502</u>	<u>75,060</u>	<u>359,562</u>

(1) A portion of these bonds are variable rate bonds with rates ranging from 0.01% to 0.68%.

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, 2016, defeased bonds remaining unredeemed or unmatured are provided below (in thousands):

Refunded Bonds	Escrow Maturity	Balance (1)
General Obligation		
Certificates of Obligations, Series 2007	9/1/2017	\$ 2,375
Public Improvement Bonds, Series 2007	9/1/2017	87,945
Austin Water Utility		
Series 2006	11/15/2016	34,160
Series 2006A	11/15/2016	111,485
Series 2007	11/15/2017	110,940
Series 2009A	11/15/2018	4,565
Austin Energy		
Series 2006	11/15/2016	123,200
Series 2006A	11/15/2016	44,700
Series 2008A	11/15/2018	68,340
Series 2010A	11/15/2016	1,320
		\$ 589,030

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

7 – RETIREMENT PLANS

a -- General Information

Plan Description. The City participates in funding three contributory, defined benefit retirement plans: the City of Austin Employees' Retirement and Pension Fund (City Employees), the City of Austin Police Officers' Retirement and Pension Fund (Police Officers), and the Fire Fighters' Relief and Retirement Fund of Austin, Texas (Fire Fighters). An Independent Board of Trustees administers each plan. These plans are City-wide single employer funded plans each with a fiscal year end of December 31.

All three plans were created by state law and can be found in Vernon's Texas Civil Statutes as follows:

City Employees' Fund	Article 6243n
Police Officers' Fund	Article 6243n-1
Fire Fighters' Fund	Article 6243e.1

State law governs benefit and contribution provisions. Amendments may be made by the Legislature of the State of Texas.

Plan Financial Statements. The most recently available financial statements of the pension funds are for the year ended December 31, 2015. Stand-alone financial reports that include financial statements and supplementary information for each plan are publicly available at the locations and internet addresses shown below.

Plan	Address	Telephone
City of Austin Employees' Retirement and Pension Fund	418 E. Highland Mall Blvd. Austin, Texas 78752-3720 www.coaers.org	(512)458-2551
City of Austin 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 of Austin, Texas	4101 Parkstone Heights Dr., Ste. 270 Austin, Texas 78746 www.afrs.org	(512)454-9567

Classes of Employees Covered. The three pension plans cover substantially all full-time employees. The City Employees' fund covers all regular, full-time employees working 30 hours or more except for civil service police officers and fire fighters. Membership in this fund is comprised of two tiers. Group A includes all employees hired before January 1, 2012. Group B includes all employees hired on or after this date. The Police Officers' fund covers all commissioned law enforcement officers and cadets upon enrollment in the Austin Police Academy. The Fire Fighters' fund covers all commissioned civil service and Texas state-certified fire fighters with at least six months of service employed by the Austin Fire Department.

Benefits Provided. Each plan provides service retirement, death, and disability benefits as shown in the following chart. For the City Employees' fund, vesting occurs after 5 years of creditable service. For the other two systems, vesting occurs after 10 years of creditable service. For all three systems, creditable service includes employment at the City plus purchases of certain types of service where applicable. Withdrawals from the systems include actual contributions plus interest at varying rates depending on the system. This applies to both non-vested employees who leave the City as well as vested employees who leave the City and wish to withdraw their contributions. In addition, each plan offers various Deferred Retirement Option Programs (DROP). These are not included in the discussion of benefits provided.

7 – RETIREMENT PLANS, continued
a -- General Information, continued

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Eligibility	Group A members qualify for retirement benefits at age 62; age 55 with 20 years creditable service; or any age with 23 years creditable service. No reduced benefits are available. Group B members qualify for normal retirement benefits at age 65 with 5 years creditable service or at age 62 with 30 years creditable service. Reduced benefits are available at age 55 with 10 years of creditable service.	Members are eligible for retirement benefits at any age with 23 years creditable service (excluding pre-membership military service), age 55 and 20 years creditable service (excluding pre-membership military service), or age 62 and any number of creditable service years.	Members are eligible for normal retirement benefits upon the earlier of age 50 with 10 years of service or 25 years of service regardless of age. Members are eligible for early retirement at 45 with 10 years of service or with 20 years of service regardless of age.
Calculation	Average of 36 highest months of base pay multiplied by years and months of creditable service multiplied by 3.0% for Group A and 2.5% for Group B.	Average of 36 highest months of base salary plus longevity pay multiplied by years and months of service multiplied by 3.2%.	Average of 36 highest months of base salary plus longevity pay multiplied by years of service multiplied by 3.3% with a \$2,000 monthly minimum.
Death Benefits	Retiree or active member eligible for retirement, \$10,000 lump sum and continuation of benefits to beneficiary if this option was selected. If not eligible for retirement, refund of accumulated deposits plus death benefit from COAERS equal to those deposits excluding purchases of time.	For retirees and members eligible for retirement, \$10,000 lump sum and the member's accrued benefit as of the date of death based on annuity selected. Non-vested members receive the greater of \$10,000 or twice the amount of the member's accumulated contributions.	Surviving spouse receives 75% of retiree benefits based on the greater of 20 years or years of service at time of death. If surviving spouse exists, each dependent receives 15% of the payment paid to the surviving spouse. If no surviving spouse exists, dependents split equally the amount that would have been paid to surviving spouse.
Disability Benefits	After approved for disability benefits, active members may choose from several different disability retirement options. Must have 5 years of service if disability is not job related.	After approved for disability benefits, if disability is the result of employment duties, benefit is based on the greater of 20 years or normal retirement calculation. Must have 10 years of service if disability is not job related.	For the first 30 months, eligible for retiree benefits based on the greater of service at time of disability or 20 years. After 30 months, continuance of annuity may be reevaluated.
Cost of Living Adjustments (COLA)	The plan does not require COLAs. Such increases must be deemed sustainable by the actuary and approved by the City Council and Board of Trustees of the fund. The most recent COLA was put into effect in 2002.	The plan does not require COLAs. Such increases must be approved by the Board of Trustees and the actuary of the fund. The most recent COLA was put into effect in 2007.	The plan does not require COLAs. Such increases must be approved by the Board of Trustees and the actuary of the fund. The most recent COLA was put into effect for 2015.

7 – RETIREMENT PLANS, continued
a -- General Information, continued

Employees Covered by Benefit Terms: Membership in the plans, is as follows:

As of December 31:	City Employees	Police Officers	Fire Fighters
	2015	2014	2014
Inactive employees or beneficiaries currently receiving benefits	5,679	727	676
Inactive employees entitled to but not yet receiving benefits	2,389	27	5
Active employees	9,063	1,777	1,025
Total	17,131	2,531	1,706

Contributions. For all three systems, minimum contributions are determined by the enabling legislation cited above. In certain cases the City may contribute at a level greater than that stated in the law. While the contribution requirements are not actuarially determined, state law requires that a qualified actuary approve each plan of benefits adopted.

	City Employees	Police Officers	Fire Fighters
Employee contribution (percent of earnings)	8.00%	13.00%	18.20% (1)
City contribution (percent of earnings)	18.00% (2)	21.313%	22.05%
City contributions year ended September 30, 2016 (in thousands)	\$102,609	33,141	19,145

(1) A rate of 18.70% was effective October 1, 2016.

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

The City's net pension liability was measured as of December 31, 2015 for all three systems. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date for the City Employees' fund. For the other two systems, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 using the final 2015 assumptions and then was rolled forward to the plan's year ending December 31, 2015.

Actuarial Assumptions. Actuarial assumptions used in the most recent actuarial valuations include:

	City Employees	Police Officers	Fire Fighters
Inflation rate	2.75%	3.25%	3.00%
Projected annual salary increases	4.00% to 6.25%	0.1% to 18.00% (1) Service based	1.00% to 6.00% Service based
Investment rate of return	7.50%	7.80%	7.70%
Ad hoc postemployment benefit changes including COLAs	None	None	None
Dates of experience studies	2011 - 2015	2014 - 2015	2004 - 2014
Source for mortality assumptions	RP-2014 Mortality Table with Blue Collar adjustment. Generational mortality improvements in accordance with Scale BB are projected from the year 2014.	RP-2000 Combined Healthy without projection - Sex Distinct.	RP2000 (Fully Generational using Scale AA) set back two years for males and females - Sex Distinct.

(1) This includes the classification status change upon graduation from the academy.

7 – RETIREMENT PLANS, continued

b -- Net Pension Liability

Development of Long-Term Rate of Return on Investments. Each pension plan utilizes different asset allocations and assumed rates of return in developing the long-term rate of return on investments. However all three use the same methodology as follows:

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following provides asset allocations and long-term expected real rate of return for each asset class for the three funds.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
City Employees:		
International equity	30.00%	6.41%
US equity	30.00%	3.82%
Fixed income	24.50%	1.75%
Alternative investments	10.00%	5.00% to 8.75%
Real estate	5.50%	4.75%
Total	<u>100.00%</u>	
Police Officers:		
Domestic equity	30.00%	7.50%
International equity	15.00%	8.50%
Domestic fixed income	5.00%	2.50%
Global fixed income	5.00%	3.50%
Real estate	15.00%	4.50%
Alternative investments	22.50%	2.50%
Timber	5.00%	2.50%
Cash	2.50%	0.00%
Total	<u>100.00%</u>	
Fire Fighters:		
Public domestic equity	20.00%	5.40%
Public foreign equity	22.00%	7.50%
Private equity fund of funds	10.00%	5.70%
Private equity directs	5.00%	7.50%
Investment grade bonds	13.00%	0.70%
Treasury inflation protected securities	5.00%	0.40%
High yield/bank loans	5.00%	3.00%
Emerging market debt	7.00%	3.50%
Core real estate	5.00%	4.00%
Non-core real estate	5.00%	5.30%
Natural resources	3.00%	6.10%
Total	<u>100.00%</u>	

7 – RETIREMENT PLANS, continued
b -- Net Pension Liability, continued

Discount Rate. The following provides information on the discount rate used to measure the City's total pension liability. Based on the assumptions presented below, the fiduciary net position for all three pension funds was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Single discount rate	7.50%	7.80%	7.70%
Change since last measurement date	(0.25%)	(0.10%)	None
Long-term expected rate of return on pension plan investments	7.50%	7.80%	7.70%
Cash flow assumptions	Plan member contributions will be made at the current rate. City contributions will be made at the current rate for 33 years and then will decrease to 8%.	Plan member contributions will be made at current contribution rates. City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate.	Plan member contributions will be made at current contribution rates. City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of each of the pension funds of the City calculated using the long-term expected rate of return on pension plan investments, as well as what the net pension liability (in thousands) would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate.

	<u>1% Decrease</u>		<u>Current Discount</u>		<u>1% Increase</u>	
	<u>Rate</u>	<u>Net Pension Liability</u>	<u>Rate</u>	<u>Net Pension Liability</u>	<u>Rate</u>	<u>Net Pension Liability</u>
City Employees	6.50%	\$ 1,654,883	7.50%	\$ 1,246,992	8.50%	\$ 906,949
Police Officers	6.80%	500,407	7.80%	384,735	8.80%	286,545
Fire Fighters	6.70%	224,760	7.70%	128,407	8.70%	47,350

Pension Plan Fiduciary Net Position. Detailed information about the pension plans' fiduciary net position is available in the separately issued financial report of each of the pension systems. These reports are available as explained in General Information (part a) of this footnote.

7 – RETIREMENT PLANS, continued
b -- Net Pension Liability, continued

Schedule of Changes in Net Pension Liability. Changes in net pension liability for all three funds and the City for the measurement period ended December 31, 2015 are as follows (in thousands):

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
Total pension liability at December 31, 2014 (a)	\$ 3,094,056	971,623	861,468	4,927,147
Changes for the year:				
Service cost	93,506	32,138	23,309	148,953
Interest	236,844	76,999	66,405	380,248
Benefit changes	--	(4,080)	--	(4,080)
Differences between expected and actual experience	13,414	(6,318)	7,193	14,289
Assumption changes	123,493	3,904	--	127,397
Contribution buy back	--	4,648	--	4,648
Benefit payments including refunds	(169,517)	(50,005)	(44,757)	(264,279)
Net change in total total pension liability	<u>297,740</u>	<u>57,286</u>	<u>52,150</u>	<u>407,176</u>
Total pension liability at December 31, 2015 (b)	<u>\$ 3,391,796</u>	<u>1,028,909</u>	<u>913,618</u>	<u>5,334,323</u>
Total plan fiduciary net position at December 31, 2014 (c)	\$ 2,209,800	638,019	789,433	3,637,252
Changes for the year:				
Employer contributions	100,485	33,239	19,222	152,946
Employee contributions	54,066	20,061	15,547	89,674
Contribution buy back	--	4,648	--	4,648
Pension plan net investment income (loss)	(47,608)	(322)	6,328	(41,602)
Benefits payments and refunds	(169,517)	(50,005)	(44,757)	(264,279)
Pension plan administrative expense	(2,422)	(1,466)	(562)	(4,450)
Net change in total plan fiduciary net position	<u>(64,996)</u>	<u>6,155</u>	<u>(4,222)</u>	<u>(63,063)</u>
Total plan fiduciary net position at December 31, 2015 (d)	<u>\$ 2,144,804</u>	<u>644,174</u>	<u>785,211</u>	<u>3,574,189</u>
Net pension liability at December 31, 2014 (a-c)	<u>\$ 884,256</u>	<u>333,604</u>	<u>72,035</u>	<u>1,289,895</u>
Net pension liability at December 31, 2015 (b-d)	<u>\$ 1,246,992</u>	<u>384,735</u>	<u>128,407</u>	<u>1,760,134</u>

7 – RETIREMENT PLANS, continued
b -- Net Pension Liability, continued

The City Employees' fund had no changes of benefit terms that affected the total pension liability for the measurement period, however significant changes to assumptions were made as the result of an experience study of the five years ending December 31, 2015. These changes include:

- Decreasing the inflation assumption from 3.25% to 2.75%,
- Reducing the investment rate of return assumption from 7.75% to 7.5%,
- Decreasing the salary increase assumption from 4.5% to 4.0%,
- Increasing new entrant pay from 3.75% to 4.0%,
- Reducing the assumed retirement rates at most ages to better reflect the emerging trend of members retiring at later ages,
- Lowering termination rates and using a select table based on a three year select period for withdrawal rates, and
- Using the RP-2014 blue collar mortality table for males and females project from 2014 to 2026 using mortality improvement scale BB with a 62% weighting of males and a 38% weighting of females. Previously the RP-2000 white collar mortality tables were used.

The Police Officers' fund had a change in benefits and several changes in assumptions that affected the measurement of the total pension liability for the measurement period. In February 2016, the pension board approved modifications to the Forward DROP program for members with less than 23 years of creditable service as of the date of adoption.

Changes to assumptions included:

- Decreasing the investment return assumption from 7.90% to 7.80% per year compounded annually, net of expenses, and
- Slightly modifying the withdrawal rate table.

The Fire Fighters' fund had no significant changes of assumptions or other inputs and no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

c -- Pension Expense

Total pension expense recognized by the City for the fiscal year ended September 30, 2016, was comprised of the following (in thousands):

	Pension Expense
City Employees	\$ 194,661
Police Officers	49,176
Fire Fighters	29,749
Total	\$ 273,586

7 – RETIREMENT PLANS, continued

d -- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2016 the City reported deferred outflows of resources related to pensions from the following sources (in thousands):

Source	City Employees	Police Officers	Fire Fighters	Total
Contributions to the plans subsequent to the measurement date	\$ 75,132	24,299	13,994	113,425
Differences between expected and actual experience	31,097	--	6,293	37,390
Changes in assumptions	99,785	14,823	3,798	118,406
Net difference between projected and actual earnings on pension plan investments	216,981	47,822	52,690	317,493
Total	\$ 422,995	86,944	76,775	586,714

The portion of deferred outflows of resources that will be recognized in pension expense is as follows (in thousands):

Fiscal Year Ended September 30	City Employees	Police Officers	Fire Fighters	Total
2017	\$ 90,722	14,346	15,401	120,469
2018	90,722	14,346	15,401	120,469
2019	90,503	14,346	15,401	120,250
2020	70,425	12,000	12,252	94,677
2021	5,491	1,804	1,442	8,737
Thereafter	--	5,803	2,884	8,687
Total	\$ 347,863	62,645	62,781	473,289

Only one fund, the Police Officer's fund, had deferred inflow balances at September 30, 2016. Deferred inflows arising from differences between expected and actual experience totaled \$5,687,000 at September 30, 2016. For each of the years 2017 through 2021, the City will recognize \$632,000 in pension expense and will recognize an additional \$2,527,000 thereafter.

8 – OTHER POSTEMPLOYMENT BENEFITS

a -- Description

In addition to the contributions made to the three pension systems, the City provides certain other postemployment benefits to its retirees. Other postemployment 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 postemployment benefits. Retirees may also enroll eligible dependents under the medical, dental, and vision plan(s) in which they participate. The City's other postemployment benefits plan is a single employer plan.

8 – OTHER POSTEMPLOYMENT BENEFITS, continued
a – Description, continued

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

The City recognizes the cost of providing these benefits 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 pay-as-you-go cost of providing medical and life benefits was \$39.3 million for 4,644 retirees in 2016 and \$39.5 million for 4,431 retirees in 2015.

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

The annual cost associated with the City’s OPEB retiree benefits for the fiscal year ended September 30, 2016 is as follows (in thousands):

	OPEB Obligation
Annual required contribution	\$ 136,706
Interest on net OPEB obligation	32,742
Adjustment to annual required contribution	(44,249)
Annual OPEB cost	125,199
Contributions made	(39,314)
Change in net OPEB obligation	85,885
Beginning net OPEB obligation	777,699
Net OPEB obligation	<u>\$ 863,584</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):

Year Ended September 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 124,861	27%	690,265
2015	126,916	31%	777,699
2016	125,199	31%	863,584

c -- Schedule of Funding Progress at September 30, 2016 (in thousands):

Actuarial Value of Assets	Actuarial Accrued Liability	UAAL (1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
\$ --	1,527,927	1,527,927	0%	808,529	189.0%

(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 Required Supplementary Information, 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.

8 – OTHER POSTEMPLOYMENT BENEFITS, continued
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.

e -- Funding Policy

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

	OPEB
Actuarial valuation date	October 1, 2014
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	None
Salary increase	None
Payroll Increase	None
Health care cost trend rate	6.5% in 2016, decreasing 0.5% per year for four 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.

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the fiscal year ended September 30, 2016. This statement provides guidance for measuring the fair value of assets and liabilities, including liabilities arising in connection with hedging derivative instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, which is the City's fiscal year end date of September 30. This accounting standard requires consideration of nonperformance risk when measuring the fair value of a liability and to consider the effect of the government's own credit quality and any other factors that might affect the likelihood that the obligation will or will not be fulfilled.

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 revenue 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.

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

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, hierarchy level 2 market approach. 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 categorized as hierarchy level 2, 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, including any necessary price analysis adjustments, risk free interest rate, time to maturity, and the NYMEX forward price of the underlier as of the last day of the reporting period.

Premiums paid for options are deferred until the contract is settled. As of September 30, 2016, \$139 thousand in premiums was deferred. As of September 30, 2016, the fair value of Austin Energy's futures, options, swaps and congestion revenue rights, was an unrealized loss of \$24.2 million, of which \$26.1 million is reported as derivative instruments in liabilities and \$1.9 million is reported as derivative instruments in assets. The fair values of these derivative instruments are deferred until future periods on the statement of net position 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, 2016, PCRRs had a fair value of \$570 thousand and CRRs had a fair value of \$751 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, hierarchy level 2 market approach. The difference in the prices represents what the expected cost of congestion will be for that given point in time.

On September 30, 2016, Austin Energy had the following outstanding hedging derivative instruments (in thousands):

Type of Transaction	Reference Index	Fair Value at September 30, 2016			Change in Fair Value	Premiums Deferred
		Maturity Dates	Notional Volumes	Fair Value		
Long OTC Call Options	Henry Hub	Oct 2016 - Dec 2019	13,715,000 (1)	\$ 600	(4,274)	3,667
n/a Congestion Rights	ICE (2)	Oct 2016- Jun 2018	21,784,913 (3)	1,321	(738)	--
		Derivative instruments (assets)		<u>1,921</u>	<u>(5,012)</u>	<u>3,667</u>
Short OTC Call Options	Henry Hub	Oct 2016	(150,000) (1)	--	236	--
Short OTC Put Options	Henry Hub	Oct 2016 - Dec 2019	(13,715,000) (1)	(10,339)	4,783	(3,528)
Long OTC Swaps	Henry Hub	Oct 2016 - Sep 2020	13,382,500 (1)	(15,812)	20,581	--
		Derivative instruments (liabilities)		<u>(26,151)</u>	<u>25,600</u>	<u>(3,528)</u>
		Total		<u>\$ (24,230)</u>	<u>20,588</u>	<u>139</u>

(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.

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

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, of which these brokerage houses are members. At September 30, 2016, the brokerages had credit ratings of A.

The over-the-counter agreements expose Austin Energy to credit risk; however, at September 30, 2016, none of the counterparties had outstanding obligations with Austin Energy. The contractual provisions applied to these contracts under the International Swaps and Derivatives Association (ISDA) agreement include collateral provisions. At September 30, 2016, no collateral was required under these provisions.

The congestion revenue rights expose Austin Energy to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default or 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, 2016, the NYMEX price was \$2.95 per MMBTU (one million British thermal unit, a measurement of heating value), the WAHA Hub price was \$2.80 per MMBTU, Katy was \$2.81 per MMBTU, and the HSC Hub price was \$2.94 per MMBTU.

Investment Derivative Instruments

In fiscal year 2016 Austin Energy sold PCRRs and recorded a gain of \$4 thousand. However, this gain was deferred under the accounting requirements for regulated operations. At September 30, 2016, \$283 thousand remained deferred.

Risks

As of September 30, 2016, 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.

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

As of September 30, 2016, the City has three outstanding swap transactions with initial and outstanding notional amounts totaling \$602.1 million and \$389.0 million, respectively. The fair values of the interest rate derivative transactions were estimated based on an independent pricing service. The valuations provided were derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The expected transaction cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing benchmark interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the benchmark yield curve are the market’s best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the transactions, where future amounts (the expected transaction cash flows) are converted to a single current amount, discounted using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows. Where applicable under the income approach an option pricing model is applied such as the Black-Scholes-Merton model, the Black-Derman-Toy model, one of the short-rate models, or other market standard models consistent with accepted practices in the market for interest rate option products. The option models consider probabilities, volatilities, time, settlement prices, and other variables pertinent to the transactions. This valuation technique is applied consistently across all the transactions. Given the observability of inputs significant to the measurements, the fair values of the transactions are categorized as Level 2.

On September 30, 2016, 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	\$ 113,890	(23,426)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Pay 4.051%, receive 71% of LIBOR	8/17/2005	11/15/2025	181,925	(32,027)
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	93,155	(15,071)
					<u>\$ 388,970</u>	<u>(70,524)</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, 2016 (in thousands):

Item	Outstanding		Fair Value and Classification	Change in fair value	
	Notional Amount	Fair Value Amount		Deferred Outflows	Deferred Inflows
Business-Type Activities:					
Hedging derivative instruments (cash flow hedges):					
WW2	\$ 113,890	(23,426)	Non-current liability	(1,829)	--
AIR1	181,925	(32,027)	Non-current liability	2,202	--
HOT1	93,155	(15,071)	Non-current liability	(562)	--
<u>\$ 388,970</u>		<u>(70,524)</u>		<u>(189)</u>	<u>--</u>

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

Due to the continued low interest rate levels during fiscal year 2016, the City's interest rate swap hedging derivative instruments had negative fair values as of September 30, 2016. The fair value takes into consideration nonperformance risk, 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, 2016, 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 counterparty credit ratings for the City's interest rate swap hedging derivative instruments at September 30, 2016, 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	A1	A-	A
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Morgan Stanley Capital Services, LLC	A3	BBB+	A
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	Morgan Keegan Financial Products (MKFP)	Baa2	BBB+	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, 2016, 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	\$ (4,111)	246	(3,865)	(251)	(4,116)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	(7,510)	486	(7,024)	(398)	(7,422)
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	(3,056)	244	(2,812)	(217)	(3,029)
		<u>\$ (14,677)</u>	<u>976</u>	<u>(13,701)</u>	<u>(866)</u>	<u>(14,567)</u>

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

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, 2016, 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.

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.

Nonperformance/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, 2016, the City did not have any investment derivative instruments related to interest rate swaps.

c – Swap Payments and Associated Debt

As of September 30, 2016, 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		
2017	\$ 12,255	309	13,830	14,139
2018	12,600	324	13,371	13,695
2019	28,525	284	12,451	12,735
2020	31,935	220	11,315	11,535
2021	31,010	153	10,183	10,336
2022-2026	188,375	(203)	32,265	32,062
2027-2031	84,270	(384)	8,252	7,868
Total	\$ 388,970	703	101,667	102,370

10 – DEFICITS IN FUND BALANCES AND NET POSITION

At September 30, 2016, 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:	
Auto Theft Interdiction	\$ 23
Neighborhood Housing & Conservation	6,326
City Hall	21
Capital Projects Funds:	
Other funds	
General government projects	538
Public Works	218
Watershed Protection	718
City Hall, plaza, parking garage	7,032
Internal Service Funds	
Capital Projects Management	1,808
Nonmajor Enterprise	
Austin Resource Recovery	50,773
Transportation	25,616

11 – INTERFUND BALANCES AND TRANSFERS

Interfund receivables, payables, and advances at September 30, 2016, are as follows (in thousands):

<u>Due To</u>	<u>Due From</u>						<u>Total</u>
	<u>Nonmajor Governmental</u>	<u>Austin Energy</u>	<u>Austin Water Utility</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>		
General	\$ --	204	--	--	--	--	204
Nonmajor governmental	15,560	--	--	--	--	--	15,560
Austin Water Utility	--	261	--	--	--	--	261
Airport	--	157	--	--	--	--	157
Nonmajor enterprise	--	--	301	1,732	--	--	2,033
Internal Service	--	--	--	--	1,005	--	1,005
Total	\$ 15,560	622	301	1,732	1,005	--	19,220

Interfund receivables (due from) and payables (due to) reflect short term loans between funds, mainly the result of short term deficits in pooled investments and cash (\$18.3 million). Deficits in grant funds awaiting reimbursement from grantors (\$9.7 million) was borrowed from the Fiscal Surety Fund.

<u>Advance From</u>	<u>Advance To</u>						
	<u>Nonmajor Governmental</u>	<u>Austin Energy</u>	<u>Austin Water Utility</u>	<u>Airport</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
General	\$ --	861	--	--	--	--	861
Nonmajor governmental	7,882	238	--	51	370	42	8,583
Austin Water Utility	977	16,766	--	--	--	--	17,743
Airport	--	666	--	--	--	--	666
Nonmajor enterprise	657	--	2,405	--	--	--	3,062
Total	\$ 9,516	18,531	2,405	51	370	42	30,915

11 – INTERFUND BALANCES AND TRANSFERS, continued

Advances to and advances from reflect borrowings that will not be liquidated within one year. Of the above amounts, \$7.1 million is an interfund loan between capital projects funds, the CTM Fund and City Hall Fund, to cover long term deficit pooled investment and cash. A five-year plan to address the deficit will begin in 2017. The advance to Austin Water Utility from Austin Energy funded the Combined Utility System Revenue Bond Retirement Reserve Account. Austin Energy funded the entire reserve, which replaced an insurance policy previously held for combined lien reserve, on behalf of both enterprise funds.

Transfers Out	Transfers In						Total
	General Fund	Nonmajor Governmental	Austin Energy	Airport	Nonmajor Enterprise	Internal Service	
General Fund	\$ --	25,380	13	--	853	--	26,246
Nonmajor governmental funds	--	36,565	820	5	76,771	--	114,161
Austin Energy	114,090	--	--	--	--	113	114,203
Austin Water Utility	42,805	793	--	--	266	--	43,864
Airport	--	--	10	--	--	432	442
Nonmajor enterprise funds	306	8,297	24	--	179	--	8,806
Internal service funds	--	20,095	--	--	109	590	20,794
Total	\$ 157,201	91,130	867	5	78,178	1,135	328,516

Interfund transfers are authorized through City Council approval. Significant transfers include: Austin Energy and Austin Water Utility transfers to the General Fund (\$156.9 million), which are comparable to a return on investment to owners; the transfer of tax collections from the Hotel-Motel Occupancy Tax (\$63.3 million) and the Vehicle Rental Tax (\$9 million) special revenue funds to the Convention Center; and the transfer of \$18.1 million from the General Fund to capital projects funds for facility maintenance and upgrades to key information technology systems.

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 \$76 million in 2016. 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, 2016, 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 regulatory assets or deferred inflows 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 2016, the Airport fund revenues included minimum concession guarantees of \$20,856,591.

12 – SELECTED REVENUES, continued
a -- Major Enterprise Funds, continued

The following is a schedule by year of minimum future rentals on non-cancelable operating leases with remaining terms of up to 80 years for the Airport Fund as of September 30, 2016 (in thousands):

Fiscal Year Ended September 30	Airport Lease Receipts
2017	\$ 22,933
2018	22,422
2019	22,216
2020	21,709
2021	21,698
2022-2026	109,283
2027-2031	20,510
2032-2036	10,755
2037-2041	7,977
Thereafter	3,571
Totals	<u>\$ 263,074</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
2017	\$ 2,123
2018	1,773
2019	1,686
2020	1,627
2021	1,187
2022-2026	5,091
Totals	<u>\$ 13,487</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 \$32.5 million as of September 30, 2016. The decrease in the pro-rata interest from 2015 is primarily due to a decrease in coal inventory and construction work in progress. 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.

13 – COMMITMENTS AND CONTINGENCIES, continued

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, 2016, Austin Energy's investment in the STP was approximately \$375.4 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. Final license issuances are dependent upon the Waste Confidence Decision; however, licensing reviews and proceedings continue to move forward.

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, 2016, the trust's assets were in excess of the estimated liability by \$31.5 million which is reported as part of deferred inflows of resources (in thousands):

Decommissioning trust assets	\$ 210,545
Pro rata decommissioning liability	<u>(179,017)</u>
	<u>\$ 31,528</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, 2014, showed that the trust assets exceeded the minimum required assurance by \$24.7 million.

d -- Purchased Power

Austin Energy has commitments totaling \$6.5 billion to purchase energy and capacity through purchase power agreements. This amount includes provisions for wind power through 2041, landfill power through 2017, biomass through 2032, and solar through 2042.

e -- Decommissioning and Environmental/Pollution Remediation Contingencies

Austin Energy may incur costs for environmental/pollution remediation of certain sites including the Holly, Fayette, and Decker Power Plants. At September 30 2016, the financial statements includes a \$7.3 million short-term decommissioning liability related to Holly and a \$400 thousand short-term environmental liability related to Fayette and Decker, classified as other liabilities. The amount is based on 2016 cost estimates to perform remediation and decommissioning. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

13 – COMMITMENTS AND CONTINGENCIES, continued

e -- Decommissioning and Environmental/Pollution Remediation Contingencies, continued

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 \$1.1 million at September 30, 2016. Austin Water Utility anticipates payment of these costs in 2017. The amount is based on 2016 cost estimates to perform remediation and decommissioning. 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, 2016.

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 Agriculture. The City's programs are subject to program compliance audits by the grantor 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 2016 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.

Project	(in thousands)	Remaining Commitment
Governmental activities:		
General government		\$ 52,656
Public safety		22,828
Transportation		74,847
Public health		7,881
Public recreation and culture		81,428
Urban growth management		27,801
Business-type activities:		
Electric		170,878
Water		159,484
Wastewater		141,037
Airport		347,238
Convention		47,545
Environmental and health services		1,818
Urban growth management		140,101
Total		\$ 1,275,542

13 – COMMITMENTS AND CONTINGENCIES, continued
i -- Encumbrances

The City utilizes encumbrances to track commitments against budget in governmental funds. The amount of outstanding encumbrances at September 30, 2016, is as follows (in thousands):

	<u>Encumbrances</u>
General Fund	\$ 16,373
Nonmajor governmental	
Special Revenue	22,900
Capital Projects	99,802
	<u>\$ 139,075</u>

Significant encumbrances include reservations for the 2012 bond program (\$32,198), Communications and Technology Management (\$14,248), and the Library Automation System (\$13,104).

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. Flooding in fiscal year 2015 has delayed final closure, which is expected in fiscal year 2018. 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, 2016, is as follows (in thousands):

	<u>Closure</u>	<u>Postclosure</u>	<u>Total</u>
Total estimated costs	\$ 21,103	9,899	31,002
% capacity used	100%	100%	100%
Cumulative liability accrued	21,103	9,899	31,002
Costs incurred	(18,399)	--	(18,399)
Closure and postclosure liability	<u>\$ 2,704</u>	<u>9,899</u>	<u>12,603</u>

These amounts are based on the 2016 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:

<u>Fund Name</u>	<u>Description</u>
Employee Benefits	City employees and retirees may choose a self-insured PPO, HMO, or CDHP with HSA for health coverage. Approximately 24% of City employees and 31% of retirees use the HMO option; approximately 71% of City employees and 68% of retirees use the PPO option; and approximately 5% of City employees and 0.17% of retirees use the CDHP with HSA 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.

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

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 2016, sixteen claims exceeded the stop-loss limit of \$500,000; during fiscal year 2015, fourteen claims exceeded the stop-loss limit of \$500,000, and during fiscal year 2014, sixteen 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 \$49.3 to \$56.7 million. In accordance with GAAP, \$49.3 million is recognized as claims payable in the financial statements with \$24.5 million recognized as a current liability and \$24.8 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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Liability balances, beginning of year	\$ 13,286	11,699	9,337	10,581	24,841	21,526
Claims and changes in estimates	17,904	15,136	3,929	4,640	4,651	7,124
Claim payments	(16,880)	(13,549)	(3,902)	(5,884)	(3,828)	(3,809)
Liability balances, end of year	<u>\$ 14,310</u>	<u>13,286</u>	<u>9,364</u>	<u>9,337</u>	<u>25,664</u>	<u>24,841</u>

The Liability Reserve Fund claims liability balance at fiscal year-end includes liabilities of \$3.3 million discounted at 3.19% in 2016 and \$3.2 million discounted at 3.91% in 2015.

l -- 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.

The MLGC has three additional debt issuances: October 2009 (\$15,000,000), October 2012 (\$16,735,000), and October 2014 (\$15,845,000). 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 602,000 square feet of retail space that is either complete or under construction. Over 80 employers provide approximately 5,000 jobs at Mueller. From the start of home sales in 2007, the community has been well received. As of September 30, 2016, approximately 1,529 single-family homes and 1,981 multi-family units were either complete or under construction. Catellus has also started the infrastructure for an additional 195 single-family homes.

13 – COMMITMENTS AND CONTINGENCIES, continued
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. At September 30, 2016, annual future installments of \$23,391,807 remain to be billed against the original levied assessments of \$26,910,817. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2016 are \$14,875,000 and \$414,980, 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. At September 30, 2016, annual future installments of \$4,559,072 remain to be billed against the original levied assessments of \$5,250,575. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2016 are \$2,745,000 and \$358, 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. At September 30, 2016, annual future installments of \$23,500,825 remain to be billed against the original levied assessments of \$27,039,350. The aggregate principal outstanding at September 30, 2016 is \$11,960,000.

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, 2016, under capital lease obligations (in thousands):

Capital Assets	Austin Energy
Building and improvements	\$ 1,405
Accumulated depreciation	(492)
Net capital assets	<u>\$ 913</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, 2016, was \$21.3 million.

Fiscal Year Ended September 30	Future Lease Payments
2017	\$ 12,156
2018	9,977
2019	5,073
2020	3,407
2021	2,276
2022-2026	6,970
Totals	<u>\$ 39,859</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, 2016. 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, 2016, \$71.8 million in housing revenue bonds were outstanding with an original issue value of \$80.5 million.

Revenue bonds have been issued by various related entities to provide for facilities located at the 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, 2016, \$146.7 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	\$ 133,834
Capital assets	216,202
Other noncurrent assets	13,344
Total assets	<u>363,380</u>
Deferred outflows of resources	<u>34,997</u>
LIABILITIES	
Other current liabilities	22,206
Other noncurrent liabilities	221,597
Total liabilities	<u>243,803</u>
Deferred inflows of resources	<u>270</u>
NET POSITION	
Net investment in capital assets	38,560
Restricted	24,907
Unrestricted	90,837
Total net position	<u>\$ 154,304</u>

16 – SEGMENT INFORMATION – CONVENTION CENTER, continued

Condensed Statement of Revenues, Expenses, and Changes in Net Position	
OPERATING REVENUES	
User fees and rentals	\$ 33,221
Total operating revenues	<u>33,221</u>
OPERATING EXPENSES	
Operating expenses before depreciation	48,401
Depreciation and amortization	9,112
Total operating expenses	<u>57,513</u>
Operating income (loss)	(24,292)
Nonoperating revenues (expenses)	(36,730)
Transfers	71,894
Change in net position	<u>10,872</u>
Total net position - beginning	143,432
Total net position - ending	<u>\$ 154,304</u>
Condensed Statement of Cash Flows	
Net cash provided (used) by:	
Operating activities	\$ (14,210)
Noncapital financing activities	71,553
Capital and related financing activities	(26,152)
Investing activities	271
Net increase (decrease) in cash and cash equivalents	<u>31,462</u>
Cash and cash equivalents, October 1	91,063
Cash and cash equivalents, September 30	<u>\$ 122,525</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, 2015. The condensed financial statements of Waller Creek Local Government Corp. are presented for the year ended September 30, 2016 (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	\$ 1,045	7,983	--	9,028
Capital assets	23,374	166,143	--	189,517
Noncurrent assets	2,005	73,727	--	75,732
Total assets	<u>26,424</u>	<u>247,853</u>	<u>--</u>	<u>274,277</u>
Deferred outflows of resources	<u>--</u>	<u>17,860</u>	<u>--</u>	<u>17,860</u>
LIABILITIES				
Current Liabilities	6,212	13,978	--	20,190
Bonds payable, net of discount and inclusive of premium	58,678	245,632	--	304,310
Noncurrent liabilities	7	--	--	7
Total liabilities	<u>64,897</u>	<u>259,610</u>	<u>--</u>	<u>324,507</u>
NET POSITION				
Net investment in capital assets	(35,305)	(65,435)	--	(100,740)
Restricted	--	21,427	--	21,427
Unrestricted (deficit)	(3,168)	50,111	--	46,943
Total net position	<u>\$ (38,473)</u>	<u>6,103</u>	<u>--</u>	<u>(32,370)</u>

17 – DISCRETELY PRESENTED COMPONENT UNITS, continued

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	\$ 17,507	81,058	--	98,565
Contributions	--	--	200	200
Total operating revenues	<u>17,507</u>	<u>81,058</u>	<u>200</u>	<u>98,765</u>
OPERATING EXPENSES				
Operating expenses before depreciation	13,142	43,604	200	56,946
Depreciation and amortization	1,293	8,915	--	10,208
Total operating expenses	<u>14,435</u>	<u>52,519</u>	<u>200</u>	<u>67,154</u>
Operating income (loss)	<u>3,072</u>	<u>28,539</u>	<u>--</u>	<u>31,611</u>
NONOPERATING REVENUES (EXPENSES)				
Nonoperating revenues (expenses)	(4,591)	(15,808)	--	(20,399)
Change in net position	<u>(1,519)</u>	<u>12,731</u>	<u>--</u>	<u>11,212</u>
Total net position - beginning	<u>(36,954)</u>	<u>(6,628)</u>	<u>--</u>	<u>(43,582)</u>
Total net position - ending	<u>\$ (38,473)</u>	<u>6,103</u>	<u>--</u>	<u>(32,370)</u>

18 – SUBSEQUENT EVENTS

a -- General Obligation Bond Issue

In October 2016, the City issued \$98,365,000 of Public Improvement and Refunding Bonds, Series 2016. The net proceeds of \$51,810,000 (after issue costs, discounts, and premiums) from the non-refunding portion of the issue will be used as follows: streets and mobility (\$22,380,000), parks and recreation (\$13,625,000), and facility improvements (\$15,805,000). The net proceeds of the refunding portion of \$68,557,045 were used to refund \$56,905,000 Public Improvement Bonds, Series 2008 and \$6,755,000 Certificates of Obligation, Series 2008. These bonds will be amortized serially on September 1 of each year from 2017 to 2036. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2017. Total interest requirements for these bonds, at rates ranging from 2.0% to 5.0%, are \$43,356,567.

In October 2016, the City issued \$44,015,000 of Certificates of Obligation, Series 2016. The net proceeds of \$53,550,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: watershed home buyouts (50,000,000), and the Central Library (\$3,550,000). These certificates of obligation will be amortized serially on September 1 of each year from 2017 to 2036. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2017. Total interest requirements for these obligations, at rates ranging from 2.0% to 5.0%, are \$25,209,767.

In October 2016, the City issued \$22,555,000 of Public Property Finance Contractual Obligations, Series 2016. The net proceeds of \$25,070,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: capital equipment (\$16,470,000), and CTM network equipment (\$8,600,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2017 to 2023. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2017. Total interest requirements for these obligations, at rates ranging from 2.0% to 5.0%, are \$3,734,764.

In October 2016, the City issued \$12,000,000 of Public Improvement Taxable Bonds, Series 2016. The net proceeds of \$12,176,103 (after issue costs, discounts, and premiums) from the issuance were used for affordable housing (\$10,000,000) and for Austin Film Studios (\$2,000,000). Interest is payable March 1 and September 1 of each year from 2017 to 2036, commencing on March 1, 2017. Principal payments are due September 1 of each year from 2017 to 2036. Total interest requirements for this obligation, at rates ranging from 1.8% to 4.0% are \$3,889,491.

In October 2016, the City issued \$8,700,000 of Certificates of Obligation Bonds, Taxable Series 2016. The net proceeds of \$8,827,815 (after issue costs, discounts, and premiums) from the issuance were used for the Seaholm Garage. Interest is payable March 1 and September 1 of each year from 2017 to 2036, commencing on March 1, 2017. Principal payments are due September 1 of each year from 2017 to 2036. Total interest requirements for this obligation, at rates ranging from 1.8% to 4.0% are \$2,817,885.

18 – SUBSEQUENT EVENTS, continued

b – Water and Wastewater – System Revenue Bond Issue

In November 2016, the City issued \$20,430,000 of Water and Wastewater System Revenue Bonds, Series, 2016A. This is a private placement structured through a memorandum with the Texas Water Development Board (TWDB). Project funds of \$19,119,376 will be used as follows: improving and extending the Water/Wastewater system. The debt service requirements on the bonds are \$24,155,813 with interest rates ranging from 0.5% to 2.1%. Interest payments are due May 15 and November 15 of each year from 2017 to 2036. Principal payments are due November 15 of each year from 2017 to 2036.

c – Convention Center – Town Lake Park Community Events Center Venue Project Refunding Bonds

In November 2016, the City issued 29,080,000 of Town Lake Park Community Events Center Venue Project Refunding Bonds, Series 2016. The bonds were issued via private placement bonds. Proceeds from the bonds were used to refund \$28,920,000 of the City's Series 2005 Venue Project Refunding bonds. Interest is payable May 15 and November 15 of each year from 2017 to 2029, commencing on May 15, 2017. Principal payments are due November 15 of each year from 2017 to 2029. Total interest requirements at a rate of 1.875% are \$3,945,923.

d – Airport – System Revenue Bond Issue

In February 2017, the City issued \$185,300,000 of Airport System Revenue Bonds, Series 2017A. The net proceeds of \$213,319,508 (after issue costs, discounts, and premiums) from the issuance are being used for parking garage project construction. Interest is payable May 15 and November 15 of each year from 2017 to 2046, commencing on May 15, 2017. Principal payments are due November 15 of each year from 2026 to 2046. Total interest requirements for these obligations, at a constant rate of 5.00%, are \$199,610,319.

Additionally in February 2017, the City issued \$129,665,000 of Airport System Revenue Bonds, Series 2017B (AMT). The bonds are subject to the alternative minimum tax (AMT). The net proceeds of \$146,104,969 (after issue costs, discounts, and premiums) from the issuance are being used for expansion and improvements to the terminal and apron. Interest is payable May 15 and November 15 of each year from 2017 to 2046, commencing on May 15, 2017. Principal payments are due November 15 of each year from 2026 to 2046. Total interest requirements for these obligations, a constant rate of 5.0% are \$139,677,305.

e – Austin Energy – System Revenue Bond Issue

In February 2017, the City issued \$101,570,000 of Electric Utility System Revenue Refunding Bonds, Series 2017. The net proceeds of \$113,890,104 (after issue costs, premium and discounts) from the issuance are being used to refund \$105,460,000 in series 2008A Revenue Refunding Bonds. Interest is payable May 15 and November 15 of each year from 2017 to 2038, commencing on May 15, 2017. Principal payments are due November 15 of each year from 2019 to 2038. Total interest requirements for this obligation, with rates ranging from 4.0% to 5.0% are \$79,171,457.



**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, 2016
(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	\$ 607,361	100	607,461	605,178	605,178	2,283
Franchise fees	36,678	(8)	36,670	38,462	38,462	(1,792)
Fines, forfeitures and penalties	15,027	--	15,027	16,826	16,826	(1,799)
Licenses, permits and inspections	47,470	(10)	47,460	41,748	41,748	5,712
Charges for services/goods	59,062	2,501	61,563	58,425	58,425	3,138
Interest and other	15,205	(10,030)	5,175	3,701	3,701	1,474
Total revenues	780,803	(7,447)	773,356	764,340	764,340	9,016
EXPENDITURES						
General government						
Municipal Court	20,844	362	21,206	21,449	21,449	243
Public safety						
Police	326,680	42,700	369,380	372,270	373,770	4,390
Fire	164,499	15,590	180,089	176,503	176,503	(3,586)
Emergency Medical Services	67,859	9,374	77,233	78,888	78,888	1,655
Transportation, planning, and sustainability						
Transportation, planning, and sustainability	814	486	1,300	1,300	1,300	--
Public health						
Health	72,333	2,023	74,356	74,608	74,768	412
Public recreation and culture						
Parks and Recreation	67,623	7,931	75,554	75,324	75,742	188
Austin Public Library	37,787	4,007	41,794	42,339	42,339	545
Urban growth management						
Neighborhood Planning and Zoning	34,411	6,736	41,147	41,148	41,148	1
Other urban growth management	32,406	308	32,714	34,017	34,017	1,303
General city responsibilities (4)	106,985	(102,491)	4,494	4,711	4,711	217
Total expenditures	932,241	(12,974)	919,267	922,557	924,635	5,368
Excess (deficiency) of revenues over expenditures	(151,438)	5,527	(145,911)	(158,217)	(160,295)	14,384
OTHER FINANCING SOURCES (USES)						
Transfers in	157,201	42,535	199,736	197,023	199,101	635
Transfers out	(26,246)	(54,566)	(80,812)	(73,038)	(79,426)	(1,386)
Total other financing sources (uses)	130,955	(12,031)	118,924	123,985	119,675	(751)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(20,483)	(6,504)	(26,987)	(34,232)	(40,620)	13,633
Special item - land sale	4,309	--	4,309	--	4,309	--
Fund balance at beginning of year	177,163	2,949	180,112	166,374	167,174	12,938
Fund balance at end of year	\$ 160,989	(3,555)	157,434	132,142	130,863	26,571

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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 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 ten separately budgeted funds: the Budgetary General Fund, as budgeted by the City, plus the Budget Stabilization Reserve, Community Development Incentives, Economic Development, Economic Incentives Reserve, Emergency Reserve, Green Water Treatment Plant Land Sale Proceeds, Long Center Capital Improvements, Music Venue Assistance Program, and Neighborhood Housing and Community Development 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), customer service call center (\$2,954,289) and interdepartmental charges (\$1,292,136).

b -- Budget Amendments

The original revenue budget of the General Fund was not amended during fiscal year 2016. The original expenditure budget of the General Fund was amended during fiscal year 2016 to increase expenditures due to additional public safety support for the Spring Festival Season (\$1.5 million), increase in childcare services for families in the Passage Program (\$160 thousand), and to PARD to hire temporary and seasonal staff for the 2016 summer swim season (\$418 thousand). These amounts were appropriated from the Budget Stabilization Reserve.

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	\$ (20,483)
Adjustments - increases (decreases) due to:	
Unbudgeted revenues	(603)
Net compensated absences accrual	(325)
Outstanding encumbrances established in current year	(15,772)
Payments against prior year encumbrances	9,151
Other	1,045
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	<u>\$ (26,987)</u>

RETIREMENT PLANS-TREND INFORMATION

Changes in net pension liability for each pension plan for the measurement periods ended December 31, 2014 and 2015 are presented in the next three schedules:

Schedule of Changes in the City Employees' Net Pension Liability and Related Ratios (in thousands)

	<u>2014</u>	<u>2015</u>
Beginning total pension liability (a)	\$ 2,909,918	3,094,056
Changes for the year:		
Service cost	89,235	93,506
Interest	222,710	236,844
Differences between expected and actual experience	33,911	13,414
Assumption changes	--	123,493
Benefit payments including refunds	(161,718)	(169,517)
Net change in total pension liability	<u>184,138</u>	<u>297,740</u>
Ending total pension liability (b)	<u>\$ 3,094,056</u>	<u>3,391,796</u>
Beginning total plan fiduciary net position (c)	\$ 2,130,624	2,209,800
Changes for the year:		
Employer contributions	93,331	100,485
Employee contributions	50,490	54,066
Pension plan net investment income (loss)	99,704	(47,608)
Benefits payments and refunds	(161,718)	(169,517)
Pension plan administrative expense	(2,631)	(2,422)
Net change in plan fiduciary net position	<u>79,176</u>	<u>(64,996)</u>
Ending total plan fiduciary net position (d)	<u>\$ 2,209,800</u>	<u>2,144,804</u>
Beginning net pension liability (a-c)	<u>\$ 779,294</u>	<u>884,256</u>
Ending net pension liability (b-d)	<u>\$ 884,256</u>	<u>1,246,992</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	71.42%	63.24%
Covered payroll (1)	\$ 514,787	546,058
City's net pension liability as a percentage of covered payroll (1)	171.77%	228.36%

(1) "Covered-employee payroll" for 2014 was restated to "covered payroll" to conform with the requirements of GASB Statement No. 82.

RETIREMENT PLANS-TREND INFORMATION, continued

Notes to Changes in the City Employees' Net Pension Liability and Related Ratios

The City Employees' fund had no significant changes of benefit terms, and no other significant factors that affected measurement of the total pension liability during the period ending December 31, 2015; however, significant changes to assumptions were made as the result of an experience study of the five years ending December 31, 2015, including:

- Decreasing the inflation assumption from 3.25% to 2.75%,
- Reducing the investment rate of return assumption from 7.75% to 7.5%,
- Decreasing the salary increase assumption from 4.5% to 4.0%,
- Increasing new entrant pay from 3.75% to 4.0%,
- Reducing the assumed retirement rates at most ages to better reflect the emerging trend of members retiring at later ages,
- Lowering termination rates and using a select table based on a three year select period for withdrawal rates, and
- Using the RP-2014 blue collar mortality table for males and females project from 2014 to 2026 using mortality improvement scale BB with a 62% weighting of males and a 38% weighting of females. Previously the RP-2000 white collar mortality tables were used.

RETIREMENT PLANS-TREND INFORMATION, continued

Schedule of Changes in the Police Officers' Net Pension Liability and Related Ratios (in thousands)

	2014	2015
Beginning total pension liability (a)	\$ 909,000	971,623
Changes for the year:		
Service cost	30,254	32,138
Interest	72,443	76,999
Benefit changes	(11,015)	(4,080)
Differences between expected and actual experience	--	(6,318)
Assumption changes	14,137	3,904
Contribution buy back	2,207	4,648
Benefit payments including refunds	(45,403)	(50,005)
Net change in total pension liability	<u>62,623</u>	<u>57,286</u>
Ending total pension liability (b)	<u>\$ 971,623</u>	<u>1,028,909</u>
Beginning total plan fiduciary net position (c)	<u>\$ 595,110</u>	<u>638,019</u>
Changes for the year:		
Employer contributions	32,400	33,239
Employee contributions	19,458	20,061
Contribution buy back	2,207	4,648
Pension plan net investment income (loss)	35,574	(322)
Benefits payments and refunds	(45,403)	(50,005)
Pension plan administrative expense	(1,327)	(1,466)
Net change in plan fiduciary net position	<u>42,909</u>	<u>6,155</u>
Ending total plan fiduciary net position (d)	<u>\$ 638,019</u>	<u>644,174</u>
Beginning net pension liability (a-c)	<u>\$ 313,890</u>	<u>333,604</u>
Ending net pension liability (b-d)	<u>\$ 333,604</u>	<u>384,735</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	65.67%	62.61%
Covered payroll (1)	\$ 149,686	152,696
City's net pension liability as a percentage of covered payroll (1)	222.87%	251.96%

(1) "Covered-employee payroll" for 2014 was restated to "covered payroll" to conform with the requirements of GASB Statement No. 82.

Notes to Changes in the Police Officers' Net Pension Liability and Related Ratios

The Police Officers' fund had no significant changes of benefit terms, and no other significant factors that affected measurement of the total pension liability during the period ending December 31, 2015. The investment return assumption was decreased from 7.90% to 7.80%, resulting in a decrease of 0.20% in the last two years.

RETIREMENT PLANS-TREND INFORMATION, continued

Schedule of Changes in the Fire Fighters' Net Pension Liability and Related Ratios (in thousands)

	<u>2014</u>	<u>2015</u>
Beginning total pension liability (a)	\$ 806,282	861,468
Changes for the year:		
Service cost	25,319	23,309
Interest	62,977	66,405
Differences between expected and actual experience	--	7,193
Assumption changes	4,883	--
Benefit payments including refunds	(37,993)	(44,757)
Net change in total pension liability	<u>55,186</u>	<u>52,150</u>
Ending total pension liability (b)	<u>\$ 861,468</u>	<u>913,618</u>
Beginning total plan fiduciary net position (c)	<u>\$ 752,622</u>	<u>789,433</u>
Changes for the year:		
Employer contributions	18,670	19,222
Employee contributions	14,660	15,547
Pension plan net investment income	42,005	6,328
Benefits payments and refunds	(37,993)	(44,757)
Pension plan administrative expense	(531)	(562)
Net change in plan fiduciary net position	<u>36,811</u>	<u>(4,222)</u>
Ending total plan fiduciary net position (d)	<u>\$ 789,433</u>	<u>785,211</u>
Beginning net pension liability (a-c)	<u>\$ 53,660</u>	<u>72,035</u>
Ending net pension liability (b-d)	<u>\$ 72,035</u>	<u>128,407</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	91.64%	85.95%
Covered payroll (1)	\$ 84,589	83,979
City's net pension liability as a percentage of covered payroll (1)	85.16%	152.90%

(1) "Covered-employee payroll" for 2014 was restated to "covered payroll" to conform with the requirements of GASB Statement No. 82.

Notes to Changes in the Fire Fighters' Net Pension Liability and Related Ratios

There were no assumption or benefit changes or any other significant factors that affected measurement of the total pension liability for the Fire Fighter's Fund during the year ended December 31, 2015.

RETIREMENT PLANS-TREND INFORMATION, continued

Information pertaining to City contributions to the retirement systems for the fiscal year ending September 30, 2016, is shown in the following two tables (in thousands). An actuarially determined contribution was calculated for the City Employees' fund but was not calculated for the other two funds.

**Schedule of Actuarially Determined City Contributions to the City Employees' Fund
 (in thousands)**

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
	\$	\$	\$	\$	
2015	96,554	97,655	(1,101)	540,110	18.08%
2016	109,725	102,609	7,116	566,227	18.12%

(1) "Covered-employee payroll" for 2015 was restated to "covered payroll" to conform with the requirements of GASB Statement No. 82.

Notes to Schedule of Actuarially Determined City Contributions to the City Employees' Fund

Valuation Date: December 31 of each calendar year occurring during the fiscal year.
Notes: Members and employers contribute based on statutorily fixed or negotiated rates. A funding period is solved for through open group projections.

A new set of assumptions was adopted for the December 31, 2015 actuarial valuation and will be reflected for the Actuarially Determined Contribution (ADC) determined for the 2016 plan year. The 2016 assumptions apply to the portion of the employer's ADC contributed during the period January 1, 2016 to September 30, 2016.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal (all years)
Asset Valuation Method	20% of market plus 80% of expected actuarial value (all years)
Inflation	2.75% for 2016 and 3.25% for 2015
Salary Increases	4.00% to 6.25% for 2016 and 4.50% to 6.00% for 2015
Investment Rate of Return	7.50% for 2016 and 7.75% for 2015
Retirement Age	2016 - Experience-based table of rates that are gender specific. Updated for December 31, 2015 valuation pursuant to an experience study for the 5-year period ending December 31, 2015. 2015 - For previous valuation updated on December 31, 2012 valuation pursuant to an experience study of the 5-year period ending December 31, 2011.
Mortality	For 2016 RP-2014 Mortality Table with Blue Collar adjustment. Generational mortality improvements in accordance with Scale BB are projected from the year 2014. For 2015 RP-2000 Mortality Table with White Collar adjustment and multipliers of 110% for males and 120% for females. Generational mortality improvements in accordance with Scale AA are projected from the year 2000.
Other Information:	There were no benefit changes during the periods displayed.

RETIREMENT PLANS-TREND INFORMATION, continued

**Schedule of Statutorily Required City Contributions to the Police Officers' Fund and the Fire Fighters' Fund
 (in thousands)**

Fiscal Year Ended September 30	Statutorily Required Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll (1)	Actual Contribution as a % of Covered Payroll (2)
Police Officers					
2015	\$ 32,942	\$ 32,942	--	152,229	21.64%
2016	33,141	33,141	--	155,476	21.32%
Fire Fighters					
2015	18,327	18,327	--	83,118	22.05%
2016	19,145	19,145	--	86,826	22.05%

(1) "Covered-employee payroll" for 2015 was restated to "covered payroll" to conform with the requirements of GASB Statement No. 82.

(2) Statutorily required contribution for Police Officers decreased from 21.63% in 2015 to 21.313% in 2016

Supplementary information for each plan as well as information on where to obtain plan financial statements can be found in Note 7.

OTHER POSTEMPLOYMENT BENEFITS-TREND INFORMATION

Under GAAP, the City is required to have an actuarial valuation of its other postemployment benefits program every other year. The Schedule of Funding Progress for other postemployment 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
2011	2010	\$ --	1,404,692	1,404,692	0.0%	668,679	210.1%
2013	2012	--	1,384,490	1,384,490	0.0%	696,559	198.8%
2015	2014	--	1,449,238	1,449,238	0.0%	775,527	186.9%

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

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





GENERAL FUND

General Fund
Schedule of Revenues - Budget and Actual-Budget Basis
As of September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit E-1

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Taxes					
Property taxes:					
Current	\$ 381,356	100	381,456	377,916	3,540
Delinquent	698	--	698	629	69
Penalty and interest	1,496	--	1,496	922	574
Property taxes	383,550	100	383,650	379,467	4,183
Sales taxes	212,634	--	212,634	215,675	(3,041)
Other taxes	11,177	--	11,177	10,036	1,141
Total taxes	607,361	100	607,461	605,178	2,283
Franchise fees	36,678	(8)	36,670	38,462	(1,792)
Fines, forfeitures, and penalties					
Library fines	640	--	640	601	39
Traffic fines	7,484	--	7,484	8,979	(1,495)
Parking violations	2,938	--	2,938	3,076	(138)
Other	3,965	--	3,965	4,170	(205)
Total fines, forfeitures, and penalties	15,027	--	15,027	16,826	(1,799)
Licenses, permits, and inspections					
Alarm permits	3,307	(3)	3,304	3,193	111
Public health	4,490	--	4,490	4,557	(67)
Development	10,622	(1)	10,621	9,212	1,409
Building safety	27,956	(1)	27,955	23,547	4,408
Beer and wine permits	537	--	537	495	42
Other	558	(5)	553	744	(191)
Total licenses, permits, and inspections	47,470	(10)	47,460	41,748	5,712
Charges for services/goods					
Recreation and culture	7,993	--	7,993	7,613	380
Public health	4,666	2,376	7,042	6,740	302
Emergency medical services	44,581	112	44,693	42,070	2,623
General government	1,822	13	1,835	2,002	(167)
Total charges for services/goods	59,062	2,501	61,563	58,425	3,138
Interest and other					
Interest	1,492	--	1,492	453	1,039
Rental income	2,155	--	2,155	2,011	144
Sale of property	1,040	--	1,040	967	73
Other	10,518	(10,030)	488	270	218
Total interest and other	15,205	(10,030)	5,175	3,701	1,474
Total revenues	\$ 780,803	(7,447)	773,356	764,340	9,016

(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, 2016
(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	\$ 13,239	6	13,245	13,418	173
Contractual services	7,673	303	7,976	7,920	(56)
Commodities	148	(5)	143	186	43
Expense refunds	(216)	--	(216)	(196)	20
Capital outlay	--	58	58	121	63
Total general government	20,844	362	21,206	21,449	243
Public safety					
Police:					
Salaries and fringe benefits	305,941	314	306,255	306,135	(120)
Contractual services	30,792	41,168	71,960	72,840	880
Commodities	4,467	1,053	5,520	5,077	(443)
Expense refunds	(14,894)	(2)	(14,896)	(10,841)	4,055
Capital outlay	374	167	541	559	18
	326,680	42,700	369,380	373,770	4,390
Fire:					
Salaries and fringe benefits	157,852	58	157,910	151,786	(6,124)
Contractual services	10,578	14,633	25,211	26,432	1,221
Commodities	3,099	(98)	3,001	2,807	(194)
Indirect cost	389	--	389	356	(33)
Expense refunds	(7,672)	--	(7,672)	(6,139)	1,533
Capital outlay	253	997	1,250	1,261	11
	164,499	15,590	180,089	176,503	(3,586)
Emergency Medical Services:					
Salaries and fringe benefits	56,717	(6)	56,711	57,763	1,052
Contractual services	7,582	9,502	17,084	17,134	50
Commodities	4,154	233	4,387	3,627	(760)
Expense refunds	(1,733)	--	(1,733)	(513)	1,220
Capital outlay	1,139	(355)	784	877	93
	67,859	9,374	77,233	78,888	1,655
Total public safety	559,038	67,664	626,702	629,161	2,459
Transportation, planning, and sustainability					
Contractual services	723	486	1,209	1,300	91
Commodities	91	--	91	--	(91)
Total transportation, planning, and sustainability	814	486	1,300	1,300	--
Public health					
Salaries and fringe benefits	31,024	(918)	30,106	30,932	826
Contractual services	41,025	2,797	43,822	43,905	83
Commodities	2,031	423	2,454	1,894	(560)
Expense refunds	(2,032)	--	(2,032)	(1,974)	58
Capital outlay	285	(279)	6	11	5
Total public health	72,333	2,023	74,356	74,768	412
Public recreation and culture					
Parks and Recreation:					
Salaries and fringe benefits	52,834	13	52,847	53,091	244
Contractual services	15,527	7,545	23,072	23,314	242
Commodities	4,241	486	4,727	3,178	(1,549)
Indirect cost	505	--	505	560	55
Expense refunds	(5,877)	10	(5,867)	(4,714)	1,153
Capital outlay	393	(123)	270	313	43
\$	67,623	7,931	75,554	75,742	188

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
As of September 30, 2016
(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	\$ 28,603	1	28,604	29,484	880
Contractual services	4,197	5,293	9,490	9,100	(390)
Commodities	4,037	13	4,050	3,766	(284)
Expense refunds	(350)	--	(350)	(70)	280
Capital outlay	1,300	(1,300)	--	59	59
	<u>37,787</u>	<u>4,007</u>	<u>41,794</u>	<u>42,339</u>	<u>545</u>
Total public recreation and culture	<u>105,410</u>	<u>11,938</u>	<u>117,348</u>	<u>118,081</u>	<u>733</u>
Urban growth management					
Neighborhood Planning & Zoning:					
Salaries and fringe benefits	36,570	(40)	36,530	37,114	584
Contractual services	5,387	6,650	12,037	11,943	(94)
Commodities	551	92	643	644	1
Expense refunds	(8,195)	--	(8,195)	(8,703)	(508)
Capital outlay	98	34	132	150	18
	<u>34,411</u>	<u>6,736</u>	<u>41,147</u>	<u>41,148</u>	<u>1</u>
Other urban growth management:					
Salaries and fringe benefits	11,014	--	11,014	8,681	(2,333)
Contractual services	23,881	294	24,175	25,690	1,515
Commodities	305	14	319	493	174
Expense refunds	(2,794)	--	(2,794)	(847)	1,947
	<u>32,406</u>	<u>308</u>	<u>32,714</u>	<u>34,017</u>	<u>1,303</u>
Total urban growth management	<u>66,817</u>	<u>7,044</u>	<u>73,861</u>	<u>75,165</u>	<u>1,304</u>
General city responsibilities (2)	<u>106,985</u>	<u>(102,491)</u>	<u>4,494</u>	<u>4,711</u>	<u>217</u>
Total expenditures	<u>932,241</u>	<u>(12,974)</u>	<u>919,267</u>	<u>924,635</u>	<u>5,368</u>
General fund expenditures					
Salaries	693,794	(572)	693,222	688,404	(4,818)
Contractuals	147,365	88,671	236,036	239,578	3,542
Commodities	23,124	2,211	25,335	21,672	(3,663)
Indirect cost	894	--	894	916	22
Expense refunds	(43,763)	8	(43,755)	(33,997)	9,758
Capital outlay	3,842	(801)	3,041	3,351	310
General city responsibilities	106,985	(102,491)	4,494	4,711	217
Total expenditures	<u>\$ 932,241</u>	<u>(12,974)</u>	<u>919,267</u>	<u>924,635</u>	<u>5,368</u>

- (1) Includes adjustments for current year encumbrances, payments against prior year encumbrances, 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 and amounts budgeted as fund-level expenditures.

General Fund
Schedule of Transfers - Budget and Actual-Budget Basis
As of September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit E-3

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Transfers in					
General Fund:					
Budgetary General Fund	\$ --	28,842	28,842	28,207	635
Budget Stabilization Reserve	--	10,493	10,493	10,493	--
Economic Incentives Reserve	--	2,000	2,000	2,000	--
Enterprise funds:					
Austin Energy	114,090	--	114,090	114,090	--
Austin Water Utility	42,805	1,200	44,005	44,005	--
Austin Resource Recovery	306	--	306	306	--
Total transfers in	157,201	42,535	199,736	199,101	635
Transfers out					
General Fund:					
Budgetary General Fund	--	2,925	2,925	2,131	(794)
Budget Stabilization Reserve	--	4,228	4,228	4,228	--
Community Development Incentives	--	1,059	1,059	1,059	--
Economic Development	--	3,397	3,397	3,397	--
Economic Incentives Reserve	--	14,869	14,869	14,869	--
Emergency Reserve	--	14,669	14,669	14,669	--
Long Center Capital Improvements	--	300	300	300	--
Special revenue funds:					
Child Safety	361	--	361	361	--
Housing Trust	897	--	897	897	--
Cable TV	475	--	475	475	--
Downtown Public Improvement District	37	(37)	--	--	--
Mueller Local Government Corporation	977	--	977	977	--
Music Loan Program	--	100	100	100	--
Urban Renewal Agency	29	(29)	--	--	--
Tax Increment Finance	600	100	700	700	--
Capital Improvement Projects	22,004	--	22,004	21,412	(592)
Enterprise funds:					
Austin Energy	13	(13)	--	--	--
Transportation	853	--	853	853	--
Internal service funds:					
Fleet Maintenance	--	10,727	10,727	10,727	--
Information Systems	--	380	380	380	--
Support Services	--	1,828	1,828	1,828	--
Workers Compensation	--	63	63	63	--
Total transfers out	26,246	54,566	80,812	79,426	(1,386)
Net transfers	\$ 130,955	(12,031)	118,924	119,675	(751)

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



**NONMAJOR
GOVERNMENTAL
FUNDS**



**Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2016
(In thousands)**

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

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Pooled investments and cash	\$ 117,143	292	195,060	1,071	313,566
Investments	--	20,470	--	--	20,470
Cash held by trustee - restricted	5,472	--	--	--	5,472
Investments held by trustee - restricted	1,740	--	--	--	1,740
Property taxes receivable, net of allowance	--	3,604	--	--	3,604
Accounts receivable, net of allowance	27,651	--	1,361	--	29,012
Receivables from other governments	11,204	--	--	--	11,204
Notes receivable, net of allowance	22,664	--	--	--	22,664
Due from other funds	15,560	--	--	--	15,560
Advances to other funds	--	1,634	7,882	--	9,516
Real property held for resale	4,937	--	--	--	4,937
Other assets	2,986	--	--	--	2,986
Total assets	209,357	26,000	204,303	1,071	440,731
Deferred outflows of resources	--	--	--	--	--
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Accounts payable	5,135	--	11,716	--	16,851
Accrued payroll	111	--	--	--	111
Due to other funds	15,560	--	--	--	15,560
Due to other governments	5	--	15	--	20
Unearned revenue	4,106	--	--	--	4,106
Advances from other funds	--	701	7,882	--	8,583
Deposits and other liabilities	65,087	--	415	--	65,502
Total liabilities	90,004	701	20,028	--	110,733
Deferred inflows of resources	2,958	3,670	440	--	7,068
Fund balances					
Nonspendable:					
Permanent funds	--	--	--	1,070	1,070
Restricted	69,232	21,629	95,533	1	186,395
Committed	42,508	--	--	--	42,508
Assigned	11,025	--	96,808	--	107,833
Unassigned	(6,370)	--	(8,506)	--	(14,876)
Total fund balances	116,395	21,629	183,835	1,071	322,930
Total liabilities, deferred inflows of resources, and fund balances	\$ 209,357	26,000	204,303	1,071	440,731

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit E-5

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Property taxes	\$ 7,974	117,580	--	--	125,554
Franchise fees and other taxes	99,918	--	--	--	99,918
Fines, forfeitures and penalties	5,052	--	--	--	5,052
Licenses, permits and inspections	2,716	--	--	--	2,716
Charges for services/goods	39,849	--	--	--	39,849
Intergovernmental	53,162	--	3,584	--	56,746
Property owners' participation and contributions	4,755	--	9,799	--	14,554
Interest and other	17,352	1,712	4,065	--	23,129
Total revenues	230,778	119,292	17,448	--	367,518
EXPENDITURES					
Current:					
General government	1,671	--	--	--	1,671
Public safety	7,459	--	--	--	7,459
Transportation, planning, and sustainability	6,225	--	--	--	6,225
Public health	19,684	--	--	--	19,684
Public recreation and culture	10,696	--	--	--	10,696
Urban growth management	88,363	--	--	--	88,363
Debt service:					
Principal	2,085	78,774	--	--	80,859
Interest	7,322	54,066	--	--	61,388
Fees and commissions	--	13	--	--	13
Capital outlay	--	--	142,822	--	142,822
Total expenditures	143,505	132,853	142,822	--	419,180
Excess (deficiency) of revenues over expenditures	87,273	(13,561)	(125,374)	--	(51,662)
OTHER FINANCING SOURCES (USES)					
Issuance of tax supported debt	10,052	585	132,138	--	142,775
Issuance of refunding bonds	--	139,690	--	--	139,690
Bond premiums	--	19,899	13,406	--	33,305
Payment to refunding bond escrow agent	--	(159,589)	--	--	(159,589)
Transfers in	11,425	12,880	66,825	--	91,130
Transfers out	(102,385)	--	(11,776)	--	(114,161)
Total other financing sources (uses)	(80,908)	13,465	200,593	--	133,150
Net change in fund balances	6,365	(96)	75,219	--	81,488
Fund balances at beginning of year	110,030	21,725	108,616	1,071	241,442
Fund balances at end of year	\$ 116,395	21,629	183,835	1,071	322,930





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.

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

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

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

Police Federal Dept. of Treasury Asset Forfeiture Fund - Records all Dept. of Treasury 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.

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

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.

Riparian Zone Mitigation Fund – Accounts for the fees paid by developers to restore riparian health or provide mitigation if on-site restoration is infeasible in the Critical Water Quality Zone

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.

Downtown Public Improvement District Fund - Accounts for the downtown public improvement district, which will provide services, security, and improvements for the downtown Austin area.

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.

Estancia Hill Country Public Improvement District Fund – Accounts for the Estancia Hill Country public improvement district, which issued bonds to finance the construction, ownership and maintenance of certain improvements to support the Estancia Hill Country development.

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.

Indian Hills Public Improvement District Fund – Accounts for the Indian Hills public improvement district, which issued bonds to finance the construction, ownership and maintenance of certain improvements to support the Indian Hills development.

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.

Seaholm Tax Increment Financing Fund – Accounts for property tax revenue that is collected in the Seaholm Tax Increment Financing Reinvestment Zone No. 18 to finance the construction of public improvements for the Seaholm Redevelopment Project.

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.

South Congress Public Improvement District Fund – Accounts for the South Congress public improvement district, which will provide services, security and improvements to the South Congress area.

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.

Whisper Valley Public Improvement District Fund – Accounts for the Whisper Valley public improvement district, which issued bonds to finance the construction, ownership and maintenance of certain improvements to support the Whisper Valley development

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, 2016
(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	\$ 2,536	110,733	3,874	117,143
Cash held by trustee - restricted	1,060	4,412	--	5,472
Investments held by trustee - restricted	--	1,740	--	1,740
Accounts receivable, net of allowance	--	26,975	676	27,651
Receivables from other governments	11,197	--	7	11,204
Notes receivable, net of allowance	--	3,701	18,963	22,664
Due from other funds	--	15,560	--	15,560
Real property held for resale	--	678	4,259	4,937
Other assets	40	2,946	--	2,986
Total assets	14,833	166,745	27,779	209,357
Deferred outflows of resources	--	--	--	--
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Accounts payable	922	4,198	15	5,135
Accrued payroll	--	111	--	111
Due to other funds	9,668	5,892	--	15,560
Due to other governments	--	5	--	5
Unearned revenue	4,106	--	--	4,106
Deposits and other liabilities	137	63,165	1,785	65,087
Total liabilities	14,833	73,371	1,800	90,004
Deferred inflows of resources	--	2,958	--	2,958
Fund balances				
Restricted	--	43,253	25,979	69,232
Committed	--	42,508	--	42,508
Assigned	--	11,025	--	11,025
Unassigned	--	(6,370)	--	(6,370)
Total fund balances	--	90,416	25,979	116,395
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,833	166,745	27,779	209,357

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(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	\$ --	7,974	--	7,974
Franchise fees and other taxes	--	99,918	--	99,918
Fines, forfeitures, and penalties	--	5,052	--	5,052
Licenses, permits and inspections	--	2,716	--	2,716
Charges for services/goods	--	39,372	477	39,849
Intergovernmental	42,611	618	9,933	53,162
Property owners' participation and contributions	--	4,755	--	4,755
Interest and other	--	17,319	33	17,352
Total revenues	42,611	177,724	10,443	230,778
EXPENDITURES				
Current:				
General government	21	1,650	--	1,671
Public safety	5,968	1,491	--	7,459
Transportation, planning, and sustainability	1,034	5,191	--	6,225
Public health	19,393	291	--	19,684
Public recreation and culture	582	10,114	--	10,696
Urban growth management	15,613	64,006	8,744	88,363
Debt service:				
Principal	--	2,085	--	2,085
Interest	--	7,322	--	7,322
Total expenditures	42,611	92,150	8,744	143,505
Excess of revenues over expenditures	--	85,574	1,699	87,273
OTHER FINANCING SOURCES (USES)				
Issuance of tax supported debt	--	10,052	--	10,052
Transfers in	--	11,425	--	11,425
Transfers out	--	(102,385)	--	(102,385)
Total other financing sources (uses)	--	(80,908)	--	(80,908)
Net change in fund balances	--	4,666	1,699	6,365
Fund balances at beginning of year	--	85,750	24,280	110,030
Fund balances at end of year	\$ --	90,416	25,979	116,395

Special Revenue Funds
Combining Balance Sheet - All Special Revenue Grants
September 30, 2016
(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	Other from Governments	Other Assets	Total Assets	Accounts Payable	Other Funds	Unearned Revenue	Other Liabilities	Total Liabilities		
Federal grants												
U.S. Department of Agriculture	\$ 175	--	814	28	1,017	1	841	156	19	1,017	--	1,017
Equal Employment Opportunity Commission	--	--	98	--	98	--	1	97	--	98	--	98
U.S. Department of Justice	--	--	388	--	388	28	360	--	--	388	--	388
U.S. Department of Labor	--	--	10	--	10	--	10	--	--	10	--	10
U.S. Department of State	--	--	66	--	66	6	60	--	--	66	--	66
U.S. Department of Transportation	17	--	814	--	831	--	814	17	--	831	--	831
U.S. Health & Human Services	258	407	1,820	12	2,497	169	1,566	739	23	2,497	--	2,497
U.S. Department of Homeland Security	45	--	4,329	--	4,374	2	4,103	269	--	4,374	--	4,374
U.S. Housing/Urban Development	538	653	1,837	--	3,028	614	1,024	1,295	95	3,028	--	3,028
U.S. National Endowment for the Arts	20	--	112	--	132	--	99	33	--	132	--	132
U.S. Department of Interior	--	--	--	--	--	--	--	--	--	--	--	--
U.S. Department of Energy	29	--	--	--	29	--	--	29	--	29	--	29
U.S. Institute of Museum and Library Services	--	--	51	--	51	--	51	--	--	51	--	51
U.S. Environmental Protection Agency	--	--	--	--	--	--	--	--	--	--	--	--
U.S. Department of Commerce	--	--	--	--	--	--	--	--	--	--	--	--
Total federal grants	1,082	1,060	10,339	40	12,521	820	8,929	2,635	137	12,521	--	12,521
State grants												
Texas Governor's Office Criminal Justice Division	16	--	8	--	24	--	--	24	--	24	--	24
State Health Services	--	--	235	--	235	--	235	--	--	235	--	235
Texas Commission of the Arts	1	--	2	--	3	--	--	3	--	3	--	3
Texas Comptroller of Public Accounts	4	--	--	--	4	--	--	4	--	4	--	4
Texas Parks and Wildlife	--	--	27	--	27	--	27	--	--	27	--	27
Texas Department of Transportation	--	--	13	--	13	--	13	--	--	13	--	13
Texas Department of Motor Vehicles	--	--	138	--	138	--	138	--	--	138	--	138
Texas State Library and Archives Commission	1	--	--	--	1	--	--	1	--	1	--	1
Texas Department of Housing and Community Affairs	--	--	345	--	345	102	243	--	--	345	--	345
Total state grants	22	--	768	--	790	102	656	32	--	790	--	790
Other special revenue grants	1,432	--	90	--	1,522	--	83	1,439	--	1,522	--	1,522
Total all grants	\$ 2,536	1,060	11,197	40	14,833	922	9,668	4,106	137	14,833	--	14,833

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Special Revenue Grants
For the year ended September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit E-9

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	<u>Revenues</u>	<u>Expenditures</u>	<u>Excess (Deficiency) Of Revenues Over Expenditures</u>	<u>Fund Balances at Beginning of Year</u>	<u>Fund Balances at End of Year</u>
	<u>Inter- governmental</u>	<u>Special Projects</u>			
Federal grants					
U.S. Department of Agriculture	\$ 5,626	5,626	--	--	--
Equal Employment Opportunity Commission	--	--	--	--	--
U.S. Department of Justice	1,445	1,445	--	--	--
U.S. Department of Labor	--	--	--	--	--
U.S. Department of State	131	131	--	--	--
U.S. Department of Transportation	2,161	2,161	--	--	--
U.S. Health & Human Services	11,648	11,648	--	--	--
U.S. Department of Homeland Security	2,771	2,771	--	--	--
U.S. Housing/Urban Development	16,295	16,295	--	--	--
U.S. National Foundation for the Arts	13	13	--	--	--
U.S. Department of Interior	--	--	--	--	--
U.S. Department of Energy	--	--	--	--	--
U.S. Institute of Museum and Library Services	83	83	--	--	--
U.S. Environmental Protection Agency	--	--	--	--	--
U.S. Department of Commerce	--	--	--	--	--
Total federal grants	40,173	40,173	--	--	--
State grants					
Texas Governor's Office Criminal Justice Division	20	20	--	--	--
State Health Services	930	930	--	--	--
Texas Commission of the Arts	24	24	--	--	--
Texas Comptroller of Public Accounts	7	7	--	--	--
Texas Parks and Wildlife	15	15	--	--	--
Texas Department of Transportation	--	--	--	--	--
Texas Department of Motor Vehicles	--	--	--	--	--
Texas State Library and Archives Commission	453	453	--	--	--
Texas Department of Housing and Community Affairs	502	502	--	--	--
Total state grants	1,951	1,951	--	--	--
Other special revenue grants	487	487	--	--	--
Total all grants	\$ 42,611	42,611	--	--	--

Special Revenue Funds
Combining Schedule of Expenditures - All Special Revenue Grants
From Inception to September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit E-10

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	Grant	In-Kind		Grant	In-Kind	Grant	In-Kind		Grant	In-Kind	
		Match	Total				Match	Total		Match	Total
Federal grants											
U.S. Department of Agriculture	\$ 49,939	--	49,939	5,626	--	55,565	--	55,565	58,238	--	58,238
Equal Employment Opportunity Commission	957	--	957	--	--	957	--	957	1,033	--	1,033
U.S. Department of Justice	31,550	5,297	36,847	1,445	123	32,995	5,420	38,415	35,819	5,738	41,557
U.S. Department of Labor	68	--	68	--	--	68	--	68	82	--	82
U.S. Department of State	--	--	--	131	--	131	--	131	500	166	666
U.S. Department of Transportation	45,510	12,451	57,961	2,161	734	47,671	13,185	60,856	64,463	17,892	82,355
U.S. Health & Human Services	130,897	806	131,703	11,648	164	142,545	970	143,515	169,173	1,363	170,536
U.S. Department of Homeland Security	49,048	2,383	51,431	2,771	549	51,819	2,932	54,751	60,553	3,956	64,509
U.S. Housing/Urban Development	269,842	3,941	273,783	16,295	493	286,137	4,434	290,571	299,430	4,652	304,082
U.S. National Endowment for the Arts	99	44	143	13	--	112	44	156	50	--	50
U.S. Department of Interior	395	305	700	--	--	395	305	700	397	311	708
U.S. Department of Energy	806	1,191	1,997	--	--	806	1,191	1,997	1,027	1,208	2,235
U.S. Institute of Museum and Library Services	91	33	124	83	--	174	33	207	183	33	216
U.S. Environmental Protection Agency	156	460	616	--	--	156	460	616	326	1,104	1,430
U.S. Department of Commerce	814	35	849	--	--	814	35	849	815	35	850
Total federal grants	580,172	26,946	607,118	40,173	2,063	620,345	29,009	649,354	692,089	36,458	728,547
State grants											
Texas Governor's Office Criminal Justice Division	617	157	774	20	--	637	157	794	519	157	676
State Health Services	6,338	562	6,900	930	96	7,268	658	7,926	8,791	689	9,480
Texas Commission of the Arts	191	71	262	24	--	215	71	286	219	98	317
Texas Comptroller of Public Accounts	1,305	73	1,378	7	--	1,312	73	1,385	2,614	152	2,766
Texas Parks and Wildlife	1,561	1,554	3,115	15	--	1,576	1,554	3,130	2,309	2,345	4,654
Texas Department of Transportation	1,314	37	1,351	--	--	1,314	37	1,351	1,485	62	1,547
Texas Department of Motor Vehicles	754	--	754	--	--	754	--	754	758	--	758
Texas State Library and Archives Commission	2,792	901	3,693	453	174	3,245	1,075	4,320	3,717	1,266	4,983
Texas Department of Housing and Community Affairs	3,891	192	4,083	502	--	4,393	192	4,585	4,425	192	4,617
Total state grants	18,763	3,547	22,310	1,951	270	20,714	3,817	24,531	24,837	4,961	29,798
Other special revenue grants	6,031	74	6,105	487	19	6,518	93	6,611	10,499	120	10,619
Total all grants	\$ 604,966	30,567	635,533	42,611	2,352	647,577	32,919	680,496	727,425	41,539	768,964

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2016
(In thousands)

	Assets								
	Pooled Investments and Cash	Cash Held by Trustee, Restricted	Investments Held by Trustee, Restricted	Net Accounts Receivable	Net Notes Receivable	Due from Other Funds	Property Held for Resale	Other Assets	Total Assets
General government									
<i>Municipal Court:</i>									
Municipal Court Building Security	\$ 60	--	--	--	--	--	--	--	60
Municipal Court Juvenile Case Manager	1,914	--	--	--	--	--	--	--	1,914
Municipal Court Technology	656	--	--	--	--	--	--	--	656
Total general government	2,630	--	--	--	--	--	--	--	2,630
Public safety									
<i>Police:</i>									
ARIC Sustainability	1,140	--	--	--	--	--	--	--	1,140
Auto Theft Interdiction	3	--	--	--	--	--	--	6	9
Municipal Court Traffic Safety	116	--	--	--	--	--	--	--	116
Police Benefit	271	--	--	--	--	--	--	--	271
Police Federal Dept. of Justice Asset Forfeiture	2,488	--	--	--	--	--	--	--	2,488
Police Federal Dept. of Treasury Asset Forfeiture	1,232	--	--	--	--	--	--	--	1,232
Police State Contraband Asset Forfeiture	1,325	--	--	--	--	--	--	--	1,325
Police State Gambling Asset Forfeiture	566	--	--	--	--	--	--	--	566
Total Police	7,141	--	--	--	--	--	--	6	7,147
<i>Fire:</i>									
Fire Miscellaneous	51	--	--	--	--	--	--	--	51
Total Fire	51	--	--	--	--	--	--	--	51
Total public safety	7,192	--	--	--	--	--	--	6	7,198
Transportation, planning, and sustainability									
<i>Public Works and Transportation:</i>									
Capital Area Metropolitan Planning Organization	59	--	--	877	--	--	--	--	936
Child Safety	60	--	--	81	--	--	--	--	141
Fiscal Surety - Land Development	50,516	--	--	--	--	9,668	--	--	60,184
Total Public Works and Transportation	50,635	--	--	958	--	9,668	--	--	61,261
Total transportation, planning, and sustainability	50,635	--	--	958	--	9,668	--	--	61,261
Public health									
<i>Health and Human Services:</i>									
Health Miscellaneous	163	--	--	--	--	--	--	--	163
Total Health and Human Services	163	--	--	--	--	--	--	--	163
<i>Other public health:</i>									
Animal Services	374	--	--	--	--	--	--	--	374
Animal Shelter Building	15	--	--	--	--	--	--	--	15
Total other public health	389	--	--	--	--	--	--	--	389
Total public health	\$ 552	--	--	--	--	--	--	--	552

City of Austin, Texas
Exhibit E-11

Liabilities								Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Accounts Payable	Accrued Payroll	Due to Other Funds	Due to Other Governments	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	
2	--	--	--	--	--	2	--	58	--	--	--	58	60
3	16	--	--	--	--	19	--	1,895	--	--	--	1,895	1,914
7	--	--	--	--	--	7	--	649	--	--	--	649	656
12	16	--	--	--	--	28	--	2,602	--	--	--	2,602	2,630
25	--	--	--	--	--	25	--	1,115	--	--	--	1,115	1,140
2	--	--	--	--	30	32	--	--	--	--	(23)	(23)	9
115	1	--	--	--	--	116	--	--	--	--	--	--	116
5	--	--	--	--	--	5	--	227	--	39	--	266	271
--	--	--	--	--	--	--	--	2,488	--	--	--	2,488	2,488
23	--	--	--	--	--	23	--	1,209	--	--	--	1,209	1,232
70	--	--	--	--	--	70	--	1,255	--	--	--	1,255	1,325
--	--	--	--	--	--	--	--	566	--	--	--	566	566
240	1	--	--	--	30	271	--	6,860	--	39	(23)	6,876	7,147
3	--	--	--	--	2	5	--	46	--	--	--	46	51
3	--	--	--	--	2	5	--	46	--	--	--	46	51
243	1	--	--	--	32	276	--	6,906	--	39	(23)	6,922	7,198
121	--	--	--	--	632	753	--	183	--	--	--	183	936
3	88	--	--	--	--	91	--	41	--	9	--	50	141
496	--	--	--	--	59,596	60,092	--	--	92	--	--	92	60,184
620	88	--	--	--	60,228	60,936	--	224	92	9	--	325	61,261
620	88	--	--	--	60,228	60,936	--	224	92	9	--	325	61,261
1	--	--	--	--	117	118	--	44	--	1	--	45	163
1	--	--	--	--	117	118	--	44	--	1	--	45	163
59	--	--	--	--	56	115	--	245	--	14	--	259	374
--	--	--	--	--	--	--	--	--	--	15	--	15	15
59	--	--	--	--	56	115	--	245	--	29	--	274	389
60	--	--	--	--	173	233	--	289	--	30	--	319	552

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2016
(In thousands)

	Assets								
	Pooled Investments and Cash	Cash Investments		Net Accounts Receivable	Net Notes Receivable	Due from Other Funds	Property Held for Resale	Other Assets	Total Assets
		Held by Trustee, Restricted	Held by Trustee, Restricted						
Public recreation and culture									
<i>Austin Public Library:</i>									
Austin History Center	\$ 147	--	--	--	--	--	--	--	147
Friends of Austin Public Library	434	--	--	--	--	--	--	7	441
Special Library	1,230	--	--	--	--	--	--	--	1,230
Total Austin Public Library	1,811	--	--	--	--	--	--	7	1,818
<i>Parks and Recreation:</i>									
Adaptive Programs	16	--	--	--	--	--	--	--	16
PARD Cultural Projects	5,686	--	--	--	--	--	--	--	5,686
PARD Miscellaneous	1,151	--	--	--	--	--	--	--	1,151
Planting for the Future	373	--	--	--	--	--	--	--	373
Republic Square	1	--	--	--	--	--	--	--	1
Summer Musical	413	--	--	--	--	--	--	--	413
Teen Activity	262	--	--	--	--	--	--	--	262
Tennis League	2	--	--	--	--	--	--	--	2
Town Lake Beautification	116	--	--	--	--	--	--	--	116
Total Parks and Recreation	8,020	--	--	--	--	--	--	--	8,020
Total public recreation and culture	9,831	--	--	--	--	--	--	7	9,838
Urban growth management									
<i>Neighborhood Housing & Community Development:</i>									
Housing Loan	--	--	--	--	3,701	--	--	--	3,701
Housing Trust Social Equity	1,889	--	--	--	--	--	--	--	1,889
Neighborhood Housing & Conservation	--	--	--	--	--	--	--	--	--
UNO Housing Trust	1,099	--	--	--	--	--	--	--	1,099
Urban Renewal Agency	--	--	--	--	--	--	678	--	678
Total Neighborhood Housing & Community Development	2,988	--	--	--	3,701	--	678	--	7,367
<i>Development Services and Watershed Protection:</i>									
Austin Industrial Development Corporation (AIDC)	184	--	--	--	--	--	--	--	184
Austin Lake Hills Water Quality	96	--	--	--	--	--	--	--	96
Barton Springs Zone Mitigation	398	--	--	--	--	--	--	--	398
Riparian Zone Mitigation	560	--	--	--	--	--	--	--	560
Urban Forest Replenishment	531	--	--	--	--	3,000	--	--	3,531
Water Supply Mitigation	8	--	--	--	--	--	--	--	8
Total Development Services and Watershed Protection	\$ 1,777	--	--	--	--	3,000	--	--	4,777

(Continued)

Liabilities							Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Accrued Payroll	Due to Other Funds	Due to Other Govern- ments	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restr- icted	Com- mitted	Assi- gned	Unass- igned		Total Fund Balances
--	--	--	--	--	--	--	--	147	--	--	--	147	147
--	--	--	--	--	--	--	--	435	--	6	--	441	441
10	--	--	--	--	--	10	--	1,220	--	--	--	1,220	1,230
10	--	--	--	--	--	10	--	1,802	--	6	--	1,808	1,818
2	--	--	--	--	--	2	--	14	--	--	--	14	16
551	--	--	--	--	--	551	--	--	5,091	44	--	5,135	5,686
8	--	--	--	--	--	8	--	1,068	--	75	--	1,143	1,151
--	--	--	--	--	--	--	--	373	--	--	--	373	373
--	--	--	--	--	--	--	--	1	--	--	--	1	1
25	--	--	--	--	--	25	--	388	--	--	--	388	413
--	--	--	--	--	--	--	--	262	--	--	--	262	262
--	--	--	--	--	--	--	--	2	--	--	--	2	2
--	--	--	--	--	--	--	--	116	--	--	--	116	116
586	--	--	--	--	--	586	--	2,224	5,091	119	--	7,434	8,020
596	--	--	--	--	--	596	--	4,026	5,091	125	--	9,242	9,838
--	--	--	--	--	--	--	--	--	--	3,701	--	3,701	3,701
76	--	--	--	--	--	76	--	--	--	1,813	--	1,813	1,889
434	--	5,892	--	--	--	6,326	--	--	--	--	(6,326)	(6,326)	--
--	--	--	--	--	--	--	--	1,076	--	23	--	1,099	1,099
--	--	--	--	--	--	--	--	--	678	--	--	678	678
510	--	5,892	--	--	--	6,402	--	1,076	678	5,537	(6,326)	965	7,367
--	--	--	--	--	--	--	--	--	184	--	--	184	184
1	--	--	--	--	--	1	--	--	95	--	--	95	96
--	--	--	--	--	--	--	--	--	397	1	--	398	398
--	--	--	--	--	--	--	--	--	559	1	--	560	560
100	--	--	--	--	--	100	--	--	3,410	21	--	3,431	3,531
--	--	--	--	--	--	--	--	--	8	--	--	8	8
101	--	--	--	--	--	101	--	--	4,653	23	--	4,676	4,777

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2016
(In thousands)

	Assets								
	Pooled Investments and Cash	Cash Investments		Net Accounts Receivable	Net Notes Receivable	Due from Other Funds	Property		Total Assets
		Held by Trustee, Restricted	Held by Trustee, Restricted				Held for Resale	Other Assets	
<i>Other urban growth management:</i>									
Business Retention & Enhancement	5,006	--	--	315	--	--	--	6	5,327
Cable TV	4,347	--	--	--	--	--	--	--	4,347
City Hall	59	--	--	12	--	--	--	--	71
City Hall Retail Tenant Improvement	118	--	--	--	--	--	--	--	118
Downtown Public Improvement District	109	--	--	159	--	2,892	--	--	3,160
East Sixth Street Public Improvement District	90	--	--	50	--	--	--	--	140
Estancia Public Improvement District	146	--	1,248	13	--	--	--	--	1,407
Hotel-Motel Occupancy Tax	77	--	1	20,251	--	--	--	--	20,329
I-35 Parking Program	822	--	--	--	--	--	--	--	822
Indian Hills Public Improvement District	191	--	105	--	--	--	--	--	296
Mueller Development	65	--	--	2,958	--	--	--	--	3,023
Mueller Local Government Corporation	1,633	1,823	--	--	--	--	--	--	3,456
Mueller Tax Increment Financing	4	--	--	--	--	--	--	--	4
Music Loan Program	--	--	--	--	--	--	--	--	--
One Texas Center	1,917	--	--	--	--	--	--	--	1,917
Public Arts	11	--	--	--	--	--	--	--	11
Rainey Street District	101	--	--	--	--	--	--	--	101
Rutherford Lane Facility	1,067	--	--	--	--	--	--	--	1,067
Seaholm Tax Increment Financing	930	--	--	--	--	--	--	--	930
Section 108 Family Business Loan	268	2,589	--	--	--	--	--	2,927	5,784
South Congress Public Improvement District	44	--	--	45	--	--	--	--	89
Tax Increment Finance	905	--	--	--	--	--	--	--	905
Tourism and Promotion	3,290	--	--	--	--	--	--	--	3,290
Vehicle Rental Tax	--	--	--	2,214	--	--	--	--	2,214
Waller Creek Local Gov. Corp	--	--	--	--	--	--	--	--	--
Waller Creek Reserve	11,897	--	--	--	--	--	--	--	11,897
Waller Creek Tax Increment Finance	147	--	--	--	--	--	--	--	147
Whisper Valley Public Improvement District	610	--	386	--	--	--	--	--	996
Wildland Conservation	1,274	--	--	--	--	--	--	--	1,274
Total other urban growth management	35,128	4,412	1,740	26,017	--	2,892	--	2,933	73,122
Total urban growth management	39,893	4,412	1,740	26,017	3,701	5,892	678	2,933	85,266
Total	\$ 110,733	4,412	1,740	26,975	3,701	15,560	678	2,946	166,745

(Continued)

Liabilities							Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Accrued Payroll	Due to Other Funds	Due to Other Govern- ments	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restr- icted	Com- mitted	Assi- gned	Unass- igned		Total Fund Balances
--	--	--	--	--	--	--	--	--	4,392	935	--	5,327	5,327
--	--	--	--	--	--	--	--	2,707	--	1,640	--	4,347	4,347
84	--	--	5	--	3	92	--	--	--	--	(21)	(21)	71
1	--	--	--	--	24	25	--	93	--	--	--	93	118
--	--	--	--	--	--	--	--	--	2,533	627	--	3,160	3,160
1	--	--	--	--	--	1	--	--	67	72	--	139	140
--	--	--	--	--	--	--	--	--	294	1,113	--	1,407	1,407
1	--	--	--	--	77	78	--	20,251	--	--	--	20,251	20,329
12	--	--	--	--	--	12	--	795	--	15	--	810	822
1	--	--	--	--	--	1	--	--	294	1	--	295	296
1	--	--	--	--	12	13	2,958	--	52	--	--	52	3,023
--	--	--	--	--	--	--	--	--	3,456	--	--	3,456	3,456
--	--	--	--	--	--	--	--	4	--	--	--	4	4
--	--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	1,917	--	--	1,917	1,917
--	--	--	--	--	11	11	--	--	--	--	--	--	11
1	--	--	--	--	--	1	--	--	69	31	--	100	101
84	--	--	--	--	1	85	--	--	982	--	--	982	1,067
--	--	--	--	--	--	--	--	930	--	--	--	930	930
--	2	--	--	--	2,589	2,591	--	--	3,193	--	--	3,193	5,784
9	--	--	--	--	--	9	--	--	77	3	--	80	89
6	--	--	--	--	15	21	--	284	--	600	--	884	905
1,855	--	--	--	--	--	1,855	--	769	666	--	--	1,435	3,290
--	--	--	--	--	--	--	--	2,151	--	63	--	2,214	2,214
--	--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	11,897	--	--	11,897	11,897
--	--	--	--	--	--	--	--	146	1	--	--	147	147
--	--	--	--	--	--	--	--	--	987	9	--	996	996
--	4	--	--	--	--	4	--	--	1,117	153	--	1,270	1,274
2,056	6	--	5	--	2,732	4,799	2,958	28,130	31,994	5,262	(21)	65,365	73,122
2,667	6	5,892	5	--	2,732	11,302	2,958	29,206	37,325	10,822	(6,347)	71,006	85,266
4,198	111	5,892	5	--	63,165	73,371	2,958	43,253	42,508	11,025	(6,370)	90,416	166,745

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(In thousands)

	Revenues								Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Licenses, Permits, and Inspections	Charges for Services/ Goods	Intergov- ernmental	Contri- butions	Interest and Other	
General government									
<i>Municipal Court:</i>									
Municipal Court Building Security	\$	--	--	329	--	--	--	--	329
Municipal Court Juvenile Case Manager		--	--	540	--	--	--	9	549
Municipal Court Technology		--	--	438	--	--	--	3	441
Total general government		--	--	1,307	--	--	--	12	1,319
Public safety									
<i>Police:</i>									
ARIC Sustainability		--	--	--	--	--	457	5	462
Auto Theft Interdiction		--	--	--	--	--	--	--	--
Municipal Court Traffic Safety		--	--	722	--	--	--	70	792
Police Benefit		--	--	--	--	--	114	--	114
Police Federal Dept. of Justice Asset Forfeiture		--	--	435	--	--	--	10	445
Police Federal Dept. of Treasury Asset Forfeiture		--	--	350	--	--	--	5	355
Police State Contraband Asset Forfeiture		--	--	505	--	--	--	5	510
Police State Gambling Asset Forfeiture		--	--	15	--	--	--	2	17
Total Police		--	--	2,027	--	--	571	97	2,695
<i>Fire:</i>									
Fire Miscellaneous		--	--	--	--	6	--	--	6
Total Fire		--	--	--	--	6	--	--	6
Total public safety		--	--	2,027	--	6	571	97	2,701
Transportation, planning, and sustainability									
<i>Public Works and Transportation:</i>									
Capital Area Metropolitan Planning Organization		--	--	--	--	2,854	--	--	2,854
Child Safety		--	--	1,718	--	--	--	1	1,719
Fiscal Surety - Land Development		--	--	--	--	--	--	--	--
Total Public Works and Transportation		--	--	1,718	--	2,854	--	1	4,573
Total transportation, planning, and sustainability		--	--	1,718	--	2,854	--	1	4,573
Public health									
<i>Health and Human Services:</i>									
Health Miscellaneous		--	--	--	--	--	--	--	--
Total Health and Human Services		--	--	--	--	--	--	--	--
<i>Other public health:</i>									
Animal Services		--	--	--	--	--	269	2	271
Animal Shelter Building		--	--	--	--	--	--	--	--
Total other public health		--	--	--	--	--	269	2	271
Total public health	\$	--	--	--	--	--	269	2	271

(1) Expenditures include capital outlay of \$914 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 Expend- itures (1)	Debt Service			Issuance of	Transfers	Transfers			
	Principal	Interest		Tax Supported Debt	In	Out			
351	--	--	(22)	--	--	--	(22)	80	58
683	--	--	(134)	--	--	--	(134)	2,029	1,895
616	--	--	(175)	--	--	--	(175)	824	649
1,650	--	--	(331)	--	--	--	(331)	2,933	2,602
162	--	--	300	--	--	--	300	815	1,115
6	--	--	(6)	--	--	--	(6)	(17)	(23)
726	--	--	66	--	--	(66)	--	--	--
116	--	--	(2)	--	--	--	(2)	268	266
127	--	--	318	--	--	--	318	2,170	2,488
98	--	--	257	--	--	--	257	952	1,209
250	--	--	260	--	--	--	260	995	1,255
--	--	--	17	--	--	--	17	549	566
1,485	--	--	1,210	--	--	(66)	1,144	5,732	6,876
6	--	--	--	--	--	--	--	46	46
6	--	--	--	--	--	--	--	46	46
1,491	--	--	1,210	--	--	(66)	1,144	5,778	6,922
2,787	--	--	67	--	--	--	67	116	183
2,362	--	--	(643)	--	361	--	(282)	332	50
42	--	--	(42)	--	--	--	(42)	134	92
5,191	--	--	(618)	--	361	--	(257)	582	325
5,191	--	--	(618)	--	361	--	(257)	582	325
--	--	--	--	--	--	--	--	45	45
--	--	--	--	--	--	--	--	45	45
291	--	--	(20)	--	--	--	(20)	279	259
--	--	--	--	--	--	--	--	15	15
291	--	--	(20)	--	--	--	(20)	294	274
291	--	--	(20)	--	--	--	(20)	339	319

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(In thousands)

	Revenues								Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Licenses, Permits, and Inspections	Charges for Services/ Goods	Intergov- ernmental	Contri- butions	Interest and Other	
Public recreation and culture									
<i>Austin Public Library:</i>									
Austin History Center	\$	--	--	--	--	--	31	--	31
Friends of Austin Public Library	--	--	--	--	--	--	154	1	155
Special Library	--	--	--	--	--	--	718	--	718
Total Austin Public Library	--	--	--	--	--	--	903	1	904
<i>Parks and Recreation:</i>									
Adaptive Programs	--	--	--	--	--	--	--	--	--
PARD Cultural Projects	--	10,223	--	--	--	--	--	18	10,241
PARD Miscellaneous	--	--	--	3	--	--	412	--	415
Planting for the Future	--	--	--	--	--	--	43	--	43
Republic Square	--	--	--	--	--	--	--	--	--
Summer Musical	--	--	--	--	--	--	262	10	272
Teen Activity	--	--	--	--	--	--	110	--	110
Tennis League	--	--	--	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	--	--	90	--	90
Total parks and recreation	--	10,223	--	3	--	--	917	28	11,171
Total public recreation and culture	--	10,223	--	3	--	--	1,820	29	12,075
Urban growth management									
<i>Neighborhood Housing & Community Development:</i>									
Housing Loan	--	--	--	--	--	--	--	--	--
Housing Trust Social Equity	--	--	--	--	319	--	--	14	333
Neighborhood Housing & Conservation	--	--	--	--	1	--	--	--	1
UNO Housing Trust	--	--	--	--	185	--	--	4	189
Urban Renewal Agency	--	--	--	--	--	--	--	--	--
Total Neighborhood Housing & Community Development	--	--	--	--	505	--	--	18	523
<i>Development Services and Watershed Protection:</i>									
Austin Industrial Development Corporation (AIDC)	--	--	--	--	--	--	--	1	1
Austin Lake Hills Water Quality	--	--	--	--	--	--	--	--	--
Barton Springs Zone Mitigation	--	--	--	--	--	--	387	1	388
Riparian Zone Mitigation Fund	--	--	--	--	--	--	559	1	560
Urban Forest Replenishment	--	--	--	--	--	--	949	14	963
Water Supply Mitigation	--	--	--	--	--	--	--	--	--
Total Development Services and Watershed Protection	\$	--	--	--	--	--	1,895	17	1,912

(1) Expenditures include capital outlay of \$914 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 Expend- itures (1)	Debt Service			Issuance of Tax Supported Debt	Transfers In	Transfers Out			
	Principal	Interest							
33	--	--	(2)	--	--	--	(2)	149	147
249	--	--	(94)	--	--	--	(94)	535	441
153	--	--	565	--	--	--	565	655	1,220
435	--	--	469	--	--	--	469	1,339	1,808
2	--	--	(2)	--	--	--	(2)	16	14
9,311	--	--	930	--	--	--	930	4,205	5,135
128	--	--	287	--	--	--	287	856	1,143
1	--	--	42	--	--	--	42	331	373
--	--	--	--	--	--	--	--	1	1
171	--	--	101	--	--	--	101	287	388
--	--	--	110	--	--	--	110	152	262
--	--	--	--	--	--	--	--	2	2
66	--	--	24	--	--	--	24	92	116
9,679	--	--	1,492	--	--	--	1,492	5,942	7,434
10,114	--	--	1,961	--	--	--	1,961	7,281	9,242
130	--	--	(130)	--	--	--	(130)	3,831	3,701
2,361	--	--	(2,028)	--	897	--	(1,131)	2,944	1,813
13,767	--	--	(13,766)	10,052	--	--	(3,714)	(2,612)	(6,326)
--	--	--	189	--	--	--	189	910	1,099
241	--	--	(241)	--	29	--	(212)	890	678
16,499	--	--	(15,976)	10,052	926	--	(4,998)	5,963	965
--	--	--	1	--	--	--	1	183	184
--	--	--	--	--	--	--	--	95	95
--	--	--	388	--	--	--	388	10	398
--	--	--	560	--	--	--	560	--	560
392	--	--	571	--	--	--	571	2,860	3,431
--	--	--	--	--	--	--	--	8	8
392	--	--	1,520	--	--	--	1,520	3,156	4,676

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(In thousands)

	Revenues								Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Licenses, Permits, and Inspections	Charges for Services/ Goods	Intergov- ernmental	Contri- butions	Interest and Other	
Other urban growth management:									
Business Retention & Enhancement	\$ --	--	--	2,684	217	--	--	30	2,931
Cable TV	--	2,180	--	--	--	--	--	17	2,197
City Hall	--	--	--	--	1,550	--	--	3	1,553
City Hall Retail Tenant Improvement	--	--	--	--	--	--	--	--	--
Downtown Public Improvement District	--	--	--	--	5,277	--	--	18	5,295
East Sixth Street Public Improvement District	--	--	--	--	99	--	--	--	99
Estancia Public Improvement District	--	--	--	--	1,769	--	--	2	1,771
Hotel-Motel Occupancy Tax	--	64,325	--	--	--	--	--	--	64,325
I-35 Parking Program	--	--	--	--	389	--	--	3	392
Indian Hills Public Improvement District	--	--	--	--	1,685	--	--	1	1,686
Mueller Development	--	--	--	--	15	--	--	250	265
Mueller Local Government Corporation	--	--	--	--	--	--	--	6	6
Mueller Tax Increment Financing	3,703	--	--	--	--	--	--	1	3,704
Music Loan Program	--	--	--	--	--	--	--	2	2
One Texas Center	--	--	--	--	2,490	--	--	--	2,490
Public Arts	--	--	--	--	--	--	--	--	--
Rainey Street District	--	--	--	29	--	--	--	--	29
Rutherford Lane Facility	--	--	--	--	3,743	--	--	5	3,748
Seaholm Tax Increment Financing	536	--	--	--	--	--	--	11,458	11,994
Section 108 Family Business Loan	--	--	--	--	--	618	--	53	671
South Congress Public Improvement District	--	--	--	--	125	--	--	--	125
Tax Increment Finance	100	--	--	--	--	--	--	3	103
Tourism and Promotion	--	14,113	--	--	--	--	--	16	14,129
Vehicle Rental Tax	--	9,077	--	--	--	--	--	19	9,096
Waller Creek Local Gov. Corp	--	--	--	--	--	--	200	--	200
Waller Creek Reserve	--	--	--	--	--	--	--	4,777	4,777
Waller Creek Tax Increment Finance	3,635	--	--	--	--	--	--	2	3,637
Whisper Valley Public Improvement District	--	--	--	--	18,648	--	--	9	18,657
Wildland Conservation	--	--	--	--	--	--	--	468	468
Total other urban growth management	7,974	89,695	--	2,713	36,007	618	200	17,143	154,350
Total urban growth management	7,974	89,695	--	2,713	36,512	618	2,095	17,178	156,785
Total	\$ 7,974	99,918	5,052	2,716	39,372	618	4,755	17,319	177,724

(1) Expenditures include capital outlay of \$914 thousand.

(Continued)

Current Expend- itures (1)	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
	Debt	Service Interest		Issuance of Tax Supported Debt	Transfers In	Transfers Out			
--	--	--	2,931	--	--	--	2,931	2,396	5,327
1,757	--	--	440	--	475	--	915	3,432	4,347
898	--	--	655	--	--	(1,000)	(345)	324	(21)
--	--	--	--	--	--	--	--	93	93
4,660	--	--	635	--	150	--	785	2,375	3,160
112	--	--	(13)	--	35	--	22	117	139
735	--	913	123	--	--	--	123	1,284	1,407
--	--	--	64,325	--	--	(63,267)	1,058	19,193	20,251
198	--	--	194	--	--	(102)	92	718	810
2,537	--	400	(1,251)	--	--	--	(1,251)	1,546	295
207	--	--	58	--	--	--	58	(6)	52
4	1,945	2,063	(4,006)	--	4,680	--	674	2,782	3,456
--	--	--	3,704	--	--	(3,703)	1	3	4
--	--	--	2	--	--	--	2	(2)	--
--	--	--	2,490	--	--	(1,615)	875	1,042	1,917
--	--	--	--	--	--	--	--	--	--
19	--	--	10	--	--	--	10	90	100
1,852	--	--	1,896	--	--	(1,278)	618	364	982
--	--	--	11,994	--	--	(11,458)	536	394	930
3	140	9	519	--	--	(20)	499	2,694	3,193
136	--	--	(11)	--	3	--	(8)	88	80
118	--	--	(15)	--	600	--	585	299	884
14,899	--	--	(770)	--	125	--	(645)	2,080	1,435
--	--	--	9,096	--	--	(9,012)	84	2,130	2,214
200	--	--	--	--	--	--	--	--	--
--	--	--	4,777	--	4,070	(6,794)	2,053	9,844	11,897
--	--	--	3,637	--	--	(4,070)	(433)	580	147
18,700	--	3,937	(3,980)	--	--	--	(3,980)	4,976	996
80	--	--	388	--	--	--	388	882	1,270
47,115	2,085	7,322	97,828	--	10,138	(102,319)	5,647	59,718	65,365
64,006	2,085	7,322	83,372	10,052	11,064	(102,319)	2,169	68,837	71,006
82,743	2,085	7,322	85,574	10,052	11,425	(102,385)	4,666	85,750	90,416

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2016
(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							
<i>Municipal Court:</i>							
Municipal Court Building Security							
Actual-budget basis	\$ (72)	329	352	--	--	(23)	(95)
Budget	99	400	399	--	--	1	100
Variance-Positive (Negative)	(171)	(71)	47	--	--	(24)	(195)
Municipal Court Juvenile Case Manager							
Actual-budget basis	1,720	549	750	--	--	(201)	1,519
Budget	1,764	645	931	--	10	(296)	1,468
Variance-Positive (Negative)	(44)	(96)	181	--	10	95	51
Municipal Court Technology							
Actual-budget basis	641	441	579	--	--	(138)	503
Budget	734	534	650	--	--	(116)	618
Variance-Positive (Negative)	(93)	(93)	71	--	--	(22)	(115)
Public safety							
<i>Police:</i>							
Police Federal Dept. of Justice Asset Forfeiture							
Actual-budget basis	2,033	445	65	--	--	380	2,413
Budget	1,997	--	1,997	--	--	(1,997)	--
Variance-Positive (Negative)	36	445	1,932	--	--	2,377	2,413
Police Federal Dept. of Treasury Asset Forfeiture							
Actual-budget basis	803	355	98	--	--	257	1,060
Budget	576	--	576	--	--	(576)	--
Variance-Positive (Negative)	227	355	478	--	--	833	1,060
Police State Contraband Asset Forfeiture							
Actual-budget basis	736	510	211	--	--	299	1,035
Budget	670	--	670	--	--	(670)	--
Variance-Positive (Negative)	66	510	459	--	--	969	1,035
Police State Gambling Asset Forfeiture							
Actual-budget basis	551	17	--	--	--	17	568
Budget	480	--	480	--	--	(480)	--
Variance-Positive (Negative)	71	17	480	--	--	497	568
Municipal Court Traffic Safety							
Actual-budget basis	(218)	792	726	--	66	--	(218)
Budget	--	1,665	1,345	--	320	--	--
Variance-Positive (Negative)	(218)	(873)	619	--	254	--	(218)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2016
(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							
<i>Public Works and Transportation:</i>							
Child Safety							
Actual-budget basis	\$ 188	1,719	2,346	361	16	(282)	(94)
Budget	332	1,719	2,412	361	16	(348)	(16)
Variance-Positive (Negative)	(144)	--	66	--	--	66	(78)
Public recreation and culture							
<i>Parks and Recreation:</i>							
PARC Cultural Projects							
Actual-budget basis	3,271	18	9,483	10,223	--	758	4,029
Budget	2,436	2	9,884	9,256	--	(626)	1,810
Variance-Positive (Negative)	835	16	401	967	--	1,384	2,219
Urban growth management							
<i>Neighborhood Housing & Community Development:</i>							
Housing Trust Social Equity							
Actual-budget basis	2,795	333	2,497	897	--	(1,267)	1,528
Budget	2,350	--	3,247	897	--	(2,350)	--
Variance-Positive (Negative)	445	333	750	--	--	1,083	1,528
UNO Housing Trust							
Actual-budget basis	902	190	--	--	--	190	1,092
Budget	804	--	804	--	--	(804)	--
Variance-Positive (Negative)	98	190	804	--	--	994	1,092
<i>Other urban growth management:</i>							
Business Retention and Enhancement							
Actual-budget basis	2,245	3,102	--	--	--	3,102	5,347
Budget	1,993	275	1,000	--	--	(725)	1,268
Variance-Positive (Negative)	252	2,827	1,000	--	--	3,827	4,079
Cable TV							
Actual-budget basis	2,531	2,197	1,381	475	--	1,291	3,822
Budget	2,064	1,903	2,350	475	--	28	2,092
Variance-Positive (Negative)	467	294	969	--	--	1,263	1,730
City Hall							
Actual-budget basis	237	1,552	896	--	1,000	(344)	(107)
Budget	347	1,759	999	--	1,000	(240)	107
Variance-Positive (Negative)	(110)	(207)	103	--	--	(104)	(214)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2016
(In thousands)

(Continued)

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	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							
Downtown Public Improvement District							
Actual-budget basis	\$ 48	5,295	5,183	150	--	262	310
Budget	--	5,025	5,183	150	--	(8)	(8)
Variance-Positive (Negative)	48	270	--	--	--	270	318
East Sixth Street Public Improvement District							
Actual-budget basis	2	99	121	35	--	13	15
Budget	--	86	121	35	--	--	--
Variance-Positive (Negative)	2	13	--	--	--	13	15
Estancia Public Improvement District							
Actual-budget basis	1,284	1,771	1,647	--	--	124	1,408
Budget	--	1,766	1,766	--	--	--	--
Variance-Positive (Negative)	1,284	5	119	--	--	124	1,408
Hotel-Motel Occupancy Tax							
Actual-budget basis	9,001	88,662	--	--	87,604	1,058	10,059
Budget	--	79,312	--	--	79,312	--	--
Variance-Positive (Negative)	9,001	9,350	--	--	(8,292)	1,058	10,059
I-35 Parking Program							
Actual-budget basis	773	393	211	--	102	80	853
Budget	452	401	410	--	102	(111)	341
Variance-Positive (Negative)	321	(8)	199	--	--	191	512
Indian Hills Public Improvement District							
Actual-budget basis	1,546	2,053	2,937	--	--	(884)	662
Budget	--	1,640	1,640	--	--	--	--
Variance-Positive (Negative)	1,546	413	(1,297)	--	--	(884)	662
Mueller Tax Increment Financing							
Actual-budget basis	2	3,704	3,703	--	--	1	3
Budget	--	3,946	3,946	--	--	--	--
Variance-Positive (Negative)	2	(242)	243	--	--	1	3
One Texas Center							
Actual-budget basis	1,003	2,490	--	--	1,615	875	1,878
Budget	237	1,751	--	--	1,615	136	373
Variance-Positive (Negative)	766	739	--	--	--	739	1,505
Rutherford Lane Facility							
Actual-budget basis	240	3,749	3,248	--	--	501	741
Budget	139	3,743	3,563	--	--	180	319
Variance-Positive (Negative)	101	6	315	--	--	321	422

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2016
(In thousands)

(Continued)

153

	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							
Seaholm Tax Increment Financing							
Actual-budget basis	\$ 394	536	--	--	--	536	930
Budget	394	880	--	--	816	64	458
Variance-Positive (Negative)	--	(344)	--	--	816	472	472
Section 108 Family Business Loan							
Actual-budget basis	3,107	3,919	589	--	168	3,162	6,269
Budget	191	4,309	4,000	--	96	213	404
Variance-Positive (Negative)	2,916	(390)	3,411	--	(72)	2,949	5,865
South Congress Public Improvement District							
Actual-budget basis	88	125	192	3	--	(64)	24
Budget	--	110	192	3	--	(79)	(79)
Variance-Positive (Negative)	88	15	--	--	--	15	103
Tourism and Promotion							
Actual-budget basis	2,091	16	14,474	14,238	--	(220)	1,871
Budget	1,566	5	14,474	12,903	--	(1,566)	--
Variance-Positive (Negative)	525	11	--	1,335	--	1,346	1,871
Vehicle Rental Tax							
Actual-budget basis	(1,975)	9,096	--	--	9,012	84	(1,891)
Budget	--	8,304	--	--	8,304	--	--
Variance-Positive (Negative)	(1,975)	792	--	--	(708)	84	(1,891)
Waller Creek Reserve							
Actual-budget basis	9,845	4,778	--	4,070	6,794	2,054	11,899
Budget	9,842	3,248	--	4,070	6,934	384	10,226
Variance-Positive (Negative)	3	1,530	--	--	140	1,670	1,673
Waller Creek Tax Increment Finance							
Actual-budget basis	578	3,637	--	--	4,070	(433)	145
Budget	579	3,491	--	--	4,070	(579)	--
Variance-Positive (Negative)	(1)	146	--	--	--	146	145
Whisper Valley Public Improvement District							
Actual-budget basis	4,975	20,518	22,637	--	--	(2,119)	2,856
Budget	--	16,589	16,589	--	--	--	--
Variance-Positive (Negative)	4,975	3,929	(6,048)	--	--	(2,119)	2,856
Wildland Conservation							
Actual-budget basis	524	468	70	--	--	398	922
Budget	1,043	253	429	--	--	(176)	867
Variance-Positive (Negative)	(519)	215	359	--	--	574	55
Total							
Actual-budget basis	\$ 51,889	163,858	74,396	30,452	110,447	9,467	61,356
Budget	31,089	143,761	80,057	28,150	102,595	(10,741)	20,348
Variance-Positive (Negative)	20,800	20,097	5,661	2,302	(7,852)	20,208	41,008





Debt Service Funds
 Combining Balance Sheet
 September 30, 2016
 (In thousands)

City of Austin, Texas
 Exhibit E-14

	General Obligation	HUD Section 108 Loans	Total
ASSETS			
Pooled investments and cash	\$ 292	--	292
Investments	20,470	--	20,470
Property taxes receivable, net of allowance	3,604	--	3,604
Advances to other funds	1,634	--	1,634
Total assets	26,000	--	26,000
Deferred outflows of resources	--	--	--
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Advances from other funds	701	--	701
Total liabilities	701	--	701
Deferred inflows of resources	3,670	--	3,670
Fund balances			
Restricted	21,629	--	21,629
Total fund balances	21,629	--	21,629
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,000	--	26,000

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the period ended September 30, 2016
(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	\$ 117,096	--	117,096
Penalty and interest	484	--	484
Total property taxes	<u>117,580</u>	<u>--</u>	<u>117,580</u>
Interest and other	603	1,109	1,712
Total revenues	<u>118,183</u>	<u>1,109</u>	<u>119,292</u>
EXPENDITURES			
Debt service:			
Principal	77,804	970	78,774
Interest	53,912	154	54,066
Fees and commissions	9	4	13
Total expenditures	<u>131,725</u>	<u>1,128</u>	<u>132,853</u>
Excess (deficiency) of revenues over expenditures	(13,542)	(19)	(13,561)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	585	--	585
Issuance of refunding bonds	139,690	--	139,690
Bond premiums	19,899	--	19,899
Payment to refunding bond escrow agent	(159,589)	--	(159,589)
Capital leases	--	--	--
Transfers in	12,861	19	12,880
Transfers out	--	--	--
Total other financing sources (uses)	<u>13,446</u>	<u>19</u>	<u>13,465</u>
Net change in fund balances	(96)	--	(96)
Fund balances at beginning of year	21,725	--	21,725
Fund balances at end of year	<u>\$ 21,629</u>	<u>--</u>	<u>21,629</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, 2016
(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	\$ 117,579	117,053	526	--	--	--	117,579
Interest	274	1,099	(825)	--	--	--	274
Other revenue	1,398	119	1,279	69	1,205	(1,136)	1,467
Total revenues	119,251	118,271	980	69	1,205	(1,136)	119,320
EXPENDITURES							
Principal retirement	98,708	99,380	672	--	970	970	98,708
Interest and other	59,425	64,659	5,234	84	234	150	59,509
Fees and commissions	9	--	(9)	3	1	(2)	12
Total expenditures	158,142	164,039	5,897	87	1,205	1,118	158,229
Excess (deficiency) of revenues over expenditures	(38,891)	(45,768)	6,877	(18)	--	(18)	(38,909)
OTHER FINANCING SOURCES (USES)							
Transfers in	38,990	41,967	(2,977)	--	--	--	38,990
Total other financing sources (uses)	38,990	41,967	(2,977)	--	--	--	38,990
Excess (deficiency) of revenues and other sources over expenditures and other uses	99	(3,801)	3,900	(18)	--	(18)	81
Fund balances at beginning of year	20,588	20,093	495	--	--	--	20,588
Fund balances at end of year	\$ 20,687	16,292	4,395	(18)	--	(18)	20,669



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 6, 2012, for various purposes; and

Other: Other funds established for various purposes.



**Capital Projects Funds
Combining Balance Sheet
September 30, 2016
(In thousands)**

	Assets				Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Advances to Other Funds	Total Assets	Accounts Payable	Due to Other Governments
Funds Authorized August 29, 1981						
EMS buildings	\$ --	--	--	--	--	--
Total Funds Authorized Prior to 1984	--	--	--	--	--	--
Funds Authorized September 8, 1984						
Parkland acquisition	2	--	--	2	--	--
Street improvements	796	17	--	813	3	--
Fire improvements	4	--	--	4	--	--
Total Funds Authorized in 1984	802	17	--	819	3	--
Funds Authorized January 19, 1985						
Cultural arts	263	--	--	263	--	--
Funds Authorized July 26, 1985						
Neighborhood park and recreation	18,020	--	--	18,020	163	--
Total Funds Authorized in 1985	18,283	--	--	18,283	163	--
Funds Authorized September 3, 1987						
Street resurfacing	247	--	--	247	--	--
Total Funds Authorized in 1987	247	--	--	247	--	--
Funds Authorized August 10, 1992						
Police substations	--	--	--	--	--	--
Asbestos abatement/ADA compliance/ East Austin health clinic	112	--	--	112	--	--
Erosion & flood control	1	--	--	1	--	--
Street & traffic signals	8	--	--	8	--	--
Neighborhood sidewalks	--	--	--	--	--	--
Libraries	--	--	--	--	--	--
Barton Creek greenway	320	--	--	320	--	--
Total Funds Authorized in 1992	441	--	--	441	--	--
Funds Authorized May 3, 1997						
Radio Trunking	--	--	--	--	--	--
Total Funds Authorized in 1997	\$ --	--	--	--	--	--

Liabilities			Fund Balances				Total Liabilities, Deferred Inflows of Resources, and Fund Balances		
Advances from Other Funds	Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned		Unassigned	Fund Balances
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	2	--	2	2
--	--	3	--	--	--	810	--	810	813
--	--	--	--	--	--	4	--	4	4
--	--	3	--	--	--	816	--	816	819
--	--	--	--	--	--	263	--	263	263
--	--	163	--	17,778	--	79	--	17,857	18,020
--	--	163	--	17,778	--	342	--	18,120	18,283
--	--	--	--	--	--	247	--	247	247
--	--	--	--	--	--	247	--	247	247
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	112	--	112	112
--	--	--	--	--	--	1	--	1	1
--	--	--	--	--	--	8	--	8	8
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--
--	--	--	--	320	--	--	--	320	320
--	--	--	--	320	--	121	--	441	441
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--

(Continued)

**Capital Projects Funds
Combining Balance Sheet
September 30, 2016
(In thousands)**

	Assets				Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Advances to Other Funds	Total Assets	Accounts Payable	Due to Other Governments
Funds Authorized November 3, 1998						
Cultural arts and land	\$ 39	--	--	39	--	--
Traffic signals	3,646	63	--	3,709	13	--
Public safety facilities	222	--	--	222	3	--
Parks and recreation facilities	62	--	--	62	--	--
Total Funds Authorized in 1998	3,969	63	--	4,032	16	--
Funds Authorized November 7, 2000						
Transportation Mobility Improvement	2,893	--	--	2,893	515	--
Total Funds Authorized in 2000	2,893	--	--	2,893	515	--
Funds Authorized November 7, 2006						
Transportation	567	--	--	567	--	--
Drainage & Open Spaces	7,780	--	--	7,780	52	--
Parks	2,454	--	--	2,454	115	--
Cultural Facilities	1,272	--	--	1,272	19	--
Affordable Housing	206	--	--	206	--	--
Central Library	5,422	--	--	5,422	1,869	--
Public Safety	6,424	--	--	6,424	9	--
Total Funds Authorized in 2006	24,125	--	--	24,125	2,064	--
Funds Authorized November 2, 2010						
Mobility	3,741	--	--	3,741	93	--
Total Funds Authorized in 2010	3,741	--	--	3,741	93	--
Funds Authorized November 6, 2012						
Transportation	14,297	--	--	14,297	1,319	--
Open Space	196	--	--	196	1	--
Parks	4,944	--	--	4,944	742	--
Public Safety	10,317	--	--	10,317	494	--
Health	3,298	--	--	3,298	71	--
Library & Cultural	2,612	--	--	2,612	5	--
Total Funds Authorized in 2012	\$ 35,664	--	--	35,664	2,632	--

(Continued)

Liabilities				Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Advances from Other Funds	Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	
--	--	--	--	39	--	--	--	39	39
--	--	13	--	3,696	--	--	--	3,696	3,709
--	--	3	--	219	--	--	--	219	222
--	--	--	--	62	--	--	--	62	62
--	--	16	--	4,016	--	--	--	4,016	4,032
--	--	515	--	--	--	2,378	--	2,378	2,893
--	--	515	--	--	--	2,378	--	2,378	2,893
--	--	--	--	567	--	--	--	567	567
--	--	52	--	7,728	--	--	--	7,728	7,780
--	--	115	--	2,339	--	--	--	2,339	2,454
--	--	19	--	1,253	--	--	--	1,253	1,272
--	--	--	--	206	--	--	--	206	206
--	--	1,869	--	3,553	--	--	--	3,553	5,422
--	--	9	--	6,415	--	--	--	6,415	6,424
--	--	2,064	--	22,061	--	--	--	22,061	24,125
--	--	93	--	3,648	--	--	--	3,648	3,741
--	--	93	--	3,648	--	--	--	3,648	3,741
--	--	1,319	--	12,978	--	--	--	12,978	14,297
--	--	1	--	195	--	--	--	195	196
--	--	742	--	4,202	--	--	--	4,202	4,944
--	--	494	--	9,823	--	--	--	9,823	10,317
--	--	71	--	3,227	--	--	--	3,227	3,298
--	--	5	--	2,607	--	--	--	2,607	2,612
--	--	2,632	--	33,032	--	--	--	33,032	35,664

(Continued)

Capital Projects Funds
Combining Balance Sheet
September 30, 2016
(In thousands)

	Assets				Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Advances to Other Funds	Total Assets	Accounts Payable	Due to Other Governments
Other funds						
Planning & development improvements	\$ --	--	--	--	--	--
TPSD general improvements	12,291	--	--	12,291	233	--
Library automation system	11,572	--	--	11,572	1,364	--
Fire/EMS/NW Austin MUD #1	766	--	--	766	1	--
General government projects	506	--	--	506	629	--
Build Austin	9	5	--	14	--	--
CMTA Mobility	5,923	932	--	6,855	719	--
Park improvements	3,211	--	--	3,211	1	--
Parks and Recreation	3,310	--	--	3,310	530	--
Police and courts	995	--	--	995	--	--
Fire - general	1,421	--	--	1,421	4	--
Capital reserve	--	156	--	156	--	--
CTM	38,613	65	7,882	46,560	1,453	--
Public Works	--	93	--	93	208	--
Watershed Protection	--	--	--	--	--	--
Great Streets	2,523	--	--	2,523	--	--
City Hall, plaza, parking garage	--	30	--	30	1	--
Conservation land	16	--	--	16	--	15
Colony Park	3,160	--	--	3,160	250	--
NPZ general	6,052	--	--	6,052	153	--
Economic Development	39	--	--	39	--	--
Waller Creek Tunnel	8,249	--	--	8,249	684	--
Fleet general improvements	536	--	--	536	--	--
Interest income fund	5,703	--	--	5,703	--	--
Total other funds	104,895	1,281	7,882	114,058	6,230	15
Totals	\$ 195,060	1,361	7,882	204,303	11,716	15

(Continued)

Liabilities				Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Advances from Other Funds	Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	
--	--	--	--	--	--	--	--	--	--
--	--	233	--	--	--	12,058	--	12,058	12,291
--	--	1,364	--	--	--	10,208	--	10,208	11,572
--	--	1	--	--	--	765	--	765	766
--	415	1,044	--	--	--	--	(538)	(538)	506
--	--	--	--	--	--	14	--	14	14
--	--	719	440	5,582	--	114	--	5,696	6,855
--	--	1	--	33	--	3,177	--	3,210	3,211
--	--	530	--	--	--	2,780	--	2,780	3,310
--	--	--	--	995	--	--	--	995	995
--	--	4	--	--	--	1,417	--	1,417	1,421
--	--	--	--	--	--	156	--	156	156
--	--	1,453	--	--	--	45,107	--	45,107	46,560
103	--	311	--	--	--	--	(218)	(218)	93
718	--	718	--	--	--	--	(718)	(718)	--
--	--	--	--	--	--	2,523	--	2,523	2,523
7,061	--	7,062	--	--	--	--	(7,032)	(7,032)	30
--	--	15	--	--	--	1	--	1	16
--	--	250	--	--	--	2,910	--	2,910	3,160
--	--	153	--	--	--	5,899	--	5,899	6,052
--	--	--	--	--	--	39	--	39	39
--	--	684	--	7,532	--	33	--	7,565	8,249
--	--	--	--	536	--	--	--	536	536
--	--	--	--	--	--	5,703	--	5,703	5,703
7,882	415	14,542	440	14,678	--	92,904	(8,506)	99,076	114,058
7,882	415	20,028	440	95,533	--	96,808	(8,506)	183,835	204,303

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(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	\$ --	--	--	--	--
Total Funds Authorized					
Prior to 1984	--	--	--	--	--
Funds Authorized					
September 8, 1984					
Parkland acquisition	--	--	--	--	--
Street improvements	--	--	--	--	66
Fire improvements	--	--	--	--	--
Total Funds Authorized in 1984	--	--	--	--	66
Funds Authorized					
January 19, 1985					
Cultural arts	--	--	--	--	--
Funds Authorized					
July 26, 1985					
Neighborhood park and recreation	--	3,669	41	3,710	3,160
Total Funds Authorized in 1985	--	3,669	41	3,710	3,160
Funds Authorized					
September 3, 1987					
Street resurfacing	--	--	51	51	--
Total Funds Authorized in 1987	--	--	51	51	--
Funds Authorized					
August 10, 1992					
Police substations	--	--	--	--	3
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	12
Erosion & flood control	--	--	--	--	--
Street & traffic signals	--	--	16	16	--
Neighborhood sidewalks	--	--	--	--	2
Libraries	--	--	--	--	--
Barton Creek greenway	--	--	--	--	--
Total Funds Authorized in 1992	--	--	16	16	17
Funds Authorized					
May 3, 1997					
Radio Trunking	--	--	--	--	1,041
Total Funds Authorized in 1997	\$ --	--	--	--	1,041

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					
--	--	--	--	(206)	(206)	(206)	206	--	
--	--	--	--	(206)	(206)	(206)	206	--	
--	--	--	--	--	--	--	2	2	
(66)	--	--	--	--	--	(66)	876	810	
--	--	--	--	--	--	--	4	4	
(66)	--	--	--	--	--	(66)	882	816	
--	--	--	--	--	--	--	263	263	
550	--	--	--	--	--	550	17,307	17,857	
550	--	--	--	--	--	550	17,570	18,120	
51	--	--	--	--	--	51	196	247	
51	--	--	--	--	--	51	196	247	
(3)	--	--	--	--	--	(3)	3	--	
(12)	--	--	--	--	--	(12)	124	112	
--	--	--	--	--	--	--	1	1	
16	--	--	--	--	--	16	(8)	8	
(2)	--	--	--	--	--	(2)	2	--	
--	--	--	17	--	17	17	(17)	--	
--	--	--	--	--	--	--	320	320	
(1)	--	--	17	--	17	16	425	441	
(1,041)	--	--	1,448	(360)	1,088	47	(47)	--	
(1,041)	--	--	1,448	(360)	1,088	47	(47)	--	

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(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	\$ --	--	5	5	--
Traffic signals	--	--	--	--	219
Public safety facilities	--	--	--	--	252
Parks and recreation facilities	--	--	--	--	244
Total Funds Authorized in 1998	--	--	5	5	715
Funds Authorized					
November 7, 2000					
Transportation Mobility Improvement	--	--	--	--	4,472
Total Funds Authorized in 2000	--	--	--	--	4,472
Funds Authorized					
November 7, 2006					
Transportation	--	--	--	--	404
Drainage & Open Spaces	--	--	--	--	2,188
Parks	--	--	--	--	838
Cultural Facilities	--	--	--	--	171
Affordable Housing	--	--	--	--	18
Central Library	--	--	--	--	21,012
Public Safety	--	--	--	--	105
Total Funds Authorized in 2006	--	--	--	--	24,736
Funds Authorized					
November 2, 2010					
Mobility	--	--	--	--	1,405
Total Funds Authorized in 2010	--	--	--	--	1,405
Funds Authorized					
November 6, 2012					
Transportation	--	--	--	--	30,760
Open Space	--	--	--	--	--
Parks	--	--	--	--	7,022
Public Safety	--	--	--	--	2,553
Health	--	--	--	--	1,407
Library & Cultural	--	--	--	--	1,339
Total Funds Authorized in 2012	\$ --	--	--	--	43,081

(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)			
5	--	--	--	--	--	5	34	39
(219)	--	--	--	--	--	(219)	3,915	3,696
(252)	--	--	--	--	--	(252)	471	219
(244)	--	--	--	(518)	(518)	(762)	824	62
(710)	--	--	--	(518)	(518)	(1,228)	5,244	4,016
(4,472)	--	--	--	--	--	(4,472)	6,850	2,378
(4,472)	--	--	--	--	--	(4,472)	6,850	2,378
(404)	--	--	--	--	--	(404)	971	567
(2,188)	--	--	--	--	--	(2,188)	9,916	7,728
(838)	--	--	--	(139)	(139)	(977)	3,316	2,339
(171)	--	--	--	--	--	(171)	1,424	1,253
(18)	--	--	--	--	--	(18)	224	206
(21,012)	39,845	3,355	--	--	43,200	22,188	(18,635)	3,553
(105)	--	--	--	--	--	(105)	6,520	6,415
(24,736)	39,845	3,355	--	(139)	43,061	18,325	3,736	22,061
(1,405)	--	--	--	(320)	(320)	(1,725)	5,373	3,648
(1,405)	--	--	--	(320)	(320)	(1,725)	5,373	3,648
(30,760)	30,136	2,503	--	(448)	32,191	1,431	11,547	12,978
--	--	--	--	--	--	--	195	195
(7,022)	15,933	1,342	--	--	17,275	10,253	(6,051)	4,202
(2,553)	6,364	536	--	--	6,900	4,347	5,476	9,823
(1,407)	3,878	327	--	(12)	4,193	2,786	441	3,227
(1,339)	752	63	--	--	815	(524)	3,131	2,607
(43,081)	57,063	4,771	--	(460)	61,374	18,293	14,739	33,032

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(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	1,757	722	111	2,590	2,708
Library automation system	--	--	--	--	13,818
Fire/EMS/NW Austin MUD #1	--	--	3	3	--
General government projects	--	325	885	1,210	7,742
Build Austin	--	--	--	--	--
CMTA Mobility	51	--	34	85	4,393
Park improvements	125	--	--	125	92
Parks and Recreation	--	2,708	493	3,201	2,738
Police and courts	--	--	--	--	--
Fire - general	--	--	--	--	118
Capital reserve	--	--	--	--	--
CTM	--	2,174	--	2,174	19,834
Public Works	1,642	140	--	1,782	1,654
Watershed Protection	--	--	--	--	18
Great Streets	--	--	1,309	1,309	--
City Hall, plaza, parking garage	--	--	--	--	--
Conservation land	--	--	--	--	--
Colony Park	9	61	--	70	2,144
NPZ general	--	--	--	--	2,304
Economic Development	--	--	--	--	--
Waller Creek Tunnel	--	--	26	26	6,566
Fleet general improvements	--	--	--	--	--
Interest income fund	--	--	1,091	1,091	--
Total other funds	3,584	6,130	3,952	13,666	64,129
Totals	\$ 3,584	9,799	4,065	17,448	142,822

(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)			
--	--	--	1	--	1	1	(1)	--
(118)	--	--	7,091	(1,826)	5,265	5,147	6,911	12,058
(13,818)	10,767	1,733	--	--	12,500	(1,318)	11,526	10,208
3	--	--	--	--	--	3	762	765
(6,532)	4,307	693	18,677	(4,173)	19,504	12,972	(13,510)	(538)
--	--	--	--	--	--	--	14	14
(4,308)	--	--	--	--	--	(4,308)	10,004	5,696
33	--	--	4,052	--	4,052	4,085	(875)	3,210
463	2,337	328	2,840	(2,664)	2,841	3,304	(524)	2,780
--	--	--	--	--	--	--	995	995
(118)	--	--	--	--	--	(118)	1,535	1,417
--	--	--	1,395	--	1,395	1,395	(1,239)	156
(17,660)	8,194	993	28,891	--	38,078	20,418	24,689	45,107
128	--	--	--	--	--	128	(346)	(218)
(18)	--	--	--	--	--	(18)	(700)	(718)
1,309	--	--	--	(860)	(860)	449	2,074	2,523
--	--	--	--	--	--	--	(7,032)	(7,032)
--	--	--	--	--	--	--	1	1
(2,074)	--	--	--	--	--	(2,074)	4,984	2,910
(2,304)	--	--	2,413	(250)	2,163	(141)	6,040	5,899
--	--	--	--	--	--	--	39	39
(6,540)	9,625	1,533	--	--	11,158	4,618	2,947	7,565
--	--	--	--	--	--	--	536	536
1,091	--	--	--	--	--	1,091	4,612	5,703
(50,463)	35,230	5,280	65,360	(9,773)	96,097	45,634	53,442	99,076
(125,374)	132,138	13,406	66,825	(11,776)	200,593	75,219	108,616	183,835





Permanent Funds
Combining Balance Sheet
September 30, 2016
(In thousands)

City of Austin, Texas
 Exhibit E-19

	3M			
	Maintenance	Ellis Library	Perpetual	Total
	Endowment	Trust	Care	
ASSETS				
Pooled investments and cash	\$ 50	10	1,011	1,071
Total assets	50	10	1,011	1,071
Deferred outflows of resources	--	--	--	--
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Total liabilities	--	--	--	--
Deferred inflows of resources	--	--	--	--
Fund balances				
Nonspendable:				
Permanent funds	50	9	1,011	1,070
Restricted	--	1	--	1
Total fund balances	50	10	1,011	1,071
Total liabilities, deferred inflows of resources, and fund balances	\$ 50	10	1,011	1,071

Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2016
(In thousands)

City of Austin, Texas
 Exhibit E-20

	3M			
	Maintenance Endowment	Ellis Library Trust	Perpetual Care	Total
REVENUES				
Interest and other	\$ --	--	--	--
Total revenues	--	--	--	--
EXPENDITURES				
Current:				
Public recreation and culture	--	--	--	--
Total expenditures	--	--	--	--
Net change in fund balances	--	--	--	--
Fund balances at beginning of year	50	10	1,011	1,071
Fund balances at end of year	\$ 50	10	1,011	1,071





Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2016
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
ASSETS			
Current assets:			
Cash	\$ 3	21	1
Pooled investments and cash	2,533	112,448	96,333
Pooled investments and cash - restricted	2,332	10,056	--
Total pooled investments and cash	4,865	122,504	96,333
Investments - restricted	--	10,678	--
Accounts receivable, net of allowance	8,781	474	4,324
Receivable from other governments - restricted	--	--	1,280
Due from other funds	--	--	1,732
Inventories, at cost	--	98	--
Prepaid expenses	15	30	5
Other receivables - restricted	--	29	--
Total current assets	13,664	133,834	103,675
Noncurrent assets:			
Pooled investments and cash - restricted	5,418	--	16,184
Advances to other funds - restricted	331	39	--
Investments - restricted	--	13,305	--
Depreciable capital assets, net	39,031	170,824	114,877
Nondepreciable capital assets	23,699	45,378	213,061
Total noncurrent assets	68,479	229,546	344,122
Total assets	82,143	363,380	447,797
Deferred outflows of resources	\$ 19,434	34,997	13,233

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	5	2	32
Pooled investments and cash	1	25,341	236,656
Pooled investments and cash - restricted	--	--	12,388
Total pooled investments and cash	1	25,341	249,044
Investments - restricted	--	--	10,678
Accounts receivable, net of allowance	--	5,581	19,160
Receivable from other governments - restricted	--	--	1,280
Due from other funds	--	--	1,732
Inventories, at cost	--	2,947	3,045
Prepaid expenses	41	28	119
Other receivables - restricted	--	--	29
Total current assets	<u>47</u>	<u>33,899</u>	<u>285,119</u>
Noncurrent assets:			
Pooled investments and cash - restricted	1,387	1,782	24,771
Advances to other funds - restricted	--	--	370
Investments - restricted	--	--	13,305
Depreciable capital assets, net	11,394	27,791	363,917
Nondepreciable capital assets	6,591	3,048	291,777
Total noncurrent assets	<u>19,372</u>	<u>32,621</u>	<u>694,140</u>
Total assets	<u>19,419</u>	<u>66,520</u>	<u>979,259</u>
Deferred outflows of resources	<u>1,430</u>	<u>18,576</u>	<u>87,670</u>

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2016
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,441	626	1,426
Accounts and retainage payable from restricted assets	260	2,099	2,342
Accrued payroll	1,465	720	969
Accrued compensated absences	2,158	1,072	1,546
Due to other funds	--	--	--
Accrued interest payable from restricted assets	--	1,358	--
Interest payable on other debt	260	71	138
Bonds payable	8,312	808	2,001
Bonds payable from restricted assets	--	12,150	--
Customer and escrow deposits payable from restricted assets	2,307	3,302	302
Accrued landfill closure and postclosure costs	2,704	--	--
Other liabilities payable from restricted assets	--	--	416
Total current liabilities	18,907	22,206	9,140
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	--	--	--
Advances from other funds	--	--	657
Bonds payable, net of discount and inclusive of premium	37,529	165,871	39,032
Net pension liability	56,739	27,184	38,657
Other postemployment benefits payable	29,276	13,471	19,603
Accrued landfill closure and postclosure costs	9,899	--	--
Derivative instruments - interest rate swaps	--	15,071	--
Total noncurrent liabilities	133,443	221,597	97,949
Total liabilities	152,350	243,803	107,089
Deferred inflows of resources	--	270	17
NET POSITION			
Net investment in capital assets	40,941	38,560	284,563
Restricted for:			
Debt service	331	9,402	--
Capital projects	25	--	15,882
Renewal and replacement	--	766	--
Bond Reserve	--	10,311	--
Operating reserve	--	4,428	--
Unrestricted	(92,070)	90,837	53,479
Total net position	(50,773)	154,304	353,924
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	4,473	1,346	241
Total net position - Business-type activities	\$ (46,300)	155,650	354,165

(Continued)

	Golf	Transportation	Total
LIABILITIES			
Current liabilities:			
Accounts payable	1	2,100	5,594
Accounts and retainage payable from restricted assets	104	129	4,934
Accrued payroll	143	1,613	4,910
Accrued compensated absences	159	2,256	7,191
Due to other funds	1,732	301	2,033
Accrued interest payable from restricted assets	--	--	1,358
Interest payable on other debt	6	218	693
Bonds payable	116	3,749	14,986
Bonds payable from restricted assets	--	--	12,150
Customer and escrow deposits payable from restricted assets	--	--	5,911
Accrued landfill closure and postclosure costs	--	--	2,704
Other liabilities payable from restricted assets	--	--	416
Total current liabilities	2,261	10,366	62,880
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	105	19	124
Advances from other funds	--	2,405	3,062
Bonds payable, net of discount and inclusive of premium	321	14,613	257,366
Net pension liability	4,240	55,242	182,062
Other postemployment benefits payable	1,727	28,067	92,144
Accrued landfill closure and postclosure costs	--	--	9,899
Derivative instruments - interest rate swaps	--	--	15,071
Total noncurrent liabilities	6,393	100,346	559,728
Total liabilities	8,654	110,712	622,608
Deferred inflows of resources	--	--	287
NET POSITION			
Net investment in capital assets	17,444	13,305	394,813
Restricted for:			
Debt service	--	--	9,733
Capital projects	1,387	955	18,249
Renewal and replacement	--	--	766
Bond Reserve	--	--	10,311
Operating reserve	--	--	4,428
Unrestricted	(6,636)	(39,876)	5,734
Total net position	12,195	(25,616)	444,034
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	338	1,578	7,976
Total net position - Business-type activities	12,533	(24,038)	452,010

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2016
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
OPERATING REVENUES			
User fees and rentals	\$ 103,420	33,221	83,997
Total operating revenues	103,420	33,221	83,997
OPERATING EXPENSES			
Operating expenses before depreciation	93,654	48,401	60,404
Depreciation and amortization	8,613	9,112	7,459
Total operating expenses	102,267	57,513	67,863
Operating income (loss)	1,153	(24,292)	16,134
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	77	518	483
Interest on revenue bonds and other debt	(1,200)	(7,063)	(1,315)
Interest capitalized during construction	--	654	727
Other nonoperating revenue (expense)	384	(30,839)	(10,757)
Total nonoperating revenues (expenses)	(739)	(36,730)	(10,862)
Income (loss) before contributions and transfers	414	(61,022)	5,272
Capital contributions	--	--	21,906
Transfers in	179	72,280	289
Transfers out	(628)	(386)	(109)
Change in net position	(35)	10,872	27,358
Total net position - beginning	(50,738)	143,432	326,566
Total net position - ending	\$ (50,773)	154,304	353,924
Reconciliation to government-wide Statement of Activities			
Change in net position	(35)	10,872	27,358
Adjustment to consolidate internal service activities	207	155	(162)
Change in net position - Business-type activities	\$ 172	11,027	27,196

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
OPERATING REVENUES			
User fees and rentals	6,480	92,166	319,284
Total operating revenues	<u>6,480</u>	<u>92,166</u>	<u>319,284</u>
OPERATING EXPENSES			
Operating expenses before depreciation	7,447	91,156	301,062
Depreciation and amortization	834	4,218	30,236
Total operating expenses	<u>8,281</u>	<u>95,374</u>	<u>331,298</u>
Operating income (loss)	<u>(1,801)</u>	<u>(3,208)</u>	<u>(12,014)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	6	117	1,201
Interest on revenue bonds and other debt	(6)	(315)	(9,899)
Interest capitalized during construction	--	--	1,381
Other nonoperating revenue (expense)	(1,352)	(314)	(42,878)
Total nonoperating revenues (expenses)	<u>(1,352)</u>	<u>(512)</u>	<u>(50,195)</u>
Income (loss) before contributions and transfers	(3,153)	(3,720)	(62,209)
Capital contributions	221	54	22,181
Transfers in	2,665	2,765	78,178
Transfers out	--	(7,683)	(8,806)
Change in net position	<u>(267)</u>	<u>(8,584)</u>	<u>29,344</u>
Total net position - beginning	<u>12,462</u>	<u>(17,032)</u>	<u>414,690</u>
Total net position - ending	<u>12,195</u>	<u>(25,616)</u>	<u>444,034</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	(267)	(8,584)	29,344
Adjustment to consolidate internal service activities	21	404	625
Change in net position - Business-type activities	<u>(246)</u>	<u>(8,180)</u>	<u>29,969</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2016
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 103,881	33,979	81,849
Cash received from other funds	321	--	3,062
Cash payments to suppliers for goods and services	(17,785)	(18,735)	(10,779)
Cash payments to other funds	(22,972)	(6,201)	(14,772)
Cash payments to employees for services	(44,100)	(23,253)	(29,032)
Net cash provided (used) by operating activities	19,345	(14,210)	30,328
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	--	72,280	--
Transfers out	(628)	(386)	(109)
Contributions from other funds	1,063	--	--
Contributions to other funds	--	--	(387)
Loans to other funds	--	(3)	(501)
Loans from other funds	--	--	119
Loan repayments to other funds	--	(338)	--
Loan repayments from other funds	70	--	--
Collections from other governments	118	--	418
Net cash provided (used) by noncapital financing activities	623	71,553	(460)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	--	17,795
Principal paid on long-term debt	(10,179)	(13,185)	(2,052)
Interest paid on revenue bonds and other debt	(1,689)	(7,106)	(1,652)
Acquisition and construction of capital assets	(5,852)	(5,861)	(61,980)
Contributions in aid of construction	--	--	12,891
Bond issuance costs	--	--	(137)
Bond premiums	--	--	2,842
Net cash provided (used) by capital and related financing activities	(17,720)	(26,152)	(32,293)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	(18,825)	--
Proceeds from sale and maturities of investment securities	--	18,577	--
Interest on investments	77	519	483
Net cash provided (used) by investing activities	77	271	483
Net increase (decrease) in cash and cash equivalents	2,325	31,462	(1,942)
Cash and cash equivalents, October 1	7,961	91,063	114,460
Cash and cash equivalents, September 30	\$ 10,286	122,525	112,518

	Golf	Transportation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	6,480	91,081	317,270
Cash received from other funds	--	142	3,525
Cash payments to suppliers for goods and services	(1,485)	(17,655)	(66,439)
Cash payments to other funds	(1,082)	(15,136)	(60,163)
Cash payments to employees for services	(4,120)	(45,343)	(145,848)
Net cash provided (used) by operating activities	(207)	13,089	48,345
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	2,665	2,679	77,624
Transfers out	--	(7,504)	(8,627)
Contributions from other funds	--	--	1,063
Contributions to other funds	--	(244)	(631)
Loans to other funds	--	--	(504)
Loans from other funds	501	--	620
Loan repayments to other funds	--	(301)	(639)
Loan repayments from other funds	--	--	70
Collections from other governments	--	--	536
Net cash provided (used) by noncapital financing activities	3,166	(5,370)	69,512
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	2,874	20,669
Principal paid on long-term debt	(332)	(3,751)	(29,499)
Interest paid on revenue bonds and other debt	(20)	(557)	(11,024)
Acquisition and construction of capital assets	(1,998)	(4,849)	(80,540)
Contributions in aid of construction	221	--	13,112
Bond issuance costs	--	(26)	(163)
Bond premiums	--	347	3,189
Net cash provided (used) by capital and related financing activities	(2,129)	(5,962)	(84,256)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	--	(18,825)
Proceeds from sale and maturities of investment securities	--	--	18,577
Interest on investments	6	117	1,202
Net cash provided (used) by investing activities	6	117	954
Net increase (decrease) in cash and cash equivalents	836	1,874	34,555
Cash and cash equivalents, October 1	557	25,251	239,292
Cash and cash equivalents, September 30	1,393	27,125	273,847

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2016
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
RECONCILIATION OF OPERATING INCOME TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,153	(24,292)	16,134
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	8,613	9,112	7,459
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	785	899	1,319
Increase (decrease) in allowance for doubtful accounts	(148)	--	(405)
(Increase) decrease in inventory	--	(29)	--
(Increase) decrease in prepaid expenses and other assets	(15)	(30)	1
(Increase) decrease in deferred outflows related to operations	(12,374)	(5,937)	(8,327)
Increase (decrease) in accounts payable	246	(90)	1,022
Increase (decrease) in accrued payroll and compensated absences	403	175	223
Increase (decrease) in net pension liability	16,778	7,743	10,982
Increase (decrease) in other postemployment benefits payable	2,919	1,289	1,978
Increase (decrease) in other liabilities	840	(2,909)	(58)
Increase (decrease) in customer deposits	145	(141)	--
Total adjustments	18,192	10,082	14,194
Net cash provided (used) by operating activities	\$ 19,345	(14,210)	30,328
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets contributed from other funds	\$ --	--	9,006
Capital assets contributed to other funds	--	(30,810)	(10,256)
Amortization of bond (discounts) premiums	416	1,038	433
Amortization of deferred gain (loss) on refundings	(16)	(1,077)	(42)
Gain (loss) on disposal of assets	(797)	(29)	(7)
Transfers (to) from other funds	179	--	289
Capitalized interest	--	654	727

(Continued)

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(1,801)	(3,208)	(12,014)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	834	4,218	30,236
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	--	(913)	2,090
Increase (decrease) in allowance for doubtful accounts	--	(30)	(583)
(Increase) decrease in inventory	--	(482)	(511)
(Increase) decrease in prepaid expenses and other assets	--	--	(44)
(Increase) decrease in deferred outflows related to operations	(915)	(12,195)	(39,748)
Increase (decrease) in accounts payable	(10)	477	1,645
Increase (decrease) in accrued payroll and compensated absences	51	636	1,488
Increase (decrease) in net pension liability	1,491	21,210	58,204
Increase (decrease) in other postemployment benefits payable	143	3,376	9,705
Increase (decrease) in other liabilities	--	--	(2,127)
Increase (decrease) in customer deposits	--	--	4
Total adjustments	<u>1,594</u>	<u>16,297</u>	<u>60,359</u>
Net cash provided (used) by operating activities	<u>(207)</u>	<u>13,089</u>	<u>48,345</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets contributed from other funds	--	54	9,060
Capital assets contributed to other funds	(1,352)	--	(42,418)
Amortization of bond (discounts) premiums	11	262	2,160
Amortization of deferred gain (loss) on refundings	--	--	(1,135)
Gain (loss) on disposal of assets	--	(45)	(878)
Transfers (to) from other funds	--	(93)	375
Capitalized interest	--	--	1,381





Internal Service Funds
Combining Statement of Net Position
September 30, 2016
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
ASSETS					
Current assets:					
Cash	\$ --	--	--	1	--
Pooled investments and cash	--	572	33,283	25,160	7,362
Pooled investments and cash - restricted	--	--	--	1,999	--
Total pooled investments and cash	--	572	33,283	27,159	7,362
Cash held by trustee - restricted	--	--	1,558	--	--
Accounts receivable, net of allowance	258	1,918	6,609	30	102
Receivables from other governments	--	--	340	--	--
Due from other funds	--	--	--	--	--
Inventories, at cost	--	--	--	1,552	--
Prepaid expenses	24	6	--	--	406
Total current assets	282	2,496	41,790	28,742	7,870
Noncurrent assets:					
Advances to other funds	--	--	--	37	--
Depreciable capital assets, net	501	22,219	--	7,820	11,416
Nondepreciable capital assets	--	32	--	301	--
Total noncurrent assets	501	22,251	--	8,158	11,416
Total assets	783	24,747	41,790	36,900	19,286
Deferred outflow of resources	--	--	--	130	--
LIABILITIES					
Current liabilities:					
Accounts payable	64	982	2,374	3,695	901
Accrued payroll	586	174	--	599	926
Accrued compensated absences	930	303	--	948	1,723
Claims payable	--	--	14,310	--	--
Due to other funds	1,005	--	--	--	--
Due to other governments	--	--	--	4	--
Accrued interest payable from restricted assets	--	--	--	9	--
Bonds payable	--	--	--	401	--
Customer and escrow deposits payable from restricted assets	6	--	--	--	--
Other liabilities	--	--	1,452	--	--
Total current liabilities	2,591	1,459	18,136	5,656	3,550
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	20	--	--	8
Claims payable	--	--	--	--	--
Bonds payable, net of discount and inclusive of premium	--	--	--	2,175	--
Total noncurrent liabilities	--	20	--	2,175	8
Total liabilities	2,591	1,479	18,136	7,831	3,558
Deferred inflow of resources	--	--	--	--	--
NET POSITION					
Net investment in capital assets	501	22,251	--	5,545	11,416
Restricted for:					
Capital projects	--	--	--	1,999	--
Unrestricted	(2,309)	1,017	23,654	21,655	4,312
Total net position	\$ (1,808)	23,268	23,654	29,199	15,728

	<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	10,656	20,101	788	32,654	130,576
Pooled investments and cash - restricted	--	--	--	--	1,999
Total pooled investments and cash	10,656	20,101	788	32,654	132,575
Cash held by trustee - restricted	--	--	--	--	1,558
Accounts receivable, net of allowance	--	2	323	--	9,242
Receivables from other governments	--	--	--	--	340
Due from other funds	--	1,005	--	--	1,005
Inventories, at cost	--	--	285	--	1,837
Prepaid expenses	--	106	--	--	542
Total current assets	10,656	21,225	1,396	32,654	147,111
Noncurrent assets:					
Advances to other funds	--	5	--	--	42
Depreciable capital assets, net	--	3,844	16,818	--	62,618
Nondepreciable capital assets	--	21	262	--	616
Total noncurrent assets	--	3,870	17,080	--	63,276
Total assets	10,656	25,095	18,476	32,654	210,387
Deferred outflow of resources	--	1	--	--	131
LIABILITIES					
Current liabilities:					
Accounts payable	401	7,270	176	384	16,247
Accrued payroll	--	2,962	136	--	5,383
Accrued compensated absences	--	4,641	225	--	8,770
Claims payable	4,489	--	--	5,724	24,523
Due to other funds	--	--	--	--	1,005
Due to other governments	--	--	--	--	4
Accrued interest payable from restricted assets	--	1	--	--	10
Bonds payable	--	40	--	--	441
Customer and escrow deposits payable from restricted assets	--	277	--	--	283
Other liabilities	--	506	497	--	2,455
Total current liabilities	4,890	15,697	1,034	6,108	59,121
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	370	23	--	421
Claims payable	4,875	--	--	19,940	24,815
Bonds payable, net of discount and inclusive of premium	--	98	--	--	2,273
Total noncurrent liabilities	4,875	468	23	19,940	27,509
Total liabilities	9,765	16,165	1,057	26,048	86,630
Deferred inflow of resources	--	1	--	--	1
NET POSITION					
Net investment in capital assets	--	3,727	17,080	--	60,520
Restricted for:					
Capital projects	--	--	--	--	1,999
Unrestricted	891	5,203	339	6,606	61,368
Total net position	891	8,930	17,419	6,606	123,887

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2016
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
OPERATING REVENUES					
Billings to departments	\$ 20,926	12,897	136,208	51,064	53,329
Employee contributions	--	--	37,844	--	--
Operating revenues from other governments	--	3,834	--	--	--
Other operating revenues	10	--	1,434	2,458	348
Total operating revenues	20,936	16,731	175,486	53,522	53,677
OPERATING EXPENSES					
Operating expenses before depreciation	21,139	13,945	174,467	46,123	42,817
Depreciation and amortization	156	4,125	--	648	2,829
Total operating expenses	21,295	18,070	174,467	46,771	45,646
Operating income (loss)	(359)	(1,339)	1,019	6,751	8,031
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	--	3	(13)	93	20
Interest on bonds and other debt	--	--	--	(108)	--
Other nonoperating revenues (expenses)	--	--	--	(8,634)	--
Total nonoperating revenues (expenses)	--	3	(13)	(8,649)	20
Income (loss) before contributions and transfers	(359)	(1,336)	1,006	(1,898)	8,051
Capital contributions	--	2,313	--	--	2,167
Transfers in	--	--	--	7	103
Transfers out	(86)	(3,350)	--	(606)	(8,687)
Change in net position	(445)	(2,373)	1,006	(2,497)	1,634
Total net position - beginning	(1,363)	25,641	22,648	31,696	14,094
Total net position - ending	\$ (1,808)	23,268	23,654	29,199	15,728

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
OPERATING REVENUES					
Billings to departments	4,686	109,238	12,167	12,453	412,968
Employee contributions	--	--	--	--	37,844
Operating revenues from other governments	--	--	538	--	4,372
Other operating revenues	1	2,127	1,808	--	8,186
Total operating revenues	4,687	111,365	14,513	12,453	463,370
OPERATING EXPENSES					
Operating expenses before depreciation	5,437	107,882	9,083	10,839	431,732
Depreciation and amortization	--	556	4,050	--	12,364
Total operating expenses	5,437	108,438	13,133	10,839	444,096
Operating income (loss)	(750)	2,927	1,380	1,614	19,274
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	(4)	70	2	(9)	162
Interest on bonds and other debt	--	(4)	--	--	(112)
Other nonoperating revenues (expenses)	--	(58)	(1)	--	(8,693)
Total nonoperating revenues (expenses)	(4)	8	1	(9)	(8,643)
Income (loss) before contributions and transfers	(754)	2,935	1,381	1,605	10,631
Capital contributions	--	95	6,575	--	11,150
Transfers in	--	400	625	--	1,135
Transfers out	--	(3,072)	(4,993)	--	(20,794)
Change in net position	(754)	358	3,588	1,605	2,122
Total net position - beginning	1,645	8,572	13,831	5,001	121,765
Total net position - ending	891	8,930	17,419	6,606	123,887

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2016
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 347	3,393	35,762	2,492	246
Cash received from other funds	20,926	12,897	136,208	51,064	53,329
Cash payments to suppliers for goods and services	(1,639)	(7,656)	(10,303)	(24,599)	(15,927)
Cash payments to other funds	(2,203)	(907)	(1,957)	(5,009)	(368)
Cash payments to employees for services	(17,345)	(5,055)	--	(18,879)	(26,776)
Cash payments to claimants/beneficiaries	--	--	(161,004)	--	--
Net cash provided (used) by operating activities	86	2,672	(1,294)	5,069	10,504
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	--	(3,350)	--	--	(8,680)
Net cash provided (used) by noncapital financing activities	--	(3,350)	--	--	(8,680)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	--	--	(339)	--
Interest paid on revenue bonds and other debt	--	--	--	(123)	--
Acquisition and construction of capital assets	(86)	(21)	--	(10,339)	(68)
Bond issuance costs	--	--	--	(5)	--
Net cash provided (used) by capital and related financing activities	(86)	(21)	--	(10,806)	(68)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	--	3	(13)	93	20
Net cash provided (used) by investing activities	--	3	(13)	93	20
Net increase (decrease) in cash and cash equivalents	--	(696)	(1,307)	(5,644)	1,776
Cash and cash equivalents, October 1	--	1,268	36,148	32,804	5,586
Cash and cash equivalents, September 30	\$ --	572	34,841	27,160	7,362

	<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	1	2,140	2,389	--	46,770
Cash received from other funds	4,686	109,238	12,167	12,453	412,968
Cash payments to suppliers for goods and services	(815)	(11,800)	(4,960)	(4,769)	(82,468)
Cash payments to other funds	(363)	(8,782)	(290)	(1,838)	(21,717)
Cash payments to employees for services	--	(86,874)	(4,142)	--	(159,071)
Cash payments to claimants/beneficiaries	(3,885)	--	--	(3,152)	(168,041)
Net cash provided (used) by operating activities	<u>(376)</u>	<u>3,922</u>	<u>5,164</u>	<u>2,694</u>	<u>28,441</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	--	(3,072)	(4,993)	--	(20,095)
Net cash provided (used) by noncapital financing activities	<u>--</u>	<u>(3,072)</u>	<u>(4,993)</u>	<u>--</u>	<u>(20,095)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	(30)	--	--	(369)
Interest paid on revenue bonds and other debt	--	(8)	--	--	(131)
Acquisition and construction of capital assets	--	(34)	--	--	(10,548)
Bond issuance costs	--	--	--	--	(5)
Net cash provided (used) by capital and related financing activities	<u>--</u>	<u>(72)</u>	<u>--</u>	<u>--</u>	<u>(11,053)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	(4)	70	2	(9)	162
Net cash provided (used) by investing activities	<u>(4)</u>	<u>70</u>	<u>2</u>	<u>(9)</u>	<u>162</u>
Net increase (decrease) in cash and cash equivalents	(380)	848	173	2,685	(2,545)
Cash and cash equivalents, October 1	11,036	19,264	615	29,969	136,690
Cash and cash equivalents, September 30	<u>10,656</u>	<u>20,112</u>	<u>788</u>	<u>32,654</u>	<u>134,145</u>

(Continued)

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2016
(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)	\$ (359)	(1,339)	1,019	6,751	8,031
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	156	4,125	--	648	2,829
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	2	(441)	(3,516)	(4)	(102)
Increase in due from other funds	--	--	--	--	--
(Increase) decrease in inventory	--	--	--	(153)	--
(Increase) decrease in prepaid expenses and other assets	(8)	--	--	--	(338)
(Increase) decrease in deferred outflows related to operations	--	--	--	(33)	--
(Increase) decrease in advance to other funds	--	--	--	34	--
Increase (decrease) in accounts payable	21	319	166	(2,267)	(138)
Increase (decrease) in accrued payroll and compensated absences	(61)	8	--	92	222
Increase (decrease) in claims payable	--	--	1,024	--	--
Increase (decrease) in due to other governments	--	--	--	4	--
Increase (decrease) in due to other funds	335	--	--	--	--
Increase (decrease) in other liabilities	--	--	13	(3)	--
Increase (decrease) in customer deposits	--	--	--	--	--
Total adjustments	445	4,011	(2,313)	(1,682)	2,473
Net cash provided (used) by operating activities	\$ 86	2,672	(1,294)	5,069	10,504
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	\$ --	2,313	--	8,554	2,167
Capital assets contributed to other funds	--	--	--	--	--
Amortization of bond discounts and premiums	--	--	--	40	--
Amortization of deferred loss on refundings	--	--	--	(22)	--
Gain (loss) on disposal of assets	--	--	--	(80)	--
Transfers (to) from other funds	(86)	--	--	(599)	96

(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)	(750)	2,927	1,380	1,614	19,274
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	--	556	4,050	--	12,364
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	--	43	--	(4,018)
Increase in due from other funds	--	(324)	--	--	(324)
(Increase) decrease in inventory	--	13	(228)	--	(368)
(Increase) decrease in prepaid expenses and other assets	--	(35)	--	--	(381)
(Increase) decrease in deferred outflows related to operations	--	--	--	--	(33)
(Increase) decrease in advance to other funds	--	(5)	--	--	29
Increase (decrease) in accounts payable	347	284	(61)	257	(1,072)
Increase (decrease) in accrued payroll and compensated absences	--	857	27	--	1,145
Increase (decrease) in claims payable	27	--	--	823	1,874
Increase (decrease) in due to other governments	--	--	--	--	4
Increase (decrease) in due to other funds	--	--	--	--	335
Increase (decrease) in other liabilities	--	(628)	(47)	--	(665)
Increase (decrease) in customer deposits	--	277	--	--	277
Total adjustments	<u>374</u>	<u>995</u>	<u>3,784</u>	<u>1,080</u>	<u>9,167</u>
Net cash provided (used) by operating activities	<u>(376)</u>	<u>3,922</u>	<u>5,164</u>	<u>2,694</u>	<u>28,441</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	--	95	6,799	--	19,928
Capital assets contributed to other funds	--	--	(224)	--	(224)
Amortization of bond discounts and premiums	--	--	--	--	40
Amortization of deferred loss on refundings	--	--	--	--	(22)
Gain (loss) on disposal of assets	--	--	(1)	--	(81)
Transfers (to) from other funds	--	400	625	--	436



Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit H-1

	<u>Assets</u>			<u>Liabilities</u>			<u>Net Position Held in Trust</u>
	<u>Pooled</u>			<u>Accounts Payable</u>	<u>Other Liabilities</u>	<u>Total Liabilities</u>	
	<u>Investments and Cash</u>	<u>Other Assets</u>	<u>Total Assets</u>				
General government							
Unclaimed Property	\$ 1,494	--	1,494	--	1,388	1,388	106
Total general government	<u>1,494</u>	<u>--</u>	<u>1,494</u>	<u>--</u>	<u>1,388</u>	<u>1,388</u>	<u>106</u>
Transportation, planning, and sustainability							
Public School Energy Assistance	9	--	9	--	--	--	9
Voluntary Utility Assistance	--	--	--	--	--	--	--
Total transportation, planning, and sustainability	<u>9</u>	<u>--</u>	<u>9</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9</u>
Public recreation and culture							
First Step - A Community Project	14	--	14	--	--	--	14
Science Fest	--	--	--	--	--	--	--
Total public recreation and culture	<u>14</u>	<u>--</u>	<u>14</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14</u>
Urban growth management							
Leveraged Loan Pool	445	122	567	--	--	--	567
Telecommunity Partnership	16	--	16	--	--	--	16
Total urban growth management	<u>461</u>	<u>122</u>	<u>583</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>583</u>
Total	<u>\$ 1,978</u>	<u>122</u>	<u>2,100</u>	<u>--</u>	<u>1,388</u>	<u>1,388</u>	<u>712</u>

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2016
(In thousands)

City of Austin, Texas
Exhibit H-2

	<u>Additions</u>			<u>Deductions</u>		Net Position at Beginning of Year	Net Position at End of Year
	<u>Contributions</u>	<u>Interest and Other</u>	<u>Total Additions</u>	<u>Benefit Payments</u>	<u>Net Increase (Decrease)</u>		
General government							
Unclaimed Property	\$ --	7	7	1	6	100	106
Total general government	<u>--</u>	<u>7</u>	<u>7</u>	<u>1</u>	<u>6</u>	<u>100</u>	<u>106</u>
Transportation, planning, and sustainability							
Public School Energy Assistance	18	--	18	9	9	--	9
Voluntary Utility Assistance	998	1	999	1,336	(337)	337	--
Total transportation, planning, and sustainability	<u>1,016</u>	<u>1</u>	<u>1,017</u>	<u>1,345</u>	<u>(328)</u>	<u>337</u>	<u>9</u>
Public recreation and culture							
First Step - A Community Project	--	--	--	--	--	14	14
Science Fest	76	--	76	76	--	--	--
Total public recreation and culture	<u>76</u>	<u>--</u>	<u>76</u>	<u>76</u>	<u>--</u>	<u>14</u>	<u>14</u>
Urban growth management							
Leveraged Loan Pool	--	3	3	--	3	564	567
Telecommunity Partnership	--	--	--	--	--	16	16
Total urban growth management	<u>--</u>	<u>3</u>	<u>3</u>	<u>--</u>	<u>3</u>	<u>580</u>	<u>583</u>
Total	<u>\$ 1,092</u>	<u>11</u>	<u>1,103</u>	<u>1,422</u>	<u>(319)</u>	<u>1,031</u>	<u>712</u>

**Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended September 30, 2016
(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	\$ 32	31	1	62
Total assets	<u>32</u>	<u>31</u>	<u>1</u>	<u>62</u>
Liabilities				
Deposits and other liabilities	32	30	--	62
Total liabilities	<u>32</u>	<u>30</u>	<u>--</u>	<u>62</u>
<u>Municipal Courts</u>				
Assets				
Pooled investments and cash	2,235	9,615	10,142	1,708
Total assets	<u>2,235</u>	<u>9,615</u>	<u>10,142</u>	<u>1,708</u>
Liabilities				
Accounts payable	--	9,160	9,159	1
Due to other governments	1,885	16,256	16,730	1,411
Deposits and other liabilities	350	2,541	2,595	296
Total liabilities	<u>2,235</u>	<u>27,957</u>	<u>28,484</u>	<u>1,708</u>
<u>Neighborhood Revitalization</u>				
Assets				
Pooled investments and cash	236	--	--	236
Total assets	<u>236</u>	<u>--</u>	<u>--</u>	<u>236</u>
Liabilities				
Deposits and other liabilities	236	--	--	236
Total liabilities	<u>236</u>	<u>--</u>	<u>--</u>	<u>236</u>
<u>Total Agency Funds</u>				
Assets				
Pooled investments and cash	2,503	9,646	10,143	2,006
Total assets	<u>2,503</u>	<u>9,646</u>	<u>10,143</u>	<u>2,006</u>
Liabilities				
Accounts payable	--	9,160	9,159	1
Due to other governments	1,885	16,256	16,730	1,411
Deposits and other liabilities	618	2,571	2,595	594
Total liabilities	<u>\$ 2,503</u>	<u>27,987</u>	<u>28,484</u>	<u>2,006</u>





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, 2016
(In thousands)**

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

The General Fund, as reported in the financial statements, is comprised of ten 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 Budget Stabilization Reserve, Community Development Incentives, Economic Development, Economic Incentives Reserve, Emergency Reserve, Green Water Treatment Plant Land Sale Proceeds, Long Center Capital Improvements, the Music Venue Assistance Program, and the Neighborhood Housing and Community Development funds. RSI reflects the budgetary comparison for the consolidated General Fund. Below are the budgetary comparisons for each of the ten funds.

Budgetary General Fund	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Taxes	\$ 607,361	100	607,461	605,178	605,178	2,283
Franchise fees	36,678	(8)	36,670	38,462	38,462	(1,792)
Fines, forfeitures and penalties	15,027	--	15,027	16,826	16,826	(1,799)
Licenses, permits and inspections	47,470	(10)	47,460	41,748	41,748	5,712
Charges for services/goods	59,062	2,501	61,563	58,425	58,425	3,138
Interest and other	14,954	(10,063)	4,891	3,519	3,519	1,372
Total revenues	780,552	(7,480)	773,072	764,158	764,158	8,914
EXPENDITURES						
General government						
Municipal Court	20,753	171	20,924	21,087	21,087	163
Public safety						
Police	326,485	42,700	369,185	372,070	373,570	4,385
Fire	164,126	14,729	178,855	175,267	175,267	(3,588)
Emergency Medical Services	67,785	8,979	76,764	78,256	78,256	1,492
Public health:						
Health	70,887	1,298	72,185	72,304	72,464	279
Public recreation and culture						
Parks and Recreation	67,524	7,862	75,386	75,054	75,472	86
Austin Public Library	37,767	4,007	41,774	41,755	41,755	(19)
Urban growth management						
Neighborhood Planning and Zoning	33,675	6,736	40,411	40,408	40,408	(3)
Other Urban Growth Management	3,793	911	4,704	5,144	5,144	440
General city responsibilities (4)	96,258	(91,764)	4,494	4,711	4,711	217
Total expenditures	889,053	(4,371)	884,682	886,056	888,134	3,452
Excess (deficiency) of revenues over expenditures	(108,501)	(3,109)	(111,610)	(121,898)	(123,976)	12,366
OTHER FINANCING SOURCES (USES)						
Transfers in	131,125	20,810	151,935	146,993	149,071	2,864
Transfers out	(4,607)	(31,756)	(36,363)	(32,945)	(32,945)	(3,418)
Total other financing sources (uses)	126,518	(10,946)	115,572	114,048	116,126	(554)
Excess (deficiency) of revenues and other sources over expenditures and other uses	18,017	(14,055)	3,962	(7,850)	(7,850)	11,812
Fund balance at beginning of year	111,361	(84,359)	27,002	12,350	12,350	14,652
Fund balance at end of year	\$ 129,378	(98,414)	30,964	4,500	4,500	26,464

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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 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, 2016
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

Budget Stabilization Reserve	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Municipal Court	\$ 91	191	282	362	362	80
Public safety						
Police	195	--	195	200	200	5
Fire	373	861	1,234	1,236	1,236	2
Emergency Medical Services	74	395	469	632	632	163
Transportation, planning and sustainability						
Transportation, Planning and Sustainability	814	486	1,300	1,300	1,300	--
Public health:						
Health	1,446	725	2,171	2,304	2,304	133
Public recreation and culture						
Parks and Recreation	99	69	168	270	270	102
Austin Public Library	20	--	20	584	584	564
Urban growth management						
Neighborhood Planning and Zoning	736	--	736	740	740	4
Other Urban Growth Mangement	420	89	509	555	555	46
General city responsibilities (4)	10,727	(10,727)	--	--	--	--
Total expenditures	14,995	(7,911)	7,084	8,183	8,183	1,099
Excess (deficiency) of revenues over expenditures	(14,995)	7,911	(7,084)	(8,183)	(8,183)	1,099
OTHER FINANCING SOURCES (USES)						
Transfers in	--	2,000	2,000	4,228	4,228	(2,228)
Transfers out	(16,303)	(18,992)	(35,295)	(35,445)	(37,524)	2,229
Total other financing sources (uses)	(16,303)	(16,992)	(33,295)	(31,217)	(33,296)	1
Excess (deficiency) of revenues and other sources over expenditures and other uses	(31,298)	(9,081)	(40,379)	(39,400)	(41,479)	1,100
Fund balance at beginning of year	100,179	--	100,179	94,687	95,487	4,692
Fund balance at end of year	\$ 68,881	(9,081)	59,800	55,287	54,008	5,792

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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 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**

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

**For the year ended September 30, 2016
(In thousands)**

(Continued)

Community Development Incentives

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Urban growth management						
Other Urban Growth Mangement	\$ 219	13	232	225	225	(7)
Total expenditures	219	13	232	225	225	(7)
Excess (deficiency) of revenues over expenditures	(219)	(13)	(232)	(225)	(225)	(7)
OTHER FINANCING SOURCES (USES)						
Transfers in	--	1,059	1,059	1,059	1,059	--
Total other financing sources (uses)	--	1,059	1,059	1,059	1,059	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(219)	1,046	827	834	834	(7)
Fund balance at beginning of year	--	--	--	--	--	--
Fund balance at end of year	\$ (219)	1,046	827	834	834	(7)

Economic Development

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 187	--	187	152	152	35
Total revenues	187	--	187	152	152	35
EXPENDITURES						
Other Urban Growth Mangement	14,007	(1,181)	12,826	13,149	13,149	323
Total expenditures	14,007	(1,181)	12,826	13,149	13,149	323
Excess (deficiency) of revenues over expenditures	(13,820)	1,181	(12,639)	(12,997)	(12,997)	358
OTHER FINANCING SOURCES (USES)						
Transfers in	11,407	3,397	14,804	14,804	14,804	--
Transfers out	(50)	(1,659)	(1,709)	(1,671)	(1,671)	(38)
Total other financing sources (uses)	11,357	1,738	13,095	13,133	13,133	(38)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,463)	2,919	456	136	136	320
Fund balance at beginning of year	(2,012)	2,006	(6)	--	--	(6)
Fund balance at end of year	\$ (4,475)	4,925	450	136	136	314

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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, 2016
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

Economic Incentives Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 61	--	61	--	--	61
Total revenues	61	--	61	--	--	61
EXPENDITURES						
Other Urban Growth Management	13,631	471	14,102	14,444	14,444	342
Total expenditures	13,631	471	14,102	14,444	14,444	342
Excess (deficiency) of revenues over expenditures	(13,570)	(471)	(14,041)	(14,444)	(14,444)	403
OTHER FINANCING SOURCES (USES)						
Transfers in	--	14,869	14,869	14,870	14,870	(1)
Transfers out	(977)	(2,000)	(2,977)	(2,977)	(2,977)	--
Total other financing sources (uses)	(977)	12,869	11,892	11,893	11,893	(1)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(14,547)	12,398	(2,149)	(2,551)	(2,551)	402
Fund balance at beginning of year	(55,606)	68,179	12,573	18,978	18,978	(6,405)
Fund balance at end of year	\$ (70,153)	80,577	10,424	16,427	16,427	(6,003)

Emergency Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
OTHER FINANCING SOURCES (USES)						
Transfers in	14,669	--	14,669	14,669	14,669	--
Total other financing sources (uses)	14,669	--	14,669	14,669	14,669	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	14,669	--	14,669	14,669	14,669	--
Fund balances at beginning of year,	40,000	--	40,000	40,000	40,000	--
Fund balance at end of year	\$ 54,669	--	54,669	54,669	54,669	--

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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, 2016
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

Green Water Treatment Plant Land Sale Proceeds	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
OTHER FINANCING SOURCES (USES)						
Transfers out	\$ (4,309)	--	(4,309)	--	(4,309)	--
Total other financing sources (uses)	(4,309)	--	(4,309)	--	(4,309)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,309)	--	(4,309)	--	(4,309)	--
Special items - land sale	4,309	--	4,309	--	4,309	--
Fund balance at end of year	\$ --	--	--	--	--	--

Long Center Capital Improvements	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 1	--	1	--	--	1
Total revenues	1	--	1	--	--	1
EXPENDITURES						
Other Urban Growth Management	305	--	305	300	300	(5)
Total expenditures	305	--	305	300	300	(5)
Excess (deficiency) of revenues over expenditures	(304)	--	(304)	(300)	(300)	(4)
OTHER FINANCING SOURCES (USES)						
Transfers in	--	300	300	300	300	--
Total other financing sources (uses)	--	300	300	300	300	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(304)	300	(4)	--	--	(4)
Fund balance at beginning of year	(281)	286	5	--	--	5
Fund balance at end of year	\$ (585)	586	1	--	--	1

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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, 2016
(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	\$ 2	33	35	30	30	5
Total revenues	2	33	35	30	30	5
EXPENDITURES						
Other Urban Growth Management	(73)	109	36	200	200	164
Total expenditures	(73)	109	36	200	200	164
Excess (deficiency) of revenues over expenditures	75	(76)	(1)	(170)	(170)	169
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	75	24	99	(70)	(70)	169
Fund balance at beginning of year	99	281	380	359	359	21
Fund balance at end of year	\$ 174	305	479	289	289	190

**Neighborhood Housing and
Community Development**

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Other Urban Growth Mangement	\$ 104	(104)	--	--	--	--
Total expenditures	104	(104)	--	--	--	--
Excess (deficiency) of revenues over expenditures	(104)	104	--	--	--	--
OTHER FINANCING SOURCES (USES)						
Transfers out	--	(159)	(159)	--	--	(159)
Total other financing sources (uses)	--	(159)	(159)	--	--	(159)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(104)	(55)	(159)	--	--	(159)
Fund balance at beginning of year	(16,577)	16,556	(21)	--	--	(21)
Fund balance at end of year	\$ (16,681)	16,501	(180)	--	--	(180)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, 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, 2016
(In thousands)**

City of Austin, Texas
Exhibit I-2

	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	\$ 6	6	6	6	--	6
American Public Power Association	4	4	4	4	--	4
Total Austin Energy	10	10	10	10	--	10
AUSTIN WATER UTILITY RELATED						
U.S. Environmental Protection Agency	--	--	--	--	--	--
Total Water and Wastewater	--	--	--	--	--	--
AIRPORT RELATED						
U.S. Department of Homeland Security	322	322	322	322	--	322
U.S. Department of Transportation	765	765	765	765	--	765
Federal Bureau of Investigation	1	1	1	1	--	1
Total Airport	1,088	1,088	1,088	1,088	--	1,088
DRAINAGE RELATED						
U.S. Department of Agriculture	25	25	25	25	--	25
U.S. Department of Homeland Security	1,229	1,229	1,229	1,229	--	1,229
U.S. Department of Interior	3	3	3	3	--	3
U.S. Environmental Protection Agency	--	--	--	--	--	--
Texas Water Development Board	23	23	23	23	--	23
Total Drainage	1,280	1,280	1,280	1,280	--	1,280
AUSTIN RESOURCE RECOVERY RELATED						
U.S. Environmental Protection Agency	--	--	--	--	--	--
Total Solid Waste Services	--	--	--	--	--	--
Total grants, enterprise related	\$ 2,378	2,378	2,378	2,378	--	2,378

NOTE: These grants have been reported in the enterprise fund financial statements.

**Enterprise Related Grants
Combining Schedule of Expenditures
From Inception to September 30, 2016
(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	Grant	In-Kind	In-Kind		Total	In-Kind		Total
	Grant	Match				Grant	Match		Grant	Match	
AUSTIN ENERGY RELATED											
U.S. Department of Energy	\$ 29,576	1,197	30,773	41	--	29,617	1,197	30,814	29,753	1,364	31,117
American Public Power Association	12	--	12	4	--	16	--	16	15	--	15
Total Austin Energy	29,588	1,197	30,785	45	--	29,633	1,197	30,830	29,768	1,364	31,132
AUSTIN WATER UTILITY RELATED											
U.S. Environmental Protection Agency	64	53	117	712	582	776	635	1,411	776	635	1,411
Total Austin Water Utility	64	53	117	712	582	776	635	1,411	776	635	1,411
AIRPORT RELATED											
U.S. Department of Homeland Security	12,348	--	12,348	2,912	--	15,260	--	15,260	15,315	--	15,315
U.S. Department of Transportation	73,344	22,176	95,520	655	218	73,999	22,394	96,393	100,221	29,100	129,321
Federal Bureau of Investigation	22	--	22	--	--	22	--	22	25	--	25
Total Airport	85,714	22,176	107,890	3,567	218	89,281	22,394	111,675	115,561	29,100	144,661
DRAINAGE RELATED											
U.S. Department of Agriculture	50	50	100	--	--	50	50	100	50	50	100
U.S. Department of Homeland Security	7,997	3,486	11,483	397	132	8,394	3,618	12,012	18,367	6,944	25,311
U.S. Department of Interior	17	6	23	--	--	17	6	23	25	9	34
U.S. Environmental Protection Agency	1,131	166	1,297	28	--	1,159	166	1,325	1,203	168	1,371
Texas Water Development Board	99	--	99	--	--	99	--	99	401	198	599
Total Drainage	9,294	3,708	13,002	425	132	9,719	3,840	13,559	20,046	7,369	27,415
AUSTIN RESOURCE RECOVERY RELATED											
U.S. Environmental Protection Agency	41	--	41	118	--	159	--	159	400	--	400
Total Austin Resource Recovery	41	--	41	118	--	159	--	159	400	--	400
Total grants, enterprise related	\$ 124,701	27,134	151,835	4,867	932	129,568	28,066	157,634	166,551	38,468	205,019

NOTE: These grants have been reported in the enterprise fund financial statements.

**Schedule of General Obligation Bonds
Authorized and Unissued
Year ended September 30, 2016
(In thousands)**

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

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2016
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	Cultural arts	31,500	27,500	--	4,000
11-07-06	Central library	90,000	46,800	43,200	--
11-07-06	Public safety facility	58,100	53,100	--	5,000
11-6-12	Transportation and Mobility	143,299	52,105	32,235	58,959
11-6-12	Park and Recreation Improvements	77,680	7,860	17,275	52,545
11-6-12	Public safety facility Improvements	31,079	8,220	6,900	15,959
11-6-12	Health and Human Service facility improvements	11,148	1,940	4,205	5,003
11-6-12	Library, museum, and cultural arts facility improvements	13,442	3,800	815	8,827
11-5-13	Affordable housing	65,000	10,000	10,000	45,000
		<u>\$ 601,508</u>	<u>276,648</u>	<u>114,630</u>	<u>210,230</u>

Source: Bond Sale Official Statements

(1) This schedule displays only those previously issued bonds that relate to bond authorizations included herein.

It does not display all debt previously issued and still outstanding or refunding bonds. It includes general obligation bonds reported in the government-wide governmental activities and in proprietary funds.

**Schedule of Revenue Bonds Authorized,
Deauthorized and Unissued
Year ended September 30, 2016
(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, 2016
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, 2016
(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, 2016
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.



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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	1,530,124	1,526,481	1,545,216	1,544,834	1,562,046	1,666,653	1,649,431	1,621,208	1,645,359	1,719,704
Restricted	69,982	76,478	95,641	71,716	92,650	82,916	103,246	118,335	133,984	124,695
Unrestricted (deficit)	28,115	1,553	(56,971)	(58,002)	(164,152)	(334,332)	(397,244)	(431,349)	(1,117,293)	(1,211,495)
Total governmental activities net position	<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>	<u>662,050</u>	<u>632,904</u>
Business-type activities										
Net investment in capital assets	1,648,758	1,825,599	1,902,398	1,998,753	2,048,964	2,104,623	2,195,358	2,216,347	2,223,964	2,250,698
Restricted	492,356	497,927	488,413	502,211	550,516	554,215	535,490	524,653	642,052	690,459
Unrestricted	562,899	558,625	495,318	403,346	438,240	392,904	466,167	587,362	560,321	737,150
Total business-type activities net position	<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>	<u>3,426,337</u>	<u>3,678,307</u>
Primary government										
Net investment in capital assets	3,178,882	3,352,080	3,447,614	3,543,587	3,611,010	3,771,276	3,844,789	3,837,555	3,869,323	3,970,402
Restricted	562,338	574,405	584,054	573,927	643,166	637,131	638,736	642,988	776,036	815,154
Unrestricted (deficit)	591,014	560,178	438,347	345,344	274,088	58,572	68,923	156,013	(556,972)	(474,345)
Total primary government net position	<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>	<u>4,088,387</u>	<u>4,311,211</u>

Note: The City implemented GASB Statement No. 68 in fiscal year 2015, which significantly impacted the net position of the governmental activities.

Changes in Net Position
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 2

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities:										
General government	76,136	97,945	80,819	89,315	99,780	124,735	97,675	118,074	131,993	177,302
Public safety	397,583	440,345	442,690	455,760	485,611	536,132	580,074	576,118	601,112	657,846
Transportation, planning, and sustainability	48,758	49,426	79,840	65,565	74,835	64,247	78,594	83,971	77,349	66,739
Public health	94,158	102,188	81,773	63,215	61,865	75,799	73,186	80,796	85,326	100,195
Public recreation and culture	72,082	87,975	90,307	91,732	106,488	104,026	104,951	117,441	134,567	147,191
Urban growth management	93,185	123,115	121,237	143,884	129,258	93,593	137,478	136,110	135,386	179,081
Interest on debt	39,166	40,954	42,435	44,889	45,154	46,417	48,400	49,617	55,855	61,500
Total governmental expenses	<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>	<u>1,221,588</u>	<u>1,389,854</u>
Business-type activities:										
Electric	929,057	1,070,999	1,089,632	1,086,470	1,136,850	1,133,951	1,132,476	1,251,599	1,203,729	1,226,585
Water	162,158	202,900	200,162	169,708	178,712	223,228	231,774	232,778	294,624	244,907
Wastewater	144,573	147,059	160,962	166,979	170,514	194,650	214,580	221,216	219,320	237,450
Airport	80,368	91,557	98,403	92,780	102,774	101,991	107,389	108,291	120,015	135,860
Convention	43,956	52,911	52,219	51,818	54,231	56,142	62,884	58,763	65,657	63,796
Environmental and health services	55,386	69,805	67,097	66,380	91,151	87,450	81,544	92,997	97,690	102,994
Public recreation	9,800	10,169	10,274	9,715	5,209	5,624	7,185	6,765	8,824	8,266
Urban growth management	69,293	84,886	89,306	106,618	110,996	114,270	129,583	125,983	135,360	173,360
Total business-type expenses	<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>	<u>2,145,219</u>	<u>2,193,218</u>
Total primary government expenses	<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>	<u>3,366,807</u>	<u>3,583,072</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,633	9,572	11,319	7,902	8,126	17,285	15,223	17,890	15,434	15,915
Public safety	40,529	45,880	51,710	47,530	52,998	51,009	53,826	62,832	65,221	65,087
Transportation, planning, and sustainability	3,260	3,531	3,960	3,792	3,823	4,158	4,431	5,214	5,006	4,572
Public health	40,238	43,122	25,181	7,561	7,592	5,106	9,510	9,720	10,351	9,160
Public recreation and culture	2,998	3,749	3,819	3,456	7,891	7,576	8,753	8,205	8,330	8,781
Urban growth management	43,012	43,840	45,000	38,895	21,305	28,613	32,917	37,848	56,366	78,530
Operating grants and contributions	57,331	65,782	54,022	66,831	66,348	57,818	48,567	50,333	45,470	47,430
Capital grants and contributions	2,942	3,652	85,085	50,546	51,182	35,880	64,781	66,856	70,484	95,486
Total governmental program revenues	<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>	<u>276,662</u>	<u>324,961</u>
Business-type activities:										
Charges for services:										
Electric	1,056,488	1,217,735	1,162,286	1,147,676	1,249,139	1,179,872	1,288,259	1,367,155	1,351,436	1,370,228
Water	138,350	181,515	195,480	171,457	243,382	229,454	240,081	240,526	277,180	301,860
Wastewater	154,118	183,608	196,416	189,192	204,666	213,253	236,700	232,067	239,811	259,974

(Continued)

Changes in Net Position
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

City of Austin, Texas
Table 2
(Continued)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airport	96,562	102,519	96,618	100,223	106,978	114,318	123,021	128,766	142,353	159,866
Convention	14,577	17,572	16,258	14,784	18,486	19,200	22,783	25,087	28,657	33,221
Environmental and health services	46,310	49,190	65,940	74,399	75,981	75,499	81,833	84,655	96,622	103,420
Public recreation	8,784	9,760	10,119	8,864	5,260	5,239	6,069	5,849	5,736	6,480
Urban growth management	79,252	83,779	90,739	108,312	115,850	123,477	131,561	141,755	154,337	176,163
Operating grants and contributions	--	--	--	--	--	10,950	3,749	1,489	1,039	739
Capital grants and contributions	50,898	76,881	71,819	31,703	47,850	50,064	64,124	65,550	110,580	144,139
Total business-type revenues	1,645,339	1,922,559	1,905,675	1,846,610	2,067,592	2,021,326	2,198,180	2,292,899	2,407,751	2,556,090
Total primary government revenues	1,838,282	2,141,687	2,185,771	2,073,123	2,286,857	2,228,771	2,436,188	2,551,797	2,684,413	2,881,051
Net (Expense)/Revenue										
Governmental activities	(628,125)	(722,820)	(659,005)	(727,847)	(783,726)	(837,504)	(882,350)	(903,229)	(944,926)	(1,064,893)
Business-type activities	150,748	192,273	137,620	96,142	217,155	104,020	230,765	194,507	262,532	362,872
Total primary government net expense	(477,377)	(530,547)	(521,385)	(631,705)	(566,571)	(733,484)	(651,585)	(708,722)	(682,394)	(702,021)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	258,943	268,802	309,888	341,812	355,185	381,582	420,000	448,083	476,439	507,485
Sales tax	153,098	154,445	139,795	144,710	151,125	164,193	176,198	189,464	204,029	212,634
Franchise fees and gross receipts tax	87,180	93,236	85,183	87,996	95,029	99,011	114,147	128,032	141,368	147,773
Grants and contributions not restricted to specific programs (1)	73,711	80,178	--	--	--	--	--	--	--	--
Interest and other	54,963	29,287	20,827	31,960	19,364	15,884	23,888	21,275	21,951	41,708
Special items	--	--	--	--	--	--	--	15,830	11,983	4,309
Transfers	67,353	73,163	82,686	96,031	97,100	101,527	87,761	62,215	70,865	121,838
Total general revenues and transfers	695,248	699,111	638,379	702,509	717,803	762,197	821,994	864,899	926,635	1,035,747
Business-type activities:										
Interest and other	60,970	59,028	27,938	13,935	11,274	11,529	2,269	5,717	10,498	10,936
Transfers	(67,353)	(73,163)	(82,686)	(96,031)	(97,100)	(101,527)	(87,761)	(62,215)	(70,865)	(121,838)
Total business-type activities	(6,383)	(14,135)	(54,748)	(82,096)	(85,826)	(89,998)	(85,492)	(56,498)	(60,367)	(110,902)
Total primary government	688,865	684,976	583,631	620,413	631,977	672,199	736,502	808,401	866,268	924,845
Change in Net Position										
Governmental activities	67,123	(23,709)	(20,626)	(25,338)	(65,923)	(75,307)	(60,356)	(38,330)	(18,291)	(29,146)
Business-type activities	144,365	178,138	82,872	14,046	131,329	14,022	145,273	138,009	202,165	251,970
Total primary government	211,488	154,429	62,246	(11,292)	65,406	(61,285)	84,917	99,679	183,874	222,824

Note:

(1) 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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Function/Program										
Governmental activities:										
General government	5,678	13,338	15,524	11,831	17,491	31,179	29,603	29,150	24,715	29,665
Public safety	52,317	53,565	64,997	57,135	63,617	59,997	60,221	74,805	71,035	71,626
Transportation, planning, and sustainability	3,260	3,531	57,178	17,928	42,282	24,942	51,095	55,324	61,405	80,375
Public health	61,221	66,680	42,750	34,369	31,185	28,122	30,307	29,390	29,524	28,822
Public recreation and culture	4,505	5,253	7,846	9,536	11,544	13,145	14,343	17,233	15,390	17,685
Urban growth management	65,962	76,761	91,801	95,714	53,146	50,060	52,439	52,996	74,593	96,788
Subtotal governmental activities	<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>	<u>276,662</u>	<u>324,961</u>
Business-type activities:										
Electric	1,065,001	1,228,542	1,168,242	1,152,532	1,259,400	1,201,722	1,303,299	1,381,040	1,374,895	1,411,135
Water	153,148	216,654	225,881	180,918	257,346	241,205	262,212	264,265	312,102	349,195
Wastewater	167,851	189,823	211,080	190,625	213,339	221,561	249,564	246,569	261,680	290,717
Airport	104,462	113,368	112,804	108,022	112,457	124,042	128,301	134,208	151,368	163,432
Convention	14,577	17,572	16,258	14,784	18,499	19,234	23,149	25,138	28,657	33,221
Environmental and health services	46,640	50,311	66,592	75,033	77,008	78,694	83,080	84,807	96,674	103,538
Public recreation	9,073	11,134	11,268	12,809	5,410	5,404	6,776	6,626	6,206	6,701
Urban growth management	84,587	95,155	93,550	111,887	124,133	129,464	141,799	150,246	176,169	198,151
Subtotal business-type activities	<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>	<u>2,407,751</u>	<u>2,556,090</u>
Total primary government	<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>	<u><u>2,684,413</u></u>	<u><u>2,881,051</u></u>

Fund Balances, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund										
Reserved	9,458	3,566	4,510	4,135	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	97,352	85,124	87,651	104,575	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	1,109	862	774	950	949	546
Assigned	N/A	N/A	N/A	N/A	14,109	16,255	18,459	25,887	26,123	28,700
Unassigned	N/A	N/A	N/A	N/A	119,035	113,046	127,859	156,659	150,091	131,743
Total general fund	<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>	<u>177,163</u>	<u>160,989</u>
All Other Governmental Funds										
Reserved	108,338	106,399	134,194	174,820	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	48,916	56,008	56,385	57,694	N/A	N/A	N/A	N/A	N/A	N/A
Capital projects funds	46,054	77,469	168,328	28,447	N/A	N/A	N/A	N/A	N/A	N/A
Permanent funds	660	844	819	764	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	1,040	1,040	1,040	1,052	1,070	1,070
Restricted	N/A	N/A	N/A	N/A	175,522	174,773	160,483	162,000	175,977	186,395
Committed	N/A	N/A	N/A	N/A	18,139	19,716	22,921	27,486	40,196	42,508
Assigned	N/A	N/A	N/A	N/A	76,956	82,511	80,219	64,142	75,821	107,833
Unassigned	N/A	N/A	N/A	N/A	(36,582)	(38,012)	(47,512)	(70,581)	(51,622)	(14,876)
Total all other governmental funds	<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>	<u>241,442</u>	<u>322,930</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Property taxes	251,470	277,886	308,292	340,804	355,262	381,611	419,965	446,876	474,704	509,104
Sales taxes	153,098	154,445	139,795	144,710	151,125	164,193	176,198	189,464	204,029	212,634
Franchise fees and other taxes	87,180	93,236	85,183	88,321	94,920	98,903	114,039	128,032	141,368	147,773
Fine, forfeitures, and penalties	20,959	24,574	25,380	24,571	24,077	20,251	21,128	22,520	22,884	20,079
Licenses, permits, and inspections	25,635	24,268	20,531	15,716	18,653	22,664	28,669	33,719	39,805	50,186
Charges for services/goods	87,936	96,076	84,905	64,594	55,170	56,397	63,568	72,924	86,576	98,911
Intergovernmental	73,886	91,765	62,802	86,557	78,250	76,233	76,085	79,407	62,622	56,746
Property owners' participation and contributions	2,639	7,065	12,161	6,937	6,624	6,624	10,167	12,718	12,763	14,554
Interest and other	55,522	31,830	31,187	35,563	19,270	15,932	24,345	21,393	21,517	38,334
Total revenues	758,325	801,145	770,236	807,773	803,351	842,808	934,164	1,007,053	1,066,268	1,148,321
Expenditures										
Other (non-departmental & special projects)										
General government	59,043	67,597	53,000	66,287	69,024	74,846	84,504	91,668	102,222	118,773
Public safety	383,685	399,060	409,579	421,958	449,355	483,458	497,371	528,670	565,070	576,461
Transportation, planning, and sustainability	5,559	9,370	7,675	10,634	9,983	7,556	16,007	14,053	7,032	7,039
Public health	90,719	91,863	70,762	53,229	55,508	65,861	69,418	74,310	80,630	92,076
Public recreation and culture	62,578	72,760	74,477	74,089	86,595	80,818	92,282	99,780	110,745	116,531
Urban growth management	77,928	101,492	106,149	100,218	75,865	80,021	97,840	106,715	116,912	155,459
Debt service:										
Principal	59,929	61,800	69,809	70,424	78,568	71,906	69,625	69,768	71,532	80,859
Interest	39,156	40,954	42,170	44,590	44,892	46,188	48,199	49,367	55,794	61,388
Fees and commissions	10	--	8	17	13	16	17	6	9	13
Capital outlay	94,228	119,290	96,342	166,491	160,682	178,380	214,294	257,420	186,870	142,822
Total expenditures	872,835	964,186	929,971	1,007,937	1,030,485	1,089,050	1,189,557	1,291,757	1,296,816	1,351,421
Excess (deficiency) of revenues over expenditures	(114,510)	(163,041)	(159,735)	(200,164)	(227,134)	(246,242)	(255,393)	(284,704)	(230,548)	(203,100)
Other financing sources (uses)										
Issuance of tax supported debt	--	104,060	191,310	15,000	118,778	145,175	131,499	154,444	159,939	142,775
Issuance of refunding bonds	--	156,038	--	--	79,342	58,347	--	107,923	--	139,690
Bond premiums	--	15,090	1,897	--	14,929	8,207	8,452	16,212	20,093	33,305
Payment to escrow agent	--	(171,128)	--	--	(94,271)	(66,554)	--	(113,836)	--	(159,589)
Transfers in	171,995	173,627	175,250	197,669	179,476	178,768	209,161	221,868	239,666	248,331
Transfers out	(96,248)	(96,014)	(86,245)	(93,957)	(70,146)	(76,838)	(99,667)	(114,385)	(150,123)	(140,407)
Total other financing sources (uses)	75,747	181,673	282,212	118,712	228,108	247,105	249,445	272,226	269,575	264,105
Special item	--	--	--	--	--	--	--	15,830	11,983	4,309
Net change in fund balances	(38,763)	18,632	122,477	(81,452)	974	863	(5,948)	3,352	51,010	65,314
Debt service as a percentage of noncapital expenditures	12.7%	12.3%	13.6%	13.8%	13.6%	12.9%	11.5%	11.2%	11.3%	11.5%

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years (In thousands)
(Modified accrual basis of accounting)

City of Austin, Texas
Table 6

Fiscal Year Ended Sept. 30	Property Tax	Sales Tax	Mixed Drink Tax	Franchise Fees and Gross Receipts Tax	Total
	\$	\$	\$	\$	\$
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
2015	474,704	204,029	10,352	131,016	820,101
2016	509,104	212,634	11,177	136,596	869,511
Change 2007-2016	102.45%	38.89%	115.52%	66.59%	

**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 %
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	2014	84.70	116,469,347,283	17,817,167,853	98,652,179,430	11.14	0.3691	0.1118	0.4809	(4.34)
2016	2015	81.06	136,703,100,149	26,177,073,750	110,526,026,399	12.04	0.3527	0.1062	0.4589	(4.57)
2017 (1)	2016	80.12	157,451,027,227	31,304,444,177	126,146,583,050	14.13	0.3399	0.1019	0.4418	(3.73)

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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 (2)	
			Amount \$	Percentage of Levy %		Amount \$	Percentage of Levy %	Amount \$	Percentage of Levy %
2007	2006	249,673,869	248,705,821	99.61	746,833	249,306,934	99.85	8,717,040	3.49
2008	2007	277,284,215	274,903,217	99.14	622,424	276,522,618	99.73	9,338,671	3.37
2009	2008	307,929,055	304,956,471	99.03	1,664,895	306,726,563	99.61	9,626,876	3.13
2010	2009	340,762,916	337,268,213	98.97	1,838,796	338,346,496	99.29	10,591,712	3.11
2011	2010	354,798,046	351,707,776	99.13	1,184,923	353,091,464	99.52	11,589,297	3.27
2012	2011	381,126,366	378,351,758	99.27	1,514,695	379,214,593	99.50	12,177,159	3.20
2013	2012	418,888,224	416,202,468	99.36	912,968	416,866,326	99.52	12,662,032	3.02
2014	2013	446,227,175	442,872,352	99.25	989,574	442,872,352	99.25	13,037,334	2.92
2015	2014	474,418,331	470,959,014	99.27	621,923	470,959,014	99.27	14,469,523	3.05
2016	2015	507,203,935	504,891,858	99.54	--	504,891,858	99.54	13,711,114	2.70
2017 (1)	2016	557,315,604	**	**	**	**	**	**	**

** Information not yet available for fiscal year 2017.

Note: Appraisal district appraises property at market value.

- (1) Appraised value at January 1, 2017, is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.
- (2) 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)
	\$	\$	\$	\$	\$	\$	\$
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
2015	47,675,285	15,190,842	1,600,848	24,521,122	9,744,775	98,732,872	0.4809
2016	50,576,097	18,362,372	1,736,615	29,885,285	10,183,100	110,743,469	0.4589

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

**City of Austin, Texas
Table 9**

Government	Tax Rates (per \$100 Assessed Value) for Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	0.4126	0.4034	0.4012	0.4209	0.4571	0.4811	0.5029	0.5027	0.4809	0.4589
Austin Community College	0.0965	0.0958	0.0954	0.0946	0.0951	0.0948	0.0951	0.0949	0.0942	0.1005
Austin Independent School District	1.4930	1.1630	1.2020	1.2020	1.2270	1.2420	1.2420	1.2420	1.2220	1.2020
Del Valle Independent School District	1.7277	1.4800	1.4800	1.4800	1.5300	1.5300	1.5300	1.4700	1.4700	1.5300
Eanes Independent School District	1.5625	1.2025	1.2025	1.2025	1.2025	1.2125	1.2125	1.2125	1.2125	1.2125
Leander Independent School District	1.6438	1.3334	1.3792	1.4223	1.4548	1.4998	1.5119	1.5119	1.5119	1.5119
Manor Independent School District	1.7680	1.5150	1.5350	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150
North Austin MUD #1	0.4500	0.4180	0.4050	0.3801	0.3819	0.3719	0.3450	0.3450	0.3399	0.3170
Northwest Austin MUD #1 (1)	0.2900	0.2750	0.2525	0.2427	--	--	--	--	--	--
Northwest Travis County RD #3 (2)	0.1300	0.1100	0.1100	0.1250	0.1450	0.1550	0.1300	0.1223	--	--
Pflugerville Independent School District	1.6800	1.4700	1.4600	1.4600	1.4600	1.4800	1.5400	1.5400	1.5400	1.5400
Round Rock Independent School District	1.6406	1.3238	1.3324	1.3800	1.3800	1.3350	1.3800	1.3674	1.3375	1.3325
Travis County (3)	0.4499	0.4216	0.4122	0.4215	0.4658	0.4855	0.5001	0.4946	0.4563	0.4169
Travis County Healthcare District	0.0734	0.0693	0.0679	0.0674	0.0719	0.0789	0.0789	0.1290	0.1264	0.1178

Government	Tax Levies (in 000's) for Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	249,674	277,284	307,929	340,763	354,798	381,126	418,888	446,227	474,418	507,204
Austin Community College	70,836	72,389	79,189	82,756	79,524	80,596	84,766	90,079	99,308	121,203
Austin Independent School District	702,291	732,434	704,839	735,582	730,909	746,896	775,231	834,029	918,306	1,030,642
Del Valle Independent School District	43,792	43,898	47,600	46,563	43,736	44,867	46,004	51,559	53,414	60,093
Eanes Independent School District	116,394	100,971	111,930	115,036	110,042	111,792	116,443	123,749	135,138	148,545
Leander Independent School District	140,287	142,085	173,078	185,502	185,883	195,248	204,896	219,988	248,089	273,849
Manor Independent School District	33,568	35,816	37,916	43,116	38,829	40,609	48,860	47,605	63,098	58,687
North Austin MUD #1	2,765	2,873	2,859	2,859	2,750	2,713	2,660	2,661	2,968	3,131
Northwest Austin MUD #1 (1)	1,226	1,230	1,216	1,173	--	--	--	--	--	--
Northwest Travis County RD #3 (2)	601	524	546	582	576	607	565	568	--	--
Pflugerville Independent School District	97,889	95,934	104,552	108,097	104,112	105,197	111,719	118,412	133,432	147,355
Round Rock Independent School District	268,063	247,325	272,758	284,082	273,120	268,675	287,687	288,217	332,436	360,251
Travis County (3)	339,590	361,662	391,696	417,426	441,859	466,691	503,068	529,149	543,863	568,520
Travis County Healthcare District	55,520	59,543	64,629	66,842	68,303	75,928	79,480	138,132	150,765	160,701

Source: Travis Central Appraisal District, Williamson Central Appraisal District, Hays Central Appraisal District, and taxing entities.

Note:

- (1) Northwest Austin MUD #1 discontinued in 2010.
- (2) Northwest Travis County RD #3 was dissolved in 2014.
- (3) Includes taxes and levies for Travis County and Farm to Market Roads.

**Principal Property Taxpayers
Current Year and Nine Years Ago**

**City of Austin, Texas
Table 10**

		Fiscal Year Ended September 30					
		2016			2007		
Taxpayer	Type of Property	January 1, 2015 Assessed	Rank	Percent of Total Assessed Valuation of	January 1, 2006 Assessed	Rank	Percent of Total Assessed Valuation of
		Valuation		110,526,026,399	Valuation		60,512,328,889
		\$		%	\$		%
Samsung Austin Semiconductor LLC	Manufacturing	2,477,907,165	1	2.24	330,019,799	5	0.55
Columbia/St. Davids Health Care	Hospital/Medical	503,060,173	2	0.46	157,762,653	9	0.26
Parkway San Jacinto Center LLC	Commercial	307,829,941	3	0.28			
Circuit of the Americas	Commercial	293,079,348	4	0.27			
Apple	Manufacturing	264,264,140	5	0.24			
IMT Capital II Riata LP	Commercial	256,260,021	6	0.23			
IBM Corporation	Manufacturing	253,816,041	7	0.23	263,197,286	7	0.43
CSHV-401 Congress LLC	Commercial	251,256,450	8	0.23			
Finley Company	Commercial	242,301,917	9	0.22			
HEB Grocery Company LP	Retail	238,976,887	10	0.22			
Freescale Semiconductor, Inc.	Manufacturing				837,540,950	1	1.38
Dell Computer Corporation	Manufacturing				791,645,658	2	1.31
Applied Materials, Inc.	Manufacturing				476,417,531	3	0.79
Spansion LLC	Manufacturing				340,572,514	4	0.56
AT&T	Telephone Utility				273,662,356	6	0.45
Crescent Real Estate	Commercial				199,221,805	8	0.33
Cousins Properties	Commercial				153,304,715	10	0.25
Total assessed valuation		5,088,752,083		4.60	3,823,345,267		6.31

Source: Travis, Williamson and Hays Central Appraisal Districts

**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)
	%	%	%
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
2015	1.00	1.00	6.25
2016	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**

	Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (1)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	6,850	7,609	6,929	5,914	4,680	4,212	4,804	5,510	7,214	5,209
Mining	8,709	6,537	4,034	2,854	2,264	6,549	15,455	52,267	30,655	6,052
Construction	436,157	452,770	352,053	368,296	389,154	471,658	551,199	628,745	690,248	728,026
Manufacturing	922,956	1,037,155	936,799	1,041,686	1,433,983	1,644,016	1,755,428	1,747,095	1,931,853	2,069,582
Transportation, communications, utilities	447,312	550,890	447,710	345,173	328,250	512,542	565,999	439,136	414,541	397,156
Wholesale trade	913,648	938,536	787,300	827,894	845,952	804,224	854,964	993,712	1,050,820	1,088,457
Retail trade	6,103,478	6,210,206	5,592,033	5,557,165	5,804,678	6,225,353	6,413,528	6,632,684	6,996,028	7,356,611
Finance, insurance, real estate	232,656	239,747	223,759	204,472	190,633	237,753	260,982	273,636	307,638	584,907
Services	1,251,260	1,355,771	1,233,310	1,189,812	1,257,576	1,395,058	1,510,025	1,554,926	1,653,921	1,809,594
Public administration	402,782	433,151	442,422	443,604	446,197	472,311	504,887	519,273	544,881	515,921
Other	2,074,431	2,170,937	2,128,184	2,150,840	2,361,381	2,659,739	2,987,068	3,298,437	3,608,182	3,908,336
Total taxable sales by category	12,800,239	13,403,309	12,154,533	12,137,710	13,064,748	14,433,415	15,424,339	16,145,421	17,235,981	18,469,851

Source: State of Texas Comptroller of Public Accounts

Note: Data subject to change as more precise numbers become available.

(1) For all categories other than Mining, data not available for fourth quarter fiscal year 2016. For Mining, data not available for fiscal year 2016. Figures are estimates.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (In thousands except per capita)**

Governmental Activities					
Fiscal Year Ended Sept. 30	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capital Lease Obligations	Total Governmental Activities
	\$	\$	\$	\$	\$
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
2015	1,030,680	165,350	102,396	--	1,298,426
2016	1,108,558	166,201	101,012	--	1,375,771

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
2015	28,852	40,695	54,686	8,450	200,581	--	4,600,817	--	1,089	4,935,170
2016	24,073	58,814	45,537	7,655	129,916	--	4,578,492	--	1,040	4,845,527

Fiscal Year Ended Sept. 30	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	\$	%	\$
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
2015	6,233,596	0.13	6,933
2016	6,221,298	0.11	6,722

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) 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	Net General Bonded Debt	Percentage of	Net General Bonded Debt Per Capita (2)
	General Obligation Bonds	Other Tax Supported Debt	Total	Restricted for Repayment of Outstanding Debt Principal		Actual Taxable Value of Property (1)	
	\$	\$	\$	\$	\$	%	\$
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
2015	1,059,532	371,577	1,431,109	21,725	1,409,384	1.43	1,567.52
2016	1,132,631	379,219	1,511,850	21,629	1,490,221	1.35	1,610.20

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, 2016**

**City of Austin, Texas
Table 15**

Name of Governmental Unit	Net Debt Outstanding as of September 30, 2016 (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	1,108,558		
Certificates of obligation	166,201		
Contractual obligations	101,012		
Total direct debt	1,375,771 (1)	100.00	1,375,771
Overlapping debt			
Greater than 10%:			
Austin Community College	304,154	69.75	212,147
Austin Independent School District	836,157	94.96	794,015
Avery Ranch Road District #1	8,740	99.39	8,687
Del Valle Independent School District	189,095	72.16	136,451
Eanes Independent School District	143,025	37.24	53,263
Leander Independent School District	1,032,728	11.89	122,791
Manor Independent School District	266,980	73.59	196,471
Northtown MUD	21,895	30.19	6,610
Pearson Place Road District	5,315	100.00	5,315
Pflugerville Independent School District	489,480	35.02	171,416
Round Rock Independent School District	756,435	34.55	261,348
Travis County	707,826	72.08	510,201
Travis County Healthcare	11,355	72.08	8,185
Williamson County	931,600	11.21	104,432
Subtotal greater than 10%	5,704,785		2,591,332
Less than 10%:			
Hays County	337,430	0.03	101
Travis County Mud #8	6,550	3.71	243
Travis County WC & ID #10	45,970	5.01	2,303
Subtotal less than 10%	389,950		2,647
Total overlapping debt	6,094,735		2,593,979
Total direct and overlapping debt	7,470,506		3,969,750
Ratio of total direct and overlapping debt to assessed valuation (2)		3.59 %	
Per capita overlapping debt (3)		\$ 4,289.34	

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 Note 6.

(2) Based on assessed valuation of \$110,526,026,399 provided by the Travis, Williamson, and Hays Central Appraisal Districts.

(3) Based on 2016 estimated population of 925,491.

**Legal Debt Margin Information
Last Ten Fiscal Years (In thousands)**

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed taxable value (1)	\$109,420,766
Debt limit	16,114,633 (2)
Debt applicable to limit:	
General obligation debt	1,408,680
Less: Amount set aside for repayment of general obligation debt	(21,629)
Total net debt applicable to limit	<u>1,387,051</u>
Legal debt margin	<u><u>\$ 14,727,582</u></u>

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	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt limit	10,330,201	10,021,785	11,190,400	11,804,005	11,316,858	11,550,204	12,144,302	12,942,046	14,383,428	16,114,633
Total net debt applicable to limit	846,455	878,798	1,043,671	971,250	1,020,759	1,102,536	1,163,822	1,253,012	1,332,360	1,387,051
Legal debt margin	9,483,746	9,142,987	10,146,729	10,832,755	10,296,099	10,447,668	10,980,480	11,689,034	13,051,068	14,727,582
Total net debt applicable to the limit as a percentage of debt limit	8.19%	8.77%	9.33%	8.23%	9.02%	9.55%	9.58%	9.68%	9.26%	8.61%

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, 2015, of \$110,526,026,399 at a 99% collection rate.

(2) Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2015, for collections on \$109,420,766 results in tax revenues of \$1,641,311. This revenue could service the debt on \$16,114,633 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	
				\$	\$					\$	\$	
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
2015	1,359,097	978,283	380,814	47,904	59,017	3.56	517,253	208,307	308,946	97,176	124,134	1.40
2016	1,378,749	989,768	388,981	65,132	62,599	3.05	563,066	217,457	345,609	79,564	105,186	1.87

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	
					\$	\$					\$	\$	
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
2015	120,780	3,551	76,995	47,336	9,264	4,941	3.33	94,847	47,746	47,101	10,930	6,691	2.67
2016	137,826	3,700	82,330	59,196	9,616	5,184	4.00	106,037	45,306	60,731	11,740	6,352	3.36

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 postemployment 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**

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)
				\$	\$	\$	%
2007	732,381	297	1,577,856	59,924,200	42,263	37,978	3.6
2008	746,105	298	1,633,870	65,153,669	46,340	39,877	4.3
2009	770,296	302	1,682,338	64,290,898	47,520	38,215	6.9
2010	778,560	306	1,727,743	69,124,528	48,460	40,009	7.0
2011	805,662	308	1,781,409	76,507,673	46,689	42,948	6.6
2012	821,012	319	1,835,298	84,319,550	46,818	45,943	5.7
2013	841,649	321	1,884,439	87,138,010	46,436	46,241	5.1
2014	878,002	321	1,943,465	95,231,402	49,227 (6)	49,001	4.2
2015	899,119	323	2,000,860	102,072,207	52,519 (6)	51,014	3.4
2016	925,491	326	2,006,327 (6)	110,478,550 (5)	56,163 (6)	55,065	(5) 3.2
2007-2016 Change	26.37%	9.47%	27.16%	84.36%	32.89%	44.99%	

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 2016 which will not be available until first quarter 2017.

(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 2016. Figures are estimated.

(6) Source: Nielsen SiteReports.

**Principal Employers
Current Year and Nine Years Ago**

**City of Austin, Texas
Table 19**

		Fiscal Year Ended September 30						
		2016			2007			
10 Largest Employers	Industry	Rank	Employees	Percent	Rank	Employees	Percent	
				of MSA			of MSA	
				Total (1)			Total (1)	
				%			%	
State Government	Government	1	38,709 (2)	3.90	1	37,349	4.84	
The University of Texas at Austin	Education	2	23,665 (3)	2.38	2	23,294	3.02	
City of Austin	Government	3	13,371 (5)	1.35	4	11,795	1.53	
Dell Computer Corporation	Computers	4	13,000 (4)	1.31	3	17,000	2.20	
Federal Government	Government	5	12,800 (6)	1.29	6	10,700	1.39	
HEB	Retail	6	12,198 (4)	1.23	7	7,095	0.92	
Austin Independent School District	Education	7	11,568 (7)	1.17	5	11,423	1.48	
Seton Healthcare Network	Healthcare	8	10,270 (4)	1.03	8	6,743	0.87	
St. David's Healthcare Partnership	Healthcare	9	8,598 (4)	0.87				
Samsung Austin Semiconductor	Manufacturer	10	6,074 (4)	0.61				
Walmart	Retail				9	6,500	0.84	
IBM Corporation	Computers				10	6,300	0.82	
			<u>150,253</u>	<u>15.14</u>	<u>138,199</u>			<u>17.91</u>

Notes:

- (1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 992,300 for 2016 and 772,100 for 2007.
- (2) Texas State Auditor's Office: Regular and Part Time State Employees for 2016 in Bastrop, Caldwell, Hays, Travis and Williamson Counties.
- (3) University of Texas Office of Institutional Reporting - Number of Faculty and Staff as of 01/24/2017.
- (4) Austin Chamber of Commerce - Top Employers for Austin MSA - Fall 2016.
- (5) FY2016-2017 Personnel Summary (FTE's) City of Austin Budget Volume I Page 646 Approved Budget. (2015-16 Amended Budget Column)
- (6) Bureau of Labor Statistics Federal Government employees in Austin MSA in September 2016.
- (7) Texas Education Agency 2015-2016 Texas Academic Performance Report for AISD Page 19.

**Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 20**

Function/Program	Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
General government	157	171	169	169	169	173	177	232	235	238
Public safety	3,844	3,959	3,938	3,938	4,046	4,117	4,219	4,281	4,401	4,523
Transportation, planning, and sustainability	5	5	5	4	4	4	7	9	14	14
Public health	913	953	484	517	517	520	513	513	532	575
Public recreation and culture	796	838	865	846	890	887	917	985	1,009	1,075
Urban growth management	335	373	373	378	387	378	386	411	417	449
Total governmental employees	6,050	6,299	5,834	5,852	6,013	6,079	6,219	6,431	6,608	6,874
Business-type activities										
Electric	1,605	1,679	1,719	1,738	1,737	1,722	1,719	1,682	1,676	1,674
Water	461	481	521	530	535	535	553	592	587	590
Wastewater	574	555	536	540	535	534	541	566	560	558
Airport	340	348	352	345	345	347	351	362	379	415
Convention	209	221	241	244	239	239	239	251	250	266
Environmental and health services	431	448	463	461	461	467	499	523	522	546
Public recreation	90	91	88	88	41	33	33	38	41	41
Urban growth management	645	661	659	632	649	681	693	767	775	809
Total business-type employees	4,355	4,484	4,579	4,578	4,542	4,558	4,628	4,781	4,790	4,899
Internal Services (1)	1,390	1,453	1,502	1,450	1,482	1,487	1,524	1,570	1,579	1,598
Total full-time equivalent employees	11,795	12,236	11,915	11,880	12,037	12,124	12,371	12,782	12,977	13,371

Source: Budget Office

Notes:

(1) Internal service activities are allocated to other programs and functions on a government-wide basis.

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 21**

	Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
General government										
Municipal court cases filed	346,223	425,175	446,777	369,053	341,036	323,513	364,930	369,906	351,757	323,504
Central booking cases magistrated/arraigned	98,892	92,764	101,649	114,334	106,974	96,898	89,162	88,887	84,868	83,270
Number of cases docketed (excluding jail)	121,704	139,831	159,038	158,597	140,820	115,939	115,545	116,025	109,628	97,116
Number of warrants prepared	70,651	109,239	140,668	138,379	134,038	89,969	88,401	88,400	82,311	71,159
Jail cases prepared	113,811	119,140	125,406	134,018	122,279	103,126	93,949	96,744	92,765	92,946
Public safety										
Number of incidents responded to by patrol officers (1)	N/A	N/A	N/A	N/A	N/A	638,006	623,768	595,292	572,623	572,303
Number of arrests made (1)	N/A	N/A	N/A	N/A	N/A	39,660	39,705	36,773	34,777	31,460
Number of citation violations issued by APD officers (1)	N/A	N/A	N/A	N/A	N/A	152,971	187,033	184,254	156,088	143,173
Fire emergency responses	75,748	76,347	74,211	75,676	81,982	84,473	86,641	89,538	89,563	81,973
Fire responses	2,241	2,767	2,816	2,172	3,208	2,086	2,404	2,129	2,066	2,120
Fire inspections	25,728	26,834	25,523	25,622	25,368	23,837	29,602	32,619	35,154	36,259
EMS response units dispatched	116,850	116,897	113,410	115,637	122,701	128,334	133,160	138,881	157,827	159,992
EMS 911 calls received	101,787	108,478	106,477	110,703	114,625	117,310	127,772	126,638	140,212	143,804
EMS ground patient transports	56,378	55,738	56,127	61,267	71,577	75,510	75,123	76,791	82,987	78,725
Transportation, planning, and sustainability										
Number of school zone signals that rec'd preventive maintenance	N/A	N/A	N/A	N/A	N/A	218	723	61	316	238
Number of children receiving safety training	47,019	49,077	44,480	44,582	44,468	46,790	52,862	49,627	50,165	49,531
Injuries to children in school zones	1	--	--	--	--	--	--	--	--	--
Public health										
Number of animals sheltered	27,163	24,663	22,150	24,026	19,752	19,392	19,760	19,137	18,630	17,431
Birth and death certificates	134,229	121,787	96,421	84,017	63,979	57,841	61,918	69,678	71,293	74,946
STD patient clinic visits	12,856	12,696	13,248	13,869	14,187	13,033	12,927	12,956	13,722	13,860
Number of Shots for Tots Clinics vaccine visits (ages 0-18)	N/A	15,628	12,380	17,084	9,934	7,960	6,994	7,583	7,541	8,156
Women and children service encounters	363,624	375,008	433,675	458,032	439,316	421,637	406,774	389,071	365,230	344,296
Participants receiving basic needs services	7,965	8,291	7,592	7,635	9,016	7,531	10,320	11,037	10,536	18,545
Food establishment permits issued	5,016	5,355	5,783	5,909	9,452	10,137	13,968	12,445	12,779	13,227
HIV clients	3,950	4,110	4,299	4,413	4,352	4,676	5,084	5,254	5,480	5,521
Public recreation and culture										
Volumes in library collection	1,490,814	1,469,288	1,455,793	1,465,765	1,454,103	1,480,479	1,464,512	1,425,914	1,725,535	1,869,385
Library volumes borrowed	3,552,013	3,791,515	4,197,963	4,316,785	4,663,483	4,845,067	5,129,759	5,392,446	5,572,268	5,921,193
Registered library borrowers	489,649	494,757	561,112	483,099	519,788	494,015	497,527	508,397	542,358	570,446
Meals served to senior citizens	107,101	119,224	64,821	64,032	63,299	65,965	62,053	63,718	78,147	79,183
Visits to educational and cultural facilities	N/A	N/A	N/A	N/A	N/A	388,650	302,778	329,734	256,526	307,136
Pool visits	N/A	N/A	N/A	N/A	N/A	1,098,545	1,312,941	1,202,587	1,253,624	1,115,800

(Continued)

**Operating Indicators by Function/Program
Last Ten Fiscal Years, continued**

**City of Austin, Texas
Table 21**

	Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Urban growth management										
One-stop shop customers served by development assistance	23,534	30,447	26,531	26,597	28,983	32,362	31,477	33,116	32,273	36,036
Number of neighborhood plan amendments submitted per year (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21	26	22
Zoning applications processed	222	232	101	145	137	129	140	149	169	139
Building inspections performed-development and regulation	213,799	226,841	177,854	150,228	161,519	186,737	220,881	228,576	240,632	277,246
One-stop shop building permits issued	75,078	111,735	92,396	91,996	96,205	108,494	109,492	101,012	70,432	74,902
Households served by community development activities	11,166	5,574	3,162	8,573	6,621	6,461	6,087	2,901	2,835	2,828
Renters assisted through S.M.A.R.T. construction/rehabilitation units	294	2,110	1,026	273	609	392	830	1,272	501	763
Homebuyers assisted through S.M.A.R.T. housing	66	109	119	118	338	561	635	477	382	455
S.M.A.R.T. housing units completed	1,470	3,473	1,341	673	947	953	1,465	1,749	883	1,218
Owner-occupied homes retained through rehabilitation/construction	917	833	904	839	818	708	529	692	622	703
Business-type activities										
Electric										
Electric sales (in millions of KWH)	11,325	12,184	12,103	11,976	12,779	12,534	12,305	12,572	12,674	12,874
Number of metered customers	388,620	397,100	407,926	413,870	417,865	422,375	430,582	439,403	450,479	461,345
Water										
Actual water pumpage (millions of gallons)	45,867	53,921	53,331	43,827	54,923	49,192	47,750	43,239	43,481	44,672
Average daily consumption (thousands of gallons)	112,394	145,386	129,600	108,600	135,576	120,438	114,631	118,464	119,084	122,055
Average daily consumption per capita	151	170	167	135	162	142	136	125	122	122
Peak daily capacity (thousands of gallons)	310,000	285,000	286,000	286,000	286,000	285,000	285,000	285,000	285,000	335,000
Wastewater										
Average daily sewage treatment (millions of gallons)	97.598	83.000	82.038	98.854	84.135	104.287	95.379	102.187	105.411	108,596
Combined daily capacity (thousands of gallons)	150,000	150,000	135,000	135,000	135,000	150,000	150,000	150,000	150,000	150,000
Airport										
Enplanements	4,473,001	4,671,819	4,150,710	4,257,715	4,524,641	4,662,738	4,928,979	5,275,464	5,792,387	6,180,464
Deplanements	4,259,696	4,463,154	4,111,620	4,240,086	4,510,247	4,654,823	4,928,279	5,244,569	5,769,778	6,161,240
Cargo (in millions of pounds) (2)	211	202	156	153	153	156	159	155	158	175
Convention										
Convention contracts executed	263	285	281	251	307	303	306	353	292	279
Vehicles parked	335,551	488,916	539,098	429,993	467,908	509,313	548,221	648,970	726,759	730,279
Environmental and health services										
Tons of garbage collected	138,801	143,950	128,519	130,851	126,497	129,653	124,183	127,924	130,784	129,266
Tons of recyclables collected	31,877	34,691	49,811	52,479	52,236	54,009	53,702	55,494	57,324	58,879
Tons of brush collected	6,614	7,380	7,683	7,350	6,853	7,720	7,359	6,692	7,776	8,460
Tons of bulk items collected	7,434	7,792	8,219	7,710	7,503	7,844	8,681	9,274	9,672	12,144
Tons of yard trimmings collected	20,315	24,027	19,497	22,456	24,777	21,712	25,898	27,357	28,680	32,605
Public recreation										
Golf rounds played	194,289	231,231	230,852	200,446	216,789	195,000	201,086	190,244	181,285	196,972
Youth sports participants (1)	N/A	N/A	N/A	N/A	N/A	N/A	18,475	23,769	26,165	22,196

(Continued)

**Operating Indicators by Function/Program
Last Ten Fiscal Years, continued**

**City of Austin, Texas
Table 21**

	Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Urban growth management										
Storm water discharge permits issued to businesses	1,144	1,123	1,183	1,087	1,083	1,086	1,068	1,032	1,008	998
Litter and debris collection on Lady Bird Lake (in tons)	243	209	270	374	230	234	144	121	148	33
Feet of pipeline cleaned	75,554	77,283	74,164	51,627	70,235	61,099	72,669	69,380	83,716	79,606
Lane miles maintained (1)	N/A	N/A	N/A	N/A	N/A	7,435	7,498	7,549	7,582	7,663
Signs installed/maintained (1)	N/A	N/A	N/A	N/A	N/A	17,012	11,484	11,404	11,807	16,942
Traffic sign installations	30,820	28,002	23,144	31,754	1,812	3,834	4,308	2,037	2,025	3,673
Traffic counts performed (1)	N/A	N/A	N/A	N/A	N/A	223	704	535	605	1,227
Internal services activities (3)										
Internal services										
Vehicles sold	344	326	306	473	247	340	319	379	491	384
Rental units	1,426	1,537	1,436	1,292	1,254	1,506	1,585	1,955	1,942	1,673
Payment transactions processed	259,527	243,338	216,340	218,778	200,605	158,413	170,450	185,463	187,938	174,116
Payroll payments	420,985	434,578	435,034	425,679	444,255	432,216	438,945	453,686	466,928	474,170
Units of mail processed	2,003,607	2,251,672	1,939,554	1,849,811	1,838,809	1,840,326	1,891,966	1,965,527	2,027,927	2,957,604
Employees enrolled in medical benefit plans	7,288	7,730	7,693	10,770	10,916	11,049	11,219	11,551	11,873	11,991
Requests for council action processed	2,344	2,536	2,025	2,024	2,133	2,284	2,476	2,284	2,135	2,533
Active construction projects managed in-house	319	300	312	366	418	380	387	357	336	336
Land parcels acquired	239	242	218	244	169	104	135	160	264	250

Source: Various City departments; budget documents and performance reports

N/A: Information not available

(1) Newly implemented performance measure.

(2) Data provided is based on a calendar year versus a fiscal year.

(3) Internal service activities are allocated to other programs and functions on a government-wide basis.

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Public safety										
Police stations	4	5	8	5	5	5	5	5	5	5
Police zones	9	9	9	9	9	9	9	9	9	9
Patrol units	352	355	355	359	349	349	345	372	360	365
Fire stations	44	44	44	45	45	45	45	45	45	45
EMS stations	31	33	33	35	35	35	37	37	37	37
Public health										
Health facilities (sq. ft.)	331,462	331,462	331,726	400,426	404,059	381,806	383,306	383,306	383,306	389,221
Program vehicles	61	76	76	76	76	82	83	90	85	109
Public recreation and culture										
Libraries	22	22	22	23	23	23	23	22	22	22
District parks	11	11	13	13	13	14	15	15	15	15
Metropolitan parks	11	11	12	11	12	11	11	11	11	11
Natural preserves	13	13	13	15	15	15	15	15	15	14
Greenbelts	26	26	29	40	40	39	39	40	43	44
Neighborhood parks	90	90	96	96	79	79	82	84	85	86
Special parks (museums, etc.)	27	28	28	39	39	38	40	40	42	41
Youth entertainment complexes	1	1	1	1	1	1	1	1	1	1
Recreation centers	18	18	20	20	20	20	20	22	23	23
Open fields	90	90	89	93	103	105	100	101	101	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	193	199	199	185	203	208	227
Tennis courts	102	102	114	110	110	115	116	124	124	124
Swimming pools	46	46	50	51	52	52	52	51	51	51
Business-type activities										
Electric										
Overhead distribution (miles)	5,527	5,489	5,493	5,475	5,450	5,403	5,361	5,263	5,104	5,017
Underground distribution (miles)	5,429	5,700	5,786	5,844	5,912	5,995	6,068	6,167	6,338	6,500
Water										
Treatment plants	3	2	2	2	2	2	2	2	3	3
Water mains (miles)	3,514	3,594	3,626	3,634	3,657	3,682	3,711	3,713	3,807	3,845
Booster pumps	44	45	45	46	45	41	41	39	40	44
Fire hydrants	30,479	31,348	32,232	32,576	33,533	33,839	34,041	36,217	37,518	38,265
Wastewater										
Sanitary sewers (miles)	2,544	2,607	2,634	2,650	2,650	2,664	2,692	2,692	2,776	2,806
Connections	186,675	191,297	196,842	198,116	199,005	202,444	202,690	204,378	212,760	214,373

(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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities, continued										
Airport										
Buildings maintained (sq. ft.)	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,361,831	2,361,831
Facility (terminal) maintained (sq. ft.)	1,016,000	1,016,000	1,016,000	1,016,000	1,016,000	687,940	687,940	687,940	743,641	743,641
Acres - 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	108	64	62	89	67	69	66	64	66	67
Recycle collection trucks	34	53	31	38	36	36	38	41	43	45
Public recreation										
Golf courses	5	5	5	5	5	5	5	6	6	5
Athletic fields	176	176	185	174	174	176	169	172	172	172
Softball fields	16	16	35	37	32	32	34	35	35	35
Urban growth management										
Residential ponds	612	630	710	803	820	840	860	865	873	894
Street (miles)	7,266	7,349	7,626	7,348	7,550	7,435	7,498	7,618	7,582	7,663
Bridges	337	366	424	427	438	438	438	447	450	450
Traffic signals	836	852	865	902	925	954	975	1,000	1,016	1,029
Metered parking spaces	3,865	3,772	4,017	5,026	5,076	5,508	6,015	6,072	7,300	7,600
Internal Services (1)										
Fleet facilities (sq. ft.)	123,117	123,117	123,117	127,916	127,916	127,916	127,916	127,916	127,916	127,916
City facilities insured	1,111	1,101	1,129	1,193	1,040	1,052	1,060	1,134	1,134	1,253
Facilities maintained (sq. ft.)	1,621,921	1,621,921	1,539,244	1,539,244	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.



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CITY OF AUSTIN Controller's Office

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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.