



COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF AUSTIN, TEXAS

For the Fiscal Year ended September 30, 2018



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Comprehensive Annual Financial Report



*City of Austin,
Texas*

*For the year ended
September 30, 2018*

*Prepared by:
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City Council

Steve Adler

Mayor

Term expires January 2023

Delia Garza

Mayor Pro Tem (District 2)

Term expires January 2023

Council Members	District	Term expiration
Natasha Harper-Madison	1	January 2023
Sabino "Pio" Renteria	3	January 2023
Gregorio "Greg" Casar	4	January 2021
Ann Kitchen	5	January 2023
Jimmy Flannigan	6	January 2021
Leslie Pool	7	January 2021
Paige Ellis	8	January 2023
Kathie Tovo	9	January 2023
Alison Alter	10	January 2021

Spencer Cronk

City Manager

**CITY OF AUSTIN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2018**

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INTRODUCTION



City of Austin

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

February 28, 2019

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, 2018. 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 Controller's Office in accordance with generally accepted accounting principles (GAAP) for local governments.

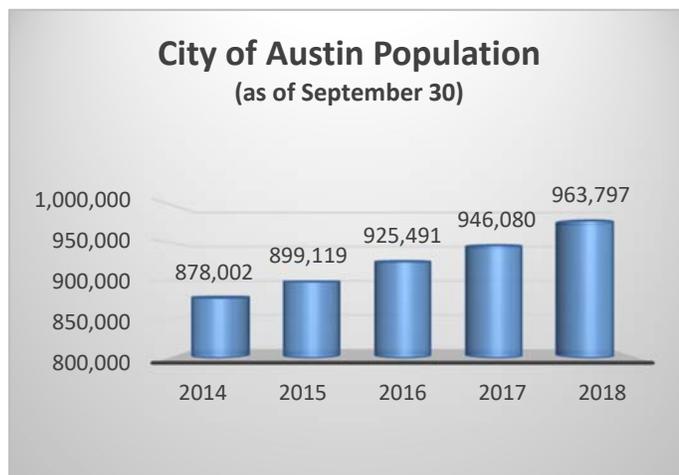
The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants, Deloitte & Touche LLP. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. Grant awards are being audited under the provisions of the Uniform Grant Guidance, and the *State of Texas Uniform Grants Management Standards*. The Single Audit report 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, San Antonio, and Dallas) and the eleventh largest in the nation with a September 2018 population of 963,797 according to the City's estimates. Over the past ten years, Austin's population increased by approximately 25.1% or 193,501 residents. The City's demographer predicts that Austin will surpass the 1 million mark by 2020. With a population of over two million people, the Austin metro area is the 8th fastest growing metro of its size in the U.S. Geographically, Austin consists of approximately 326 square miles. The current estimated median household income for Austin residents is \$63,191 according to Nielsen Site Reports and Austin's per capita personal income is estimated to be \$57,600.

Austin is nationally recognized as a great place to live due in part to its diverse and eclectic population, as well as an environment that allows a year-round outdoor active lifestyle. Austin's special character in part derives from its position along the Balcones Escarpment, a city wedged between coastal plains and dramatic cliffs, canyons, and live oak-dotted rolling hills; Austin exists as a physical and cultural oasis where talented, entrepreneurial, hard-working people are drawn from all over the world to call this area home. Austin's quality of life has become its biggest economic development engine, and the City's increasingly diverse demographics serves to support and enrich its quality of life.

The City of Austin is also 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 49% of adults twenty-five years or older holding a bachelor's or advanced degree, compared to 29% for Texas and 31% 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 the 7th largest public university in the U.S. in terms of undergraduate enrollment. In the 2018 *U.S. News & World Report* Best Colleges survey, the university tied for 15th 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 Urban Renewal Agency, the Austin Industrial Development Corporation, the Mueller Local Government Corporation, and the Austin-Bergstrom International Airport (ABIA) Development Corporation. These entities are reported as governmental activities. Additionally, the financial statements include Austin-Bergstrom Landhost Enterprises, Inc., Austin Convention Enterprises, Inc., Waller Creek Local Government Corporation, and the Austin/Travis County Sobriety Center 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 overall economic activity of the Austin MSA continues to grow at a brisk rate, 6.9% in 2018 per the Business Cycle Index by the Federal Reserve Bank of Dallas. Austin was ranked third in the 2018 Top Metro areas for Economic Growth Potential by *Business Facilities* and also placed third in Milken Institute's Best Performing Cities 2018 report. Milken has extolled Austin's cultural scene and sees that "Its strength in a diverse set of industries has helped the region generate growth at different points of the business cycle."

Real gross domestic product (GDP) increased in the Austin–Round Rock metropolitan area by 6.9% compared to the U.S. average of 3.4%, per the latest report by the Bureau of Economic Analysis based on 3rd quarter 2018 data. Growth in the metro area was led by wholesale and retail trade sectors. While the Austin economy has diversified over the last decade, the technology industry continues to play an increasingly large role in the City's economic expansion. Various semiconductor companies and leading chip designers with 10,000 to 15,000 jobs call Austin home along with Apple's 7,000 current employees in the metro area. This number will grow as Apple Inc. announced in December 2018 its plan to expand in north Austin by an estimated \$1 billion. Built out at an eventual 3 million square feet and up to 15,000 new employees, Apple could become the largest private employer in Austin.

In March, Oracle opened their new corporate waterfront campus just southeast of downtown. The five-story 560,000-square foot facility that will initially house 3,000 tech workers. Oracle also purchased a new 295-unit apartment complex adjacent to the corporate campus for use by their employees. Oracle has begun expansion on its recently purchased 6 acres just south of the corporate campus, which will add an additional 420,000 square feet of office space. Meanwhile, Austin's '2nd downtown' at The Domain secured leases for several tech companies,

including 315,000 square feet for HomeAway which will accommodate approximately 2,000 additional employees and 310,000 square feet for Indeed, which is also planning to lease over 300,000 square feet of a new downtown building, both of which are expected to house some 3,000 additional employees through 2021. Most recently, plans for a new high-rise just east of the new Central Library on Shoal Creek have surfaced, with reports that Google Inc. will lease it in its entirety.

Going forward, Austin economic consulting firm, Texas Perspectives, projects the creation of 28,700 jobs in 2019 with personal income expanding in the 6% range. In the real estate area, according to *Emerging Trends in Real Estate 2019* published by PricewaterhouseCoopers U.S. and the Urban Land Institute, Austin dropped to the 6th spot in the top market to watch for overall real estate prospects in 2019. This report is the compilation of interviews and surveys of over 2,000 real estate professionals across all segments of the industry. Some of Austin’s strengths cited in the report include the attractiveness of the market to startups and higher than average labor force participation rates. Nationwide trends identified by the report include a perception that a new era of increased volatility, diversity and technology advancements is creating a transitional pivot point, one that will result in increased opportunities for those who are able to address a multitude of new challenges.

Texas Economy – In 2018 the Texas economy continued to expand despite a drop in oil prices. The manufacturing sector added a record-high 9,100 jobs despite a slowdown in the global economy. This economic expansion helped the statewide unemployment rate fall to a record low of 3.7% in 2018 with total new non-farm jobs reaching 391,800. The state added 18% more jobs in energy and 6.4% more in construction. Although unemployment levels have decreased to an all-time low, employee compensation remained stagnant as private hourly earnings have decreased 0.4% statewide from 2017. Although in Austin, year over year earnings increased by 0.7% in 2018.

With a gross state product of just over \$1.8 trillion, the Texas economy is the second largest in the U.S. The long-term outlook for the State remains positive. According to the Real Estate Center at Texas A&M University, the Dallas Fed’s Texas Business-Cycle Index was up 5% for the first time since 2015. Further, the Texas Consumer Confidence Index reached a record high in October reflecting this optimism. Texas also made #1 on Forbes’ list for Growth Prospects and #3 for Best States for Business.

Employment – Austin area employment growth continued to be solid in 2018. In December 2018, Austin’s unemployment rate of 2.7% was well below the state and national unemployment rates of 3.7% and 3.9%, respectively. 2018 saw a 3.5% growth in job creation despite a tightening labor market in certain fields. Austin has a high demand for skilled workers as seen in the manufacturing sector where Austin manufacturers continue to move from traditional to advanced manufacturing requiring specific highly technical skills. High tech companies are continuing to expand their presence in Austin, including Apple, Oracle, Google, Facebook, and Indeed. Due to the demand for skilled labor, wages across the metro area increased for a sixth straight year. Job growth in the Austin MSA was ranked fourth along with several other cities when comparing activity in the top 50 metro areas per the U.S. Bureau of Labor statistics and the Texas Workforce Commission. The Austin area added more than 36,800 net new jobs December 2017 through December 2018.



Sales Taxes – Consumer spending growth (as measured by sales tax collections) reflects Austin’s population and economic growth. Since 2009, sales tax revenue steadily increased. Fiscal year 2018 experienced a 6.2% increase over fiscal year 2017, which was a 2.9% increase over 2016. As a result of improvements in the national economy, annual sales tax growth was more brisk in 2018 after slowing for the prior two years. Another tax collected by the State and remitted to the City that has increased significantly over 10 years is the mixed drink tax, increasing 124% since 2008, it brought in \$12.7 million in 2018. Per capita personal income in the metro area grew 5.1% in 2018 up from 3.6% in 2017.

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 and multiple large-scale festivals and concerts each year. The Downtown Austin Alliance estimates that Austin has over 27.4 million visitors a year with a \$8 billion annual economic impact from visitor spending. Those numbers are likely to increase since *Time* magazine selected Austin’s new Central Library as one of its World’s Greatest Places for 2018. Fast becoming a second crown jewel in the capital city, Austin’s Central Library has accumulated several awards in its first year of operation including the AIA Library Building Award and a Top Innovators Award from the Urban Libraries Council. With 200,000 square feet of sustainably designed interior space over 6 floors, there is a place for every one of the 100,000 visitors who come monthly to read in the Periodical Room, meet in one of 14 shared learning rooms, or enjoy a cup of coffee at the rooftop garden or one of the other porches overlooking Shoal Creek.



And in what will surely create an additional draw for tourists, Council approved negotiation of a lease for City-owned property in north-central Austin for development of a 20,000-seat professional soccer arena. The stadium, to be financed by Precourt Sports Ventures, would host Austin’s first professional sports team and only the 27th major league soccer team in the U.S. The open-air grass stadium is expected to open in time for the 2021 season. In addition, the organization is anticipated to provide opportunities for youth soccer at the facility as well as 130 units of affordable housing on site.

Austin Bergstrom International Airport (ABIA) set new annual passenger traffic records in each of the last nine years. From January-December 2018, passenger traffic reached 15.8 million, a 13.9% increase compared to 2017. With its live music, barbecued brisket, and vibrant art curation, ABIA was ranked sixth Best Domestic Airport in the 2018 *Travel & Leisure* readers’ poll.

As a result of increased business and tourism travel, ABIA is seeing tremendous growth in international enplanements. As of the end of 2018, ABIA had ten active non-stop international flights. The facility’s 40-year master plan approved by Council this past

November calls for 32 additional gates in a new terminal by 2040. When fully expanded, ABIA should be able to handle 31 million passengers annually – approximately double its current capacity.

Construction has concluded on a nine-gate terminal and apron expansion which opened and saw its first flight depart last week. This expansion will accommodate approximately 4 million additional passengers annually. The administration building is nearing completion and scheduled to open in the spring of 2019. With the increase in passenger traffic, a new baggage handling system is in the planning phase to centralize the baggage system and increase capacity.

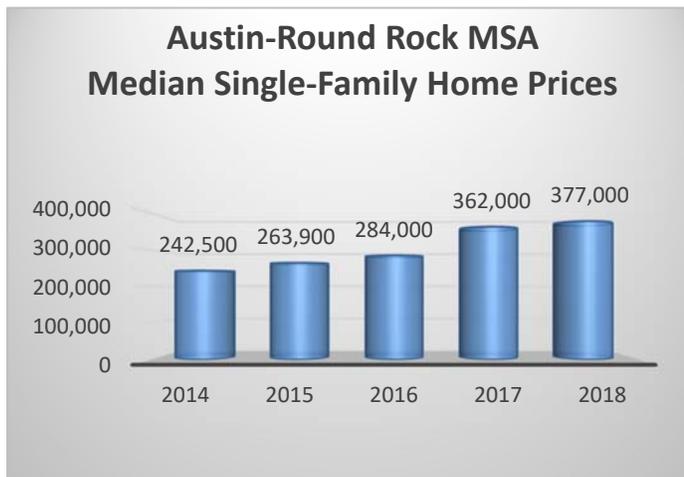


The rate of increase in hotel occupancy tax revenues slowed somewhat from an increase of 4.4% in 2017 to an increase of 2.7% in 2018. Source Strategies, a hotel consulting firm, cites Austin as the “most vibrant lodging market in the state.” Austin has the highest revenue-per-available-room and 2nd highest occupancy rates in the state. High occupancy rates have spurred construction of new hotels across the Austin metro area in the last few years. Visit Austin estimates that there are over 11,000 hotel rooms within downtown and 39,700 rooms in the Austin area. With the additional hotel inventory, Austin can accommodate an increase in both number and size of events hosted.

Medical School – The partnership between the University of Texas at Austin, Ascension Seton Healthcare Family, (Seton), and Central Health is progressing as the Dell Medical School has now been in operation since June 2016 when it accepted its first class. The medical school and medical center anchor a new healthcare innovation zone in downtown Austin. Most recently, the school announced the opening of a Biomedical Data Science Hub, which is intended to help clinicians use health data from an array of sources in order to accelerate clinical discoveries.

And under a new agreement with the Department of Veterans Affairs, veterans needing hospitalization can receive covered care at Dell Seton. This will be a significant efficiency for Austin veterans who, up until this point, have had to drive an hour north to Temple or use a local emergency room with no guarantee of having that visit covered. A residency program is also being established through the partnership to bring four new internal medicine residents to the Austin outpatient clinic.

Army Futures Command (AFC)– In July 2018, Austin was selected as the home of the Army Futures Command, edging out 4 other communities vying for the opportunity. The center is based on two floors of the new University of Texas System building downtown and will work closely with start-up companies in Austin and around the country with the purpose of working with cutting edge technology companies to modernize the Army’s systems and operations. With a sizeable budget of up to \$100 million per year, the AFC is expected to have a considerable impact on local science and technology sectors. The effects are anticipated by some to be potentially greater than the relocation of Amazon or Apple. The office expects to have 300 staff members by next summer.



Real Estate - All sectors of the real estate market in Austin and surrounding areas are performing well. The Austin residential market is still strong with an increase in sales of 3.3% in 2018 over 2017. As of December 2018, the median price of an Austin home increased to an all-time high of \$377,000, a 4.2% increase from the previous year of \$362,000. Austin’s housing market is experiencing an inventory shortage of homes in the \$200,000 to \$300,000 price range as is the case across the state. Austin homebuilders are adding “value” lines and smaller homes to capture that market share. More than half of new home construction starts during 2018 were priced in the \$200,000-\$300,000 range according to Metrostudy. Homebuilders are starting more homes than they have in the past ten years but are encountering longer

construction timelines with permitting delays and labor shortages.

Housing in Downtown Austin has grown in popularity. There are now approximately 10,000 units for lease or purchase in downtown Austin with more condo and apartment developments in various phases of planning and construction. The Independent condo tower, also known as the “Jenga tower”, edged out The Austonian by just 2 feet for distinction of being Austin’s tallest residential condo property with 58 stories and 363 units.

The U.S. Housing and Urban Development department reports that fair market rental rates for 1-3 bedroom units are higher in the Austin-Round Rock MSA than any other area in Texas, save Midland. Recent years have seen aggressive construction of new apartment units in the area. Even so, apartment rents increased on average 4.4% in 2018 compared to the national average of 3.1% for the year. This increase in apartment rental rates proves that the construction of new apartments was not able to keep up with job growth in the metro area.

Demand for commercial real estate continues to grow in Austin as indicated by the projected creation of new jobs. The Austin metro area saw a slight increase to the overall commercial vacancy rate in 2018 (9.6%) in comparison to 2017 (8.8%). This has not impacted rental rates or new construction. Class A office space rent averaged \$42.25 per square foot in 2018 up from \$39.09 per square foot in 2017 according to CBRE Research. At the end of 2018, there was about 4.9 million square feet of new office space under construction in the Austin metro area.

The demand for Class A office space in the central business district (CBD) has been particularly high as more companies are expanding their presence in the downtown area. Rents for Class A space in this area averaged close to \$53 per square foot at the end of 2018, down slightly from the same time last year. The largest multi-tenant office buildings in downtown Austin are the Frost Bank Tower, One Eleven Congress Plaza, One American Center, and the 500 West 2nd - all with greater than 500,000 square feet of rentable space. There are plans for several new mixed use high rise buildings in downtown Austin to meet demand. Developers are planning what would be Austin's tallest building at over 60 stories with more than 500,000 square feet of office space and 300 luxury apartments at 600 Guadalupe. At 308 Guadalupe, one of the largest undeveloped lots in the CBD, a 37-story office and retail tower is in the planning phase.

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

#1 Best Place in America for
Starting a Business
Inc
December 2018

#8 Most Educated City in America
WalletHub
July 2018

#1 Best Places to Live 2018
US News & World Report
April 2018

#1 Best Places for Veterans to Live
WalletHub
November 2018

#2 Top Digital Economies of the
Future
fDi Intelligence
August 2018

#8 Best Places to Live and Work
as a Moviemaker
Moviemaker
January 2019

#4 Best Cities for Conferences
SmartAsset
October 2018

#2 Best City for Jobs
New Geography/Forbes
May 2018

#1 Best Big City to Live in
Money
November 2018

Major Initiatives

The City has a long-term vision of Austin being the most livable community in the country. The City has a highly dedicated and exceptional workforce to support City Council's policies and initiatives. 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.

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: (1) Grow as a compact, connected city, (2) Integrate nature into the city, (3) Provide paths to prosperity for all, (4) Develop as an affordable and healthy community, (5) Sustainably manage water, energy, and other environmental resources, and (6) 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.

Strategic Plan

In addition to Imagine Austin, in the spring of 2017 the City Council selected six strategic outcomes to help develop and guide City policies, initiatives, and budget development. The six strategic outcomes are:

- ❖ *Mobility* - getting us where we want to go, when we want to get there, safely and cost effectively;
- ❖ *Economic Opportunity and Affordability* - having economic opportunities and resources that enable us to thrive in our community;
- ❖ *Safety* - being safe in our home, at work, and in our community;
- ❖ *Health* - enjoying a sustainable environment and a healthy life, physically and mentally;
- ❖ *Cultural and Learning Opportunities* - being enriched by Austin's unique civic, cultural, ethnic, and learning opportunities; and
- ❖ *Government that Works for All of Us* - believing that city government works effectively and collaboratively for all of us--that is equitable, ethical and innovative.

The FY2018-2019 budget underwent significant modification to present departmental expenditure plans and measures affecting these 6 outcomes.

Mobility - 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 improvements including bicycle and pedestrian facilities and safety. The capital spending plan for 2019 includes \$67.7 million for mobility projects including sidewalks, bike lanes, urban trails, and the Corridor Construction Program improvements. Progress continues on several joint interchange projects along Interstate 35 with the Texas Department of Transportation, one of the City's regional partners. An additional \$160 million in bond funding was approved by city-wide election in November 2018 which will fund a number of transportation projects including a replacement for one of the bridges over Lady Bird Lake. In addition to capital projects, the City is undergoing a pilot program for licensing dockless scooters and bicycles to improve mobility in the central city. Over 15,000 scooters have been licensed by 9 companies in Austin's core neighborhoods and downtown.

Economic Opportunity and Affordability - Affordability remains a prime consideration as the City makes decisions that impact the citizens who live here and the businesses that operate here. For 2019 there was no base rate increase for five of the City's six rate assessing enterprise departments. This is significant, as there have been rate increases in at least two of these departments for each of the previous nine budget cycles.

Housing affordability is increasingly an issue in a region where housing costs continue to rise. Since 2007, the median sales price of a home increased almost 60% gradually pricing more and more families out of the home buying market. At a June 2018 Council meeting, action was taken to increase the general homestead exemption from 8% to 10% of eligible property value. In the November 2018 bond election, voters approved \$250 million for planning, constructing and renovating affordable housing facilities for low- and moderate-income residents. Additionally, the current budget fully funds the Housing Trust Fund for the first time, enabling the City to reach income-restricted affordable housing goals adopted in the Austin Strategic Housing Blueprint.

In the arena of economic opportunity, the Small and Minority Business Resources Department will conduct a new disparity study to examine the participation of women and minority-owned businesses in public sector contracting over the past several years. Results of the study will form the basis of the MBE/WBE Procurement Program.

Safety – The 2019 budget includes 6 additional Airport Police officers, 16 sworn fire personnel, funding for 27 additional APD officers, and two new fire stations. Austin's Fire Department responds to approximately 87,000 incidents per year. The department's goal is to reach each emergency location within 8 minutes of call receipt. As the City develops and expands, this goal is an increasing challenge. In response, completion of a new fire station and design work on two others is slated for FY2019. In tandem with the pilot program to license dockless mobility devices previously mentioned, Austin Health is working with the Centers for Disease Control to conduct a safety study, the first of its kind in the nation. Results of the study will be used to make recommendations for safe usage of the new technology.

Health & Environment – Reducing reliance on traditional higher-polluting fuel sources is behind the \$220 million budgeted for Austin Energy to purchase more sustainable fuel sources in fiscal year 2019. Funding was provided

for Austin Resource Recovery toward the purchase of vehicles for existing programs as well as vehicles and containers for expanding the curbside composting program, which is adding approximately 52,000 households in fiscal year 2019. In addition, several departments received recognition for their sustainability efforts:

- ❖ The new Central Library was awarded LEED Platinum status in July 2018. The platinum designation is the highest level of recognition awarded by the U.S. Green Building Council and only six commercial buildings have ever received it.
- ❖ In July 2018, Austin Water received Platinum Certification from The Alliance for Water Efficiency for excellence in water conservation program operation and management.
- ❖ In October 2018, the Airports Council International awarded Austin Bergstrom International Airport a Level 2 Accreditation in its Airport Carbon Accreditation Program, which recognizes the airport's efforts in reducing its overall carbon footprint. In addition to participating in Austin Energy's GreenChoice® program for terminal operations, ABIA has replaced over 30 diesel powered vehicles with electric vehicles.

Cultural and Learning Opportunities - Established in fiscal year 2018, the Historic Preservation Fund was allocated additional funding from the Hotel-Motel Occupancy Tax in order to preserve, restore and rehabilitate historic structures city-wide. Also, the bond elections in November 2018 saw approval for \$128 million for development of community, cultural and creative arts facilities.

Government that Works - The five-year capital improvements spending plan includes \$1.1 billion in support of this priority, of which \$262.7 million is expected to be expended in 2019. The majority of funding supports maintenance of and upgrades to the City's electric and water and wastewater systems to ensure continued incremental improvement to the condition and quality of these crucial components of the City's infrastructure. Funding is also included for technological replacement and enhancement such as a new data center and conversion to a remote water meter reading system which uses cellular or radio transmission.

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 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 biennially. 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 and the Council's new strategic priorities 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. In support of long-range capital improvement, \$925 million within seven new bond propositions were approved by Austin voters in the November 2018 election.

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 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 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 Ratings, Inc. Through defeasances in 2018, Austin Water was able to extinguish \$68 million of debt which improved debt service coverage and reduced scheduled debt service payments over the next 5 years.

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 2018 CAFR, the City continues to meet its responsibility for sound financial management.

Budgetary Information

The 2019 Budget was developed in a manner true to the City's unwavering commitment to openness, transparency, and public engagement. The City's Budget is now organized around strategic outcomes. The budget development process still integrates a collaborative approach to the City's finances with business planning, performance measurement, and resident input, but by organizing around Council identified strategic outcomes, the document is more focused on the bigger picture and less on the minutiae of departmental expenditures. Input was gathered and evaluated to address the many issues, concerns, and priorities identified by Austin's citizens, employees, boards and commissions, 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 2019 Approved Budget totals \$4.1 billion and includes \$1 billion 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. Austin budgeted revenue comes from utility charges (48%), various taxes (including property) (25%), charges for services and goods (14%), and other revenue such as interest, fees, and transfers (13%). The 2019 budget was approved with a 0.45 cent decrease to the property tax rate, from 44.48 to 44.03 cents per \$100 of taxable value.

The City's largest enterprise department, Austin Energy, is the eighth largest municipal-owned electric utility in the U.S. in terms of customers served. Austin Energy serves more than 480,000 customers within a service territory of approximately 437 square miles in the Greater Austin area. The approved budget for fiscal year 2019 is \$1.4 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 2019 budget projects revenues and transfers in of \$613 million. For

the first time in several years, the utility has a slight decrease for water and wastewater rates for 2019. Reduction in projected revenue is the result of the 2018 rate reduction.

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 2017 CAFR. The City has received this award for 11 consecutive years. The certificate is valid for a period of one year only. City management believes that this 2018 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 2018 budget, the 2017 Certificate of Excellence in Performance Measurement from the ICMA, and the Achievement of Excellence in Procurement from the National Procurement Institute in 2018.

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 Council Members as well as the City Manager, who have consistently supported the City's goal of excellence in all aspects of financial management. Your support is greatly appreciated.



Elaine Hart, CPA
Deputy City Manager/Chief Financial Officer

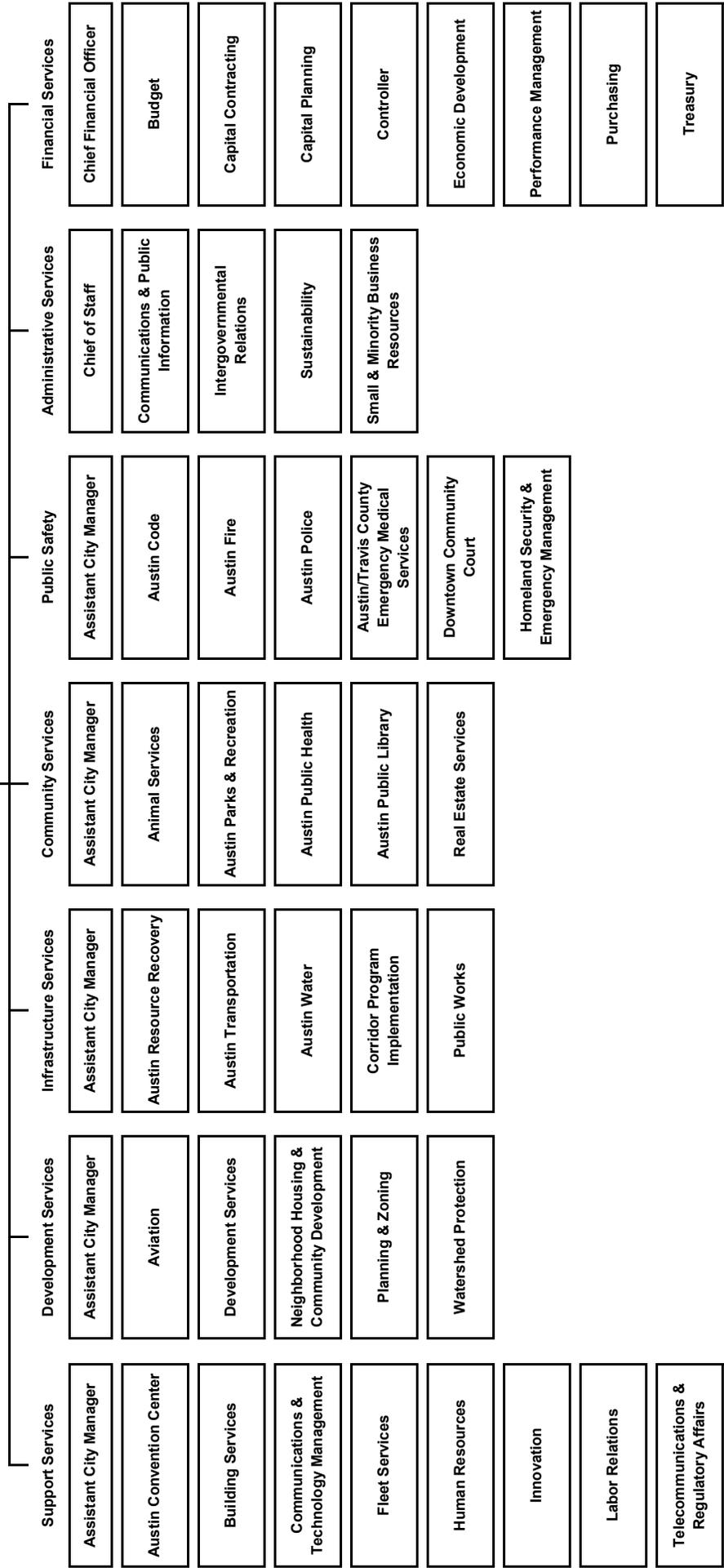
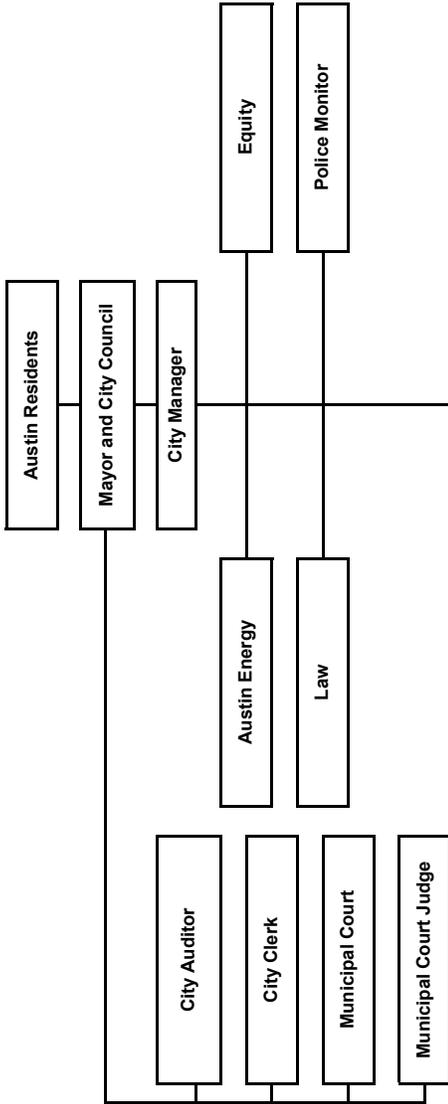


Diana Thomas, CPA
Controller

City of Austin, Texas



September 30, 2018





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, 2017.

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 2018 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, 2017

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Austin, Texas (the "City"), as of and for the year ended September 30, 2018, 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 99.9% of the assets, 97.8% of the net position, and 98.9% of the revenues of the discretely presented component units. Those statements were audited by other auditors whose reports 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the City adjusted its beginning net position as of October 1, 2017, to reflect the impact of the implementation of Governmental Accounting Standards Board Statements No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this change.

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 sections 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

February 28, 2019

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, 2018.

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. 82, No. 85 through No. 86, and No. 89.

FINANCIAL HIGHLIGHTS

Government-wide financial statements

The City's assets and deferred outflows exceeded its liabilities and deferred inflows in fiscal year 2018, resulting in \$3.7 billion of net position. Net position associated with governmental activities is a deficit of approximately \$253.2 million, while the net position associated with business-type activities is approximately \$4.0 billion, or 106.8% of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is \$4.1 billion, or 110.9% of total net position.

The City's unrestricted net position is a deficit of \$1.3 billion. Unrestricted net position for governmental activities is a deficit of \$2.1 billion, while unrestricted net position for business-type activities is approximately \$789.2 million, or 19.9% 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 \$1.6 billion.

During fiscal year 2018, total net position for the City of Austin increased \$102.5 million or 2.8%. Of this amount, governmental activities decreased \$68.9 million, or 37.4% from the previous year and business-type activities increased \$171.4 million, or 4.5%.

Total revenues for the City increased \$144.2 million; revenues for governmental activities increased \$102.8 million; revenues for business-type activities increased \$41.4 million. Total expenses for the City increased \$162.6 million; expenses for governmental activities increased \$27.1 million; expenses for business-type activities increased \$135.5 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 Urban Renewal Agency (URA), the Austin Industrial Development Corporation (AIDC), Mueller Local Government Corporation (MLGC), and Austin-Bergstrom International Airport (ABIA) Development Corporation. The operations of AHFC, URA, AIDC, MLGC, and ABIA 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 four discretely presented component units: Austin-Bergstrom Landhost Enterprises, Inc. (ABLE), Austin Convention Enterprises, Inc. (ACE), Waller Creek Local Government Corporation (WCLGC) and Austin/Travis County Sobriety Center Local Government Corporation (SCLGC). 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 Note 1, 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. There was no WCLGC activity in fiscal year 2018.

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	Discretely Presented Component Units

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, as restated:

Condensed Statement of Net Position						
as of September 30						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Current assets	\$ 738,058	658,456	1,775,185	1,662,516	2,513,243	2,320,972
Capital assets	3,028,885	2,949,094	8,157,304	7,909,044	11,186,189	10,858,138
Other noncurrent assets	172,731	161,139	2,263,075	2,139,577	2,435,806	2,300,716
Total assets	3,939,674	3,768,689	12,195,564	11,711,137	16,135,238	15,479,826
Deferred outflows of resources	419,521	359,842	361,090	342,671	780,611	702,513
Current liabilities	419,484	361,031	512,245	532,870	931,729	893,901
Noncurrent liabilities	4,106,241	3,945,608	6,737,881	6,517,668	10,844,122	10,463,276
Total liabilities	4,525,725	4,306,639	7,250,126	7,050,538	11,775,851	11,357,177
Deferred inflows of resources	86,679	6,228	1,347,043	1,215,205	1,433,722	1,221,433
Net position:						
Net investment in capital assets	1,735,481	1,709,146	2,375,219	2,358,240	4,110,700	4,067,386
Restricted	146,496	140,299	795,049	702,749	941,545	843,048
Unrestricted (deficit)	(2,135,186)	(2,033,781)	789,217	727,076	(1,345,969)	(1,306,705)
Total net position	\$ (253,209)	(184,336)	3,959,485	3,788,065	3,706,276	3,603,729

In the current fiscal year, total assets increased \$655.4 million and deferred outflows of the City increased by \$78.1 million. Total liabilities increased \$418.7 million and deferred inflows increased by \$212.3 million. Governmental-type total assets increased by \$171.0 million and business-type increased by \$484.4 million, while governmental-type liabilities increased by \$219.1 million and business-type increased by \$199.6 million.

The most significant increase in governmental total assets resulted from an increase in capital assets of \$79.8 million as the City continues to build out projects from the 2012 and 2016 bond programs. Factors in the increase of governmental-type liabilities include increases in bonds payable of \$20.9 million, related primarily to the 2012 and 2016 bond programs along with a decrease in the net pension liability of \$136.0 million and an increase in other postemployment benefits payable of \$278.6 million.

The most significant factor in the increase of business-type total assets is related to growth in capital assets of \$248.3 million or 51.2% of the increase in business-type total assets, of which approximately \$200.0 million is related to the Airport terminal expansion. The primary factor in the increase in business-type total liabilities of \$199.6 million is due to an increase in other postemployment benefits of \$190.6 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 \$3.7 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 \$4.1 billion, or 110.9% 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, \$941.0 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 \$1.3 billion of unrestricted net position. Unrestricted net position decreased \$39.3 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 \$2.1 billion and \$1.3 billion 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 Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 173,400	176,640	2,543,788	2,500,259	2,717,188	2,676,899
Operating grants and contributions	42,489	45,162	876	861	43,365	46,023
Capital grants and contributions	107,865	90,256	122,396	137,464	230,261	227,720
General revenues:						
Property tax	616,745	554,631	--	--	616,745	554,631
Sales tax	232,319	218,790	--	--	232,319	218,790
Franchise fees and gross receipts tax	159,754	151,670	--	--	159,754	151,670
Interest and other	34,333	26,950	27,730	14,801	62,063	41,751
Total revenues	<u>1,366,905</u>	<u>1,264,099</u>	<u>2,694,790</u>	<u>2,653,385</u>	<u>4,061,695</u>	<u>3,917,484</u>
Program expenses:						
General government	200,125	192,231	--	--	200,125	192,231
Public safety	704,566	719,032	--	--	704,566	719,032
Transportation, planning, and sustainability	72,240	72,517	--	--	72,240	72,517
Public health	117,578	119,278	--	--	117,578	119,278
Public recreation and culture	173,333	161,226	--	--	173,333	161,226
Urban growth management	176,453	156,180	--	--	176,453	156,180
Interest on debt	65,147	61,879	--	--	65,147	61,879
Electric	--	--	1,268,610	1,277,623	1,268,610	1,277,623
Water	--	--	312,276	281,787	312,276	281,787
Wastewater	--	--	286,736	219,609	286,736	219,609
Airport	--	--	184,084	158,863	184,084	158,863
Convention	--	--	80,990	75,377	80,990	75,377
Environmental and health services	--	--	111,184	108,658	111,184	108,658
Public recreation	--	--	9,009	8,736	9,009	8,736
Urban growth management	--	--	196,817	183,532	196,817	183,532
Total expenses	<u>1,509,442</u>	<u>1,482,343</u>	<u>2,449,706</u>	<u>2,314,185</u>	<u>3,959,148</u>	<u>3,796,528</u>
Excess (deficiency) before transfers	(142,537)	(218,244)	245,084	339,200	102,547	120,956
Transfers	73,664	40,693	(73,664)	(40,693)	--	--
Increase (decrease) in net position	<u>(68,873)</u>	<u>(177,551)</u>	<u>171,420</u>	<u>298,507</u>	<u>102,547</u>	<u>120,956</u>
Beginning net position, as previously reported	455,353	632,904	3,976,814	3,678,307	4,432,167	4,311,211
Restatement adjustment	(639,689)	--	(188,749)	--	(828,438)	--
Beginning net position, as restated (see Note 18)	<u>(184,336)</u>	<u>632,904</u>	<u>3,788,065</u>	<u>3,678,307</u>	<u>3,603,729</u>	<u>4,311,211</u>
Ending net position	<u>\$ (253,209)</u>	<u>455,353</u>	<u>3,959,485</u>	<u>3,976,814</u>	<u>3,706,276</u>	<u>4,432,167</u>

Total net position of the City increased by \$102.5 million in the current fiscal year. Governmental net position decreased by \$68.9 million. The decrease is attributable to expenses exceeding revenues by \$142.5 million before transfers from other funds of \$73.7 million. Business-type net position increased by \$171.4 million due to revenues exceeding expenses by \$245.1 million before transfers to other funds of \$73.7 million.

In addition, the City restated beginning net position for governmental and business-type activities as a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions". For more information, see Note 18.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

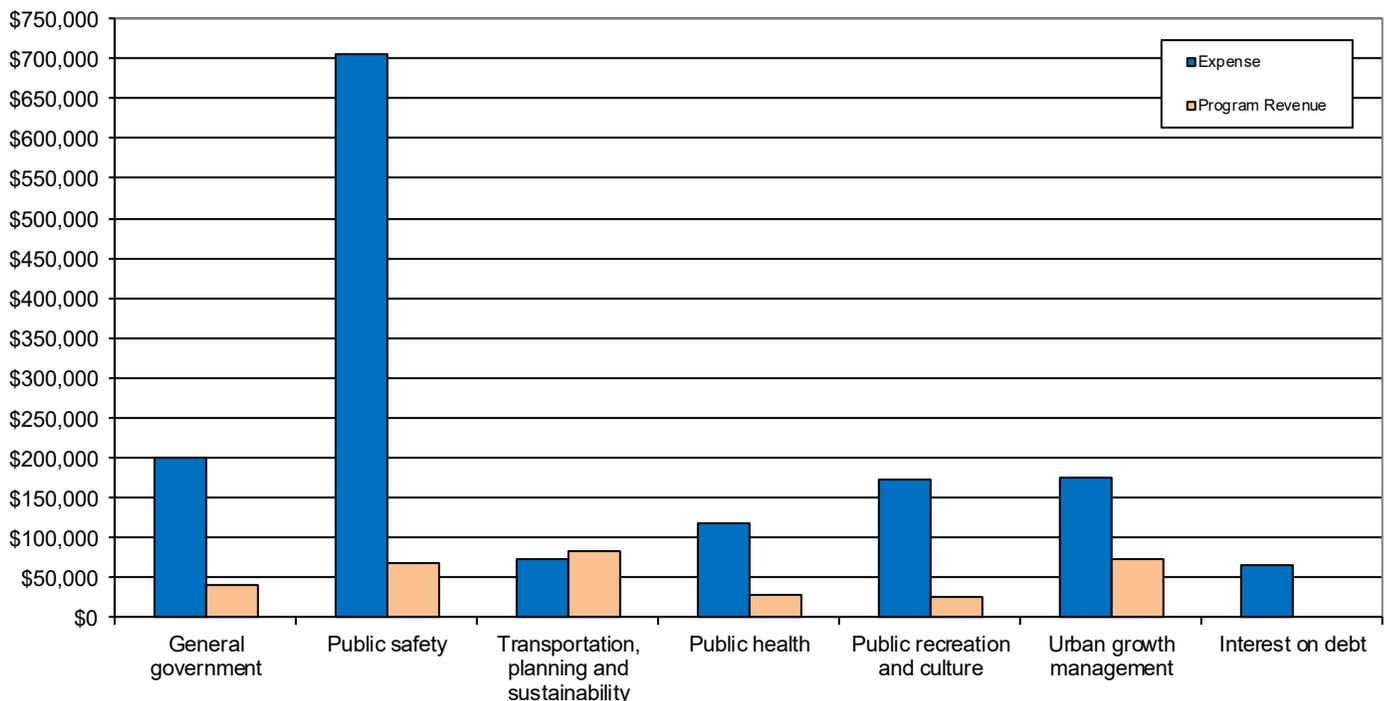
c -- Program revenues and expenses -- governmental activities

Governmental activities decreased the City’s net position by \$68.9 million in fiscal year 2018, a 37.4% decrease of governmental net position from the previous year. Key factors for the change from fiscal year 2017 to 2018 are as follows:

- The City’s property tax revenue increased by \$62.1 million from the previous year due to an increase in assessed property values of \$13.0 billion, while the property tax rate per \$100 of valuation increased from 0.4418 to 0.4448.
- Sales tax collections and franchise fees for the year were \$13.5 million and \$8.1 million, respectively, more than the prior year as result of the continued improvement in the Austin economy.
- Public safety expenses decreased by \$12.9 million due to the negotiated labor contract with police not being renewed during the fiscal year. This resulted in a significant number of employee retirements decreasing the compensated absence accrual by \$5.4 million. In addition there was a related decrease in salaries and fringe benefits of \$5.5 million.
- Public recreation and culture of expenses increased \$12.1 million as the result of an increase in salaries and fringe benefits of \$3.7 million, and an increase in overall expenses of \$2.7 million related to the opening of the new library.
- Urban growth management expenses were \$20.3 million greater than the prior year as the result of an increase in Neighborhood Housing & Conservation expenses for the implementation of the new Strategic Housing Blueprint of \$16.8 million along with \$5.0 million decrease in drainage utility reimbursements to development services.

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.

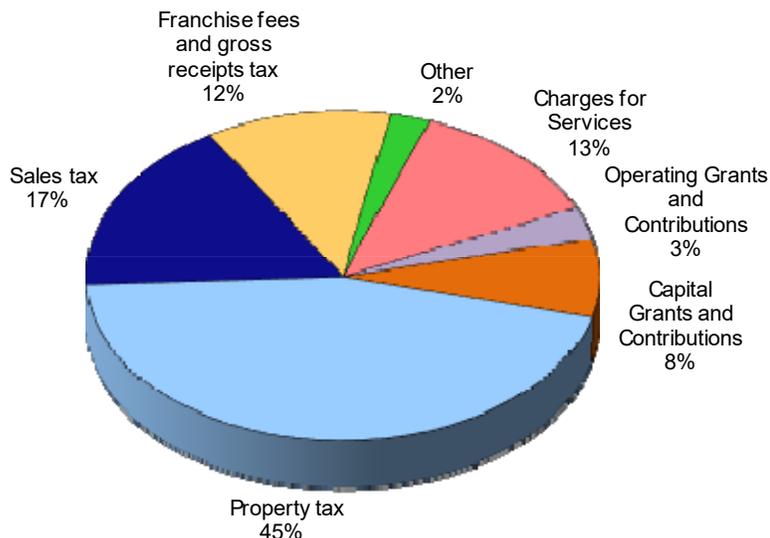
**Government-wide Program Expenses and Revenues – Governmental Activities
(in thousands)**



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

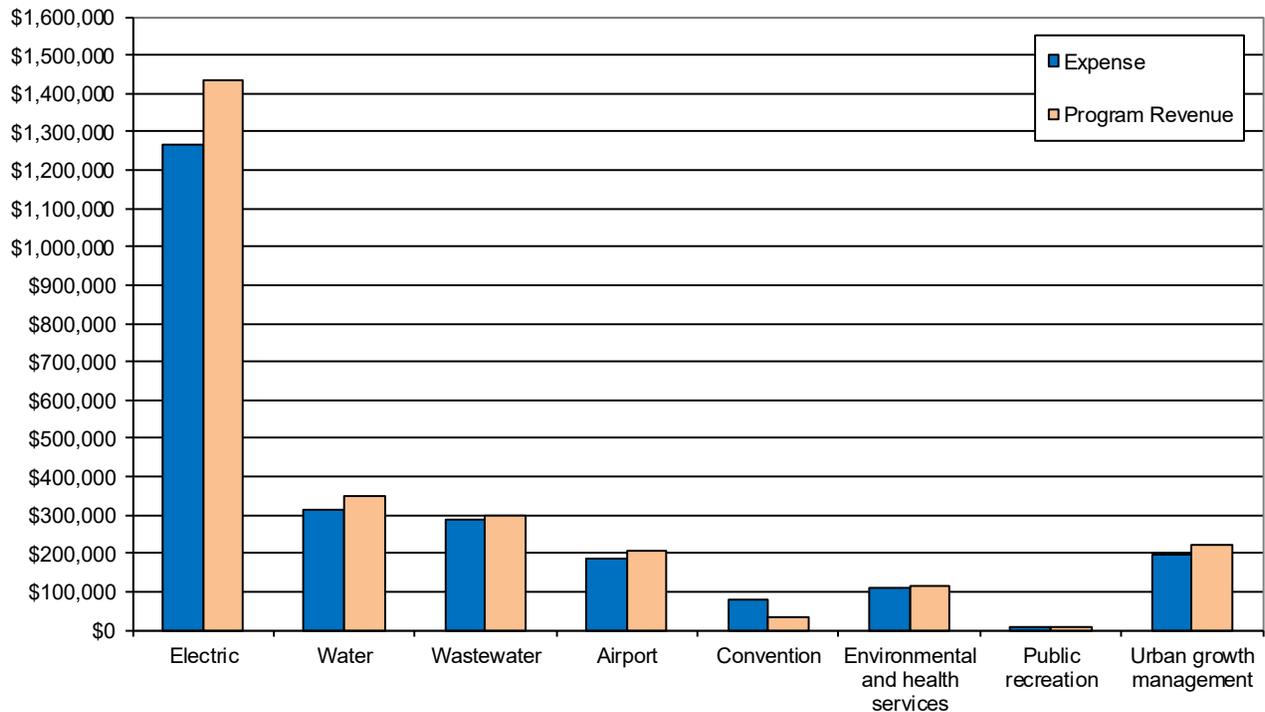
Business-type activities increased the City's net position by approximately \$171.4 million, accounting for a 4.8% increase in the City's total net position. Key factors include:

- Austin Energy net position increased approximately \$63.2 million. Operating revenues increased primarily due to increased base revenue, which was linked to customer growth. Operating expenses remained relatively stable.
- Austin Water Utility net position increased approximately \$2.9 million. Revenues decreased 3.7% largely due to a mid-year rate reduction for fiscal year 2018. Expenses increased by 19.5% due to an increase in operating and maintenance costs, and an increase in debt defeasance payments.
- Airport net position increased approximately \$28.1 million. Revenues increased 6.1% due to increases in passenger traffic, concessions and parking revenues, and updated Ground Transportation Operator fees and rates. Expenses increased 15.9% due to an increase in operating and maintenance costs and debt service payments.
- Convention Center net position increased approximately \$30.5 million, however, this was an overall incremental decrease of \$10.9 million compared to the 2017 fiscal year increase in net position. Revenues decreased 16.0% due to a decline in food concessions revenue, which was primarily driven by a one-time special event held in the previous year that generated \$4.3 million in revenue. The absence of a similar event in fiscal year 2018 resulted in a 24.0% decrease in food concessions revenue. Expenses increased 7.4% as a result of Council authorizing the Convention Center to pay a portion of the Visit Austin contract to market, sell and service convention activities.
- Environmental and health services activities is comprised of the Austin Resource Recovery nonmajor enterprise fund. Net position increased approximately \$4.0 million. Revenues increased by 5.7% due mainly to an increase in the Clean Community Fee and base fee for residential and commercial customer accounts. Expenses increased by 2.3% due mainly to an increase in operations and support services costs.
- Urban growth management activities are comprised of the Drainage and Transportation nonmajor enterprise funds. Net position increased by approximately \$43.3 million. Drainage revenues and transfers decreased 15.6% primarily due to a decrease in transfers in for home buyouts from \$50.0 million in the prior year to \$22.0 million in the current year. Drainage expenses remained relatively flat. Transportation revenues increased approximately 5.4% primarily as a result of increases in right-of-way (ROW) and utility-cut fees collected for downtown construction and new development review fees established to recover departmental costs. Transportation expenses increased 10.7% due to new investments in engineering contracts as well as an increase in staff of 27 new positions.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

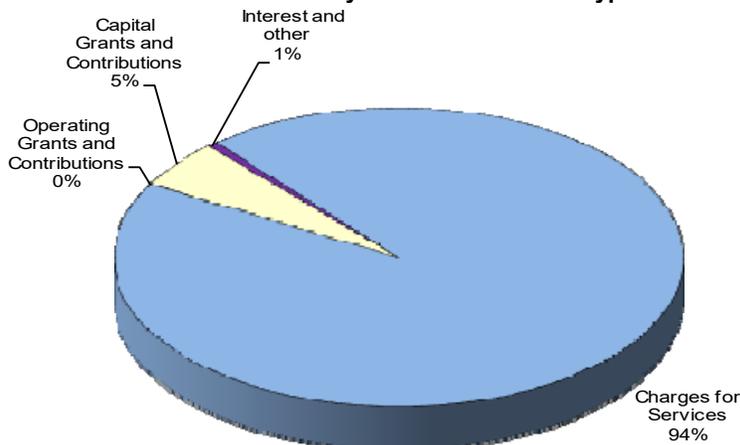
As shown in the following chart, Austin Energy (electric), with expenses of \$1.3 billion is the City's largest business-type activity, followed by water with \$312.3 million, wastewater with \$286.7 million, urban growth management with \$196.8 million, airport with \$184.1 million, environmental and health services with \$111.2 million, convention with \$81.0 million, and public recreation with \$9.0 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 (94.40%), followed by capital grants and contributions (4.54%), interest and other revenues (1.03%), and operating grants and contributions (0.03%).

Government-wide Revenue by Source – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

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

a -- Governmental funds

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

At the end of the fiscal year, the City of Austin's governmental funds reported combined ending fund balances of \$579.5 million, an increase of \$67.0 million from the previous year. Approximately \$3.1 million is nonspendable, \$223.1 million is restricted, \$45.2 million is committed, \$145.9 million is assigned, and \$162.2 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 \$2.1 million, assigned fund balance of \$37.6 million, and unassigned fund balance of \$173.3 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 17.2% of total General Fund expenditures of \$1.0 billion, and total fund balance represents 21.2% 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 \$72.1 million. The balance identified for budget stabilization may be appropriated to fund capital or other one-time expenditures in the subsequent fiscal year, but such appropriation will not normally exceed one-third of the total identified amount, with the other two-thirds identified for budget stabilization in future years.

The fund balance of the General Fund increased \$41.1 million during the fiscal year. Significant differences from the previous year include:

- Property tax revenues increased \$41.2 million due to an increase in assessed property values.
- Sales tax revenues increased by \$13.5 million and interest and other increased by \$5.6 million.

General Fund expenditures increased \$30.7 million, due primarily to increases in the following areas: urban growth management (\$11.8 million), general government (\$8.5 million), public recreation and culture (\$7.4 million), and public health (\$3.9 million). These increases are primarily due to a 2.5% general wage increase for non-sworn employees, the addition of 29 FTE's, and increases in contractual expenditures.

b -- Proprietary funds

The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Overall, net position of the City's enterprise funds increased by \$155.6 million before consolidation of the internal service funds activities.

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

OTHER INFORMATION

a -- General Fund budgetary highlights

During fiscal year 2018 an amendment to the General Fund Interest and other revenue budget increased it by \$868,240 to reflect proceeds related to the Aspen Heights Density Bonus Program. This was the sole revenue budget amendment. The budget for Transfers in was increased by \$150,000 related to a settlement with an apartment complex. Budgeted expenditures in Other urban growth management were increased by \$868,240 to provide housing subsidies to the homeless and by \$150,000 to fund relocation costs related to the apartment settlement. The expenditure budget related to Parks and Recreation was decreased by \$280,630 and the budget for Transfers out was increased by the same amount. Upgrades to the Millennium Youth Entertainment Complex that were originally budgeted to be spent in 2018 were delayed resulting in this amendment which moved the funds from the operating to the capital budget.

OTHER INFORMATION, continued

During the year, actual budget basis revenues were \$2.3 million more than budgeted. Property taxes were \$4.9 million more than budgeted due to added properties and an increase in overall property values. Sales taxes were also \$6.2 million more than budgeted due to continued improvement in the economy. These were offset partly by \$6.4 million in lower than expected development permit revenue and \$2.3 million in lower than expected traffic fines.

Actual budget-basis expenditures were \$34.0 million less than budgeted. Two departments were over budget, Municipal Court by \$169 thousand and Social Services by \$74 thousand. All other departments were under budget. Police was under budget by \$14.9 million due primarily to the negotiated labor contract not being approved by Council during the fiscal year as was originally anticipated. EMS was under budget by \$3.4 million due primarily to salary savings from regular position vacancies. Fire was under budget by \$3.0 million largely due to higher than expected expense reimbursements from natural disasters and overtime from inspections and permitting done outside of normal business hours. Development Services was \$5.9 million under budget due primarily to salary savings from vacancies and lower contractual expenses as a result of the cancellation of CodeNEXT, the City's land development code rewrite project. The total budget-basis fund balance at year-end was \$206.2 million.

b -- Capital assets

The City's capital assets for governmental and business-type activities as of September 30, 2018, total \$11.2 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 \$328 million, with an increase of 2.7% for governmental activities and an increase of 3.1% 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	
	2018	2017	2018	2017	2018	2017
Building and improvements	\$ 657	651	1,978	1,916	2,635	2,567
Plant and equipment	75	65	2,377	2,348	2,452	2,413
Vehicles	54	52	74	76	128	128
Electric plant	--	--	2,124	2,198	2,124	2,198
Non-electric plant	--	--	147	141	147	141
Nuclear fuel	--	--	48	43	48	43
Water rights	--	--	81	82	81	82
Infrastructure	1,739	1,658	--	--	1,739	1,658
Land and improvements	383	379	694	676	1,077	1,055
Construction in progress	92	116	607	402	699	518
Plant held for future use	--	--	23	23	23	23
Other assets not depreciated	29	28	4	4	33	32
Total net capital assets	\$ 3,029	2,949	8,157	7,909	11,186	10,858

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

- Governmental capital assets increased \$79.8 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. The construction of the Waller Creek Tunnel Inlet Facility was completed during the fiscal year.
- Business-type activities purchased, constructed or received capital asset contributions of \$248.3 million. Asset additions included continued work on the airport terminal and apron expansion projects. Additionally, the Drainage fund continued to acquire properties at risk of flooding along Onion Creek.

OTHER INFORMATION, continued

c -- Debt administration

At the end of the current fiscal year, the City reported \$6.5 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		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
General obligation bonds and other tax supported debt, net	\$ 1,457	1,436	102	116	1,559	1,552
Commercial paper notes, net	--	--	254	146	254	146
Revenue bonds, net	--	--	4,702	4,881	4,702	4,881
Capital lease obligations	10	--	1	1	11	1
Total	\$ 1,467	1,436	5,059	5,144	6,526	6,580

During fiscal year 2018, the City's total outstanding debt decreased by \$53.6 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 \$20.9 million. The resulting net increase is a combination of the issuance of \$123.3 million in new debt to be used primarily for facility improvements, streets and mobility, watershed home buyouts, central library, parks and recreation, capital equipment, and affordable housing, offset by debt payments during the year.
- Outstanding debt for business-type functions decreased by \$84.4 million. The City issued \$45.2 million in Water and Wastewater System revenue bonds, which was offset by debt payments during the year and the cash defeasance of \$61.2 million in Water and Wastewater separate lien revenue bonds.

OTHER INFORMATION, continued

During the year, the City's commercial paper notes, tax exempt and taxable, received favorable rating upgrades from Standard & Poor's and Fitch Ratings, Inc. from A-1 to A-1+ and F1 to F1+, respectively. The City's commercial paper ratings are related to the ratings of the liquidity providers associated with those obligations. All other bond ratings were unchanged. Ratings of the City's obligations for various debt instruments at September 30, 2018 and 2017 were as follows:

Debt	Moody's Investors Service, Inc.		Standard & Poor's		Fitch Ratings, Inc.	
	2018	2017	2018	2017	2018	2017
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	Aa3	Aa3	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

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. The Austin metro area is the 8th fastest growing metro in the US for its size. Over the past 10 years, Austin's population has increased by approximately 25.1% or nearly 200,000 residents, with projections of the City surpassing the 1 million mark by the year 2020. Both the Austin and the Texas economies continue to expand at rates above the national economy. Job growth in the Austin MSA was ranked fourth along with several other cities when comparing activity in the top 50 metro areas per the US Bureau of Labor statistics. Austin added more than 36,800 net new jobs in 2018. The unemployment rate for the Austin-Round Rock MSA maintained a low of 2.7%, while the state unemployment rate fell to 3.7% in 2018; the national unemployment rate was 3.9%.

The City's primary economic drivers which in the past have included the technology industry, business startups and growth of entrepreneurial business, and tourism, continue to diversify with the opening of the Army Futures Command (AFC) in downtown. This reorganization of the Army, the biggest since 1973, and the first not located on a military base, is anticipated to innovate the service and make it more nimble and efficient, bringing along with it a sizeable annual budget and desire to engage with the growing local tech sector. All of these factors are expected to continue to generate job growth. All sectors of the real estate market continue to perform well. The Austin residential market experienced an increase in sales of 3.3% in 2018 over 2017, with housing in the downtown area growing in popularity. In 2018, sales tax revenue increased 6.2% over the previous year, compared to a 2.9% increase in 2017 and a 4.2% increase in 2016, an indicator that the local economy continues to exhibit steady growth. In 2019, the rate of growth in sales tax collections is expected to be 3.5%. 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.

OTHER INFORMATION, continued

The City's fiscal year 2019 budget was developed in a manner true to City Management's unwavering commitment to openness, transparency, and public engagement; a process that has been refined over time and centered this year on heightened levels of collaboration between the community, city staff, management, and the City Council. The overriding goal of the 2019 budget process was to align department budgets to Council's priorities with particular focus on the Council's six strategic outcomes for the City: Mobility, Economic Opportunity and Affordability, Safety, Health, Cultural and Learning Opportunities, and Government that Works. Each year during the budget process, the Austin City Council adopts a comprehensive set of financial policies that provide the foundation for long-range financial sustainability. These financial policies are directly aligned with the Council's underlying goals of budget stability, maintaining affordability, investing in future economic development, infrastructure needs, and quality of life. These policies are also crucial in maintaining the City's favorable bond ratings; the City had a ratings upgrade for commercial paper instruments in 2018. City management continues to monitor the economy and take corrective actions when necessary to help mitigate any unfavorable economic events.

The taxable property values within the City increased by 9.7% in 2018 for fiscal year 2019. The property tax rate for fiscal year 2019 is 44.03 cents per \$100 valuation, down from 44.48 cents per \$100 valuation in 2018. The tax rate consists of 33.08 cents for the General Fund and 10.95 cents for debt service. Each 1 cent of the 2018 (fiscal year 2019) property tax rate is equivalent to \$15,177,490 of tax levy, as compared to \$13,841,865 in the previous year. Austin Energy's 2018 base rates remain unchanged from the prior fiscal year. For the past several years, Austin Water Utility has been working to strengthen its financial position and reduce the need for annual rate increases; consequently, the utility submitted its fiscal year 2019 budget with a slight rate decrease.

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



BASIC FINANCIAL STATEMENTS



Statement of Net Position
September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit A-1

	Governmental Activities	Business-type Activities	Total (†)	Component Units
ASSETS				
Current assets:				
Cash	61	63	124	5,955
Pooled investments and cash	582,458	1,072,584	1,655,042	--
Pooled investments and cash - restricted	--	123,333	123,333	--
Total pooled investments and cash	582,458	1,195,917	1,778,375	--
Investments - restricted	28,533	136,317	164,850	--
Cash held by trustee	--	1,601	1,601	--
Cash held by trustee - restricted	9,152	1,144	10,296	--
Working capital advances	--	2,225	2,225	--
Property taxes receivable, net of allowance \$5,711	12,017	--	12,017	--
Accounts receivable, net of allowance \$328,639	107,502	224,532	332,034	3,392
Receivables from other governments	17,409	91	17,500	--
Receivables from other governments - restricted	--	8,421	8,421	--
Notes receivable, net of allowance of \$17,669	26,666	--	26,666	--
Internal balances	(62,654)	62,654	--	--
Inventories, at cost	2,998	74,152	77,150	196
Real property held for resale	5,836	--	5,836	--
Regulatory assets, net of accumulated amortization	--	29,552	29,552	--
Prepaid expenses	4,213	24,004	28,217	860
Other receivables - restricted	--	4,370	4,370	--
Other assets	3,867	10,142	14,009	--
Total current assets	738,058	1,775,185	2,513,243	10,403
Noncurrent assets:				
Cash - restricted	--	4,920	4,920	2,090
Pooled investments and cash - restricted	167,701	638,690	806,391	--
Investments - restricted	--	341,645	341,645	56,298
Investments held by trustee - restricted	1,868	228,367	230,235	20,788
Cash held by trustee - restricted	1,853	--	1,853	--
Interest receivable - restricted	--	410	410	--
Depreciable capital assets, net	2,524,708	6,829,037	9,353,745	183,421
Nondepreciable capital assets	504,177	1,328,267	1,832,444	13,508
Derivative instruments - energy risk management	--	50	50	--
Regulatory assets, net of accumulated amortization	--	1,020,958	1,020,958	--
Other receivables - restricted	--	7,696	7,696	--
Other long-term assets	1,309	20,339	21,648	--
Total noncurrent assets	3,201,616	10,420,379	13,621,995	276,105
Total assets	3,939,674	12,195,564	16,135,238	286,508
DEFERRED OUTFLOWS OF RESOURCES				
	419,521	361,090	780,611	15,605

(†) 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, 2018
(In thousands)

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

	Governmental Activities	Business-type Activities	Total (†)	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	44,343	95,774	140,117	5,525
Accounts and retainage payable from restricted assets	22,878	65,452	88,330	--
Accrued payroll	33,603	19,535	53,138	317
Accrued compensated absences	65,263	26,939	92,202	--
Claims payable	23,655	205	23,860	--
Due to other governments	13	3,469	3,482	--
Accrued interest payable from restricted assets	8	95,651	95,659	5,246
Interest payable on other debt	8,693	1,153	9,846	--
Bonds payable	61,130	13,733	74,863	3,450
Bonds payable from restricted assets	28,725	110,970	139,695	--
Other postemployment benefits liability	33,071	20,005	53,076	--
Capital lease obligations payable	2,115	56	2,171	--
Customer and escrow deposits payable from restricted assets	76,584	47,154	123,738	--
Accrued landfill closure and postclosure costs	--	2,591	2,591	--
Decommissioning liability payable from restricted assets	--	3,753	3,753	--
Other liabilities	19,403	4,900	24,303	5,847
Other liabilities payable from restricted assets	--	905	905	--
Total current liabilities	419,484	512,245	931,729	20,385
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	82,074	714	82,788	--
Claims payable	24,319	217	24,536	--
Capital appreciation bond interest payable	--	2,722	2,722	--
Commercial paper notes payable, net of discount	--	254,767	254,767	--
Bonds payable, net of discount and inclusive of premium	1,367,110	4,679,015	6,046,125	267,119
Net pension liability	1,067,452	585,052	1,652,504	--
Other postemployment benefits liability	1,540,192	931,629	2,471,821	--
Capital lease obligations payable	7,765	878	8,643	--
Accrued landfill closure and postclosure costs	--	9,899	9,899	--
Decommissioning liability payable from restricted assets	--	201,617	201,617	--
Derivative instruments - energy risk management	--	7,796	7,796	--
Derivative instruments - interest rate swaps	--	27,723	27,723	--
Other liabilities	17,329	33,041	50,370	--
Other liabilities payable from restricted assets	--	2,811	2,811	--
Total noncurrent liabilities	4,106,241	6,737,881	10,844,122	267,119
Total liabilities	4,525,725	7,250,126	11,775,851	287,504
DEFERRED INFLOWS OF RESOURCES				
	86,679	1,347,043	1,433,722	1,120
NET POSITION				
Net investment in capital assets	1,735,481	2,375,219	4,110,700	(11,273)
Restricted for:				
Bond reserve	--	39,469	39,469	--
Capital projects	40,454	275,910	316,364	741
Debt service	20,033	57,507	77,540	26,598
Housing activities	29,436	--	29,436	--
Operating reserve	--	66,020	66,020	--
Passenger facility charges	--	110,452	110,452	--
Perpetual care:				
Expendable	1	--	1	--
Nonexpendable	1,070	--	1,070	--
Renewal and replacement	--	53,339	53,339	--
Strategic reserve	--	192,352	192,352	--
Tourism	22,649	--	22,649	--
Other purposes	32,853	--	32,853	--
Unrestricted (deficit)	(2,135,186)	789,217	(1,345,969)	(2,577)
Total net position	(253,209)	3,959,485	3,706,276	13,489

(†) 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, 2018
(In thousands)

City of Austin, Texas
Exhibit A-2

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government		Total	Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Governmental activities							
General government	\$ 200,125	27,276	1,595	15,655	(155,599)	--	(155,599)
Public safety	704,566	57,950	9,364	--	(637,252)	--	(637,252)
Transportation, planning, and sustainability	72,240	1,503	70	81,495	10,828	--	10,828
Public health	117,578	8,109	21,553	80	(87,836)	--	(87,836)
Public recreation and culture	173,333	12,401	1,804	10,635	(148,493)	--	(148,493)
Urban growth management	176,453	66,161	8,103	--	(102,189)	--	(102,189)
Interest on debt	65,147	--	--	--	(65,147)	--	(65,147)
Total governmental activities	1,509,442	173,400	42,489	107,865	(1,185,688)	--	(1,185,688)
Business-type activities							
Electric	1,268,610	1,400,523	104	34,986	--	167,003	167,003
Water	312,276	304,182	--	46,907	--	38,813	38,813
Wastewater	286,736	270,884	--	26,985	--	11,133	11,133
Airport	184,084	197,426	616	7,593	--	21,551	21,551
Convention	80,990	33,752	--	--	--	(47,238)	(47,238)
Environmental and health services	111,184	115,499	92	177	--	4,584	4,584
Public recreation	9,009	7,278	--	230	--	(1,501)	(1,501)
Urban growth management	196,817	214,244	64	5,518	--	23,009	23,009
Total business-type activities	2,449,706	2,543,788	876	122,396	--	217,354	217,354
Total primary government	\$ 3,959,148	2,717,188	43,365	230,261	(1,185,688)	217,354	(968,334)
Component Units	92,066	97,298	--	1,124	--	--	6,356
General revenues:							
Property tax					616,745	--	616,745
Sales tax					232,319	--	232,319
Franchise fees and gross receipts tax					159,754	--	159,754
Interest and other					34,333	27,730	62,063
Transfers-internal activities					73,664	(73,664)	--
Total general revenues and transfers					1,116,815	(45,934)	1,070,881
Special item - gain on debt structure					--	--	--
Change in net position					(68,873)	171,420	102,547
Beginning net position, as restated (see Note 18)					(184,336)	3,788,065	3,603,729
Ending net position					\$ (253,209)	3,959,485	3,706,276

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



**Governmental Funds
Balance Sheet
September 30, 2018
(In thousands)**

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

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 51	--	51
Pooled investments and cash	213,964	353,362	567,326
Investments	--	28,533	28,533
Cash held by trustee - restricted	--	8,826	8,826
Investments held by trustee - restricted	--	1,868	1,868
Property taxes receivable, net of allowance	8,207	3,810	12,017
Accounts receivable, net of allowance	62,401	33,064	95,465
Receivables from other governments	1,076	15,315	16,391
Notes receivable, net of allowance	162	26,504	26,666
Due from other funds	--	11,128	11,128
Advances to other funds	--	8,683	8,683
Inventories, at cost	45	--	45
Real property held for resale	--	5,836	5,836
Prepaid items	2,019	--	2,019
Other assets	59	3,808	3,867
Total assets	<u>287,984</u>	<u>500,737</u>	<u>788,721</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	25,361	25,207	50,568
Accrued payroll	26,553	548	27,101
Accrued compensated absences	137	--	137
Due to other funds	231	11,112	11,343
Due to other governments	10	--	10
Unearned revenue	--	3,320	3,320
Advances from other funds	441	8,204	8,645
Deposits and other liabilities	6,689	78,929	85,618
Total liabilities	<u>59,422</u>	<u>127,320</u>	<u>186,742</u>
DEFERRED INFLOWS OF RESOURCES	<u>15,628</u>	<u>6,896</u>	<u>22,524</u>
FUND BALANCES			
Nonspendable:			
Inventories and prepaid items	2,064	--	2,064
Permanent funds	--	1,070	1,070
Restricted	--	223,062	223,062
Committed	--	45,169	45,169
Assigned	37,561	108,333	145,894
Unassigned	173,309	(11,113)	162,196
Total fund balances	<u>212,934</u>	<u>366,521</u>	<u>579,455</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 287,984</u>	<u>500,737</u>	<u>788,721</u>

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

Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit B-1.1

Total fund balances - Governmental funds \$ 579,455

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	4,817,505	
Less: accumulated depreciation	<u>(1,860,540)</u>	2,956,965

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

Other assets	<u>1,309</u>	1,309
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Deferred outflows represent the consumption of net position that are applicable to a future reporting period.

Pensions	190,260	
Other postemployment benefits	210,083	
Loss on debt refundings	<u>19,073</u>	419,416

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

Compensated absences	(137,776)	
Interest payable	(8,693)	
Bonds and other tax supported debt payable, net	(1,454,316)	
Net pension liability	(1,067,452)	
Other postemployment benefits	(1,573,263)	
Other liabilities	<u>(21,604)</u>	(4,263,104)

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

Unavailable revenue		
Property taxes and interest	12,097	
Accounts and other taxes receivable	10,427	
Pensions	(73,937)	
Other postemployment benefits	(11,713)	
Deferred gain on service concession agreement	<u>(1,028)</u>	(64,154)

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.

116,904

Total net position - Governmental activities \$ (253,209)

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, 2018
(In thousands)

City of Austin, Texas
Exhibit B-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 457,789	158,635	616,424
Sales taxes	232,319	--	232,319
Franchise fees and other taxes	48,391	111,363	159,754
Fines, forfeitures and penalties	10,330	5,434	15,764
Licenses, permits and inspections	54,103	321	54,424
Charges for services/goods	61,705	22,610	84,315
Intergovernmental	--	65,632	65,632
Property owners' participation and contributions	--	16,355	16,355
Interest and other	21,389	12,865	34,254
Total revenues	886,026	393,215	1,279,241
EXPENDITURES			
Current:			
General government	135,161	2,850	138,011
Public safety	584,760	12,325	597,085
Transportation, planning, and sustainability	--	5,162	5,162
Public health	84,410	21,606	106,016
Public recreation and culture	120,120	14,455	134,575
Urban growth management	82,293	68,342	150,635
Debt service:			
Principal	--	99,572	99,572
Interest	--	64,674	64,674
Fees and commissions	--	27	27
Capital outlay-capital project funds	--	139,324	139,324
Total expenditures	1,006,744	428,337	1,435,081
Deficiency of revenues over expenditures	(120,718)	(35,122)	(155,840)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	--	118,216	118,216
Bond premiums	--	17,237	17,237
Transfers in	173,614	69,242	242,856
Transfers out	(11,776)	(143,679)	(155,455)
Total other financing sources (uses)	161,838	61,016	222,854
Net change in fund balances	41,120	25,894	67,014
Fund balances at beginning of year	171,814	340,627	512,441
Fund balances at end of year	\$ 212,934	366,521	579,455

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, 2018
(In thousands)

City of Austin, Texas
Exhibit B-2.1

Net change in fund balances - Governmental funds \$ 67,014

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-capital project funds	139,324	
Capital outlay-other funds	9,716	
Depreciation expense	(126,239)	
Loss on disposal of capital assets	(523)	
Other asset adjustments	<u>(24,572)</u>	(2,294)

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

Property taxes	321	
Charges for services	(408)	
Interest and other	(548)	
Capital asset contributions	<u>75,993</u>	75,358

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	(118,216)	
Principal repayment on long-term debt	99,572	
Bond premiums	<u>(17,237)</u>	(35,881)

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	(7,740)	
Pensions	(79,849)	
Other postemployment benefits	(130,911)	
Interest and other	<u>24,951</u>	(193,549)

A portion of the net revenue (expense) of the internal service funds is reported with the governmental activities. 20,479

Change in net position - Governmental activities \$ (68,873)

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

Proprietary Funds
Statement of Net Position
September 30, 2018
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
ASSETS			
Current assets:			
Cash	\$ 22	5	3
Pooled investments and cash	454,016	190,509	12,038
Pooled investments and cash - restricted	31,035	59,975	17,341
Total pooled investments and cash	485,051	250,484	29,379
Investments - restricted	44,328	46,835	32,843
Cash held by trustee	--	1,601	--
Cash held by trustee - restricted	--	1,144	--
Working capital advances	2,225	--	--
Accounts receivable, net of allowance	137,033	62,229	3,982
Receivables from other governments	--	62	--
Receivables from other governments - restricted	5,765	--	1,976
Due from other funds	381	301	--
Inventories, at cost	66,838	2,214	1,931
Regulatory assets, net of accumulated amortization	3,323	26,229	--
Prepaid expenses	22,543	568	516
Other receivables - restricted	--	--	4,370
Other assets	9,058	--	1,084
Total current assets	<u>776,567</u>	<u>391,672</u>	<u>76,084</u>
Noncurrent assets:			
Cash - restricted	4,920	--	--
Pooled investments and cash - restricted	66,834	90,802	454,323
Advances to other funds	11,755	1,803	--
Advances to other funds - restricted	--	--	32
Investments - restricted	239,044	52,214	40,124
Investments held by trustee - restricted	220,578	7,789	--
Interest receivable - restricted	410	--	--
Depreciable capital assets, net	2,327,110	3,184,855	960,563
Nondepreciable capital assets	268,690	485,601	249,408
Derivative instruments - energy risk management	50	--	--
Regulatory assets, net of accumulated amortization	696,201	324,757	--
Other receivables - restricted	7,696	--	--
Other long-term assets	2,078	--	18,261
Total noncurrent assets	<u>3,845,366</u>	<u>4,147,821</u>	<u>1,722,711</u>
Total assets	<u>4,621,933</u>	<u>4,539,493</u>	<u>1,798,795</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 109,392</u>	<u>115,262</u>	<u>41,918</u>

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

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
ASSETS			
Current assets:			
Cash	33	63	10
Pooled investments and cash	416,021	1,072,584	177,405
Pooled investments and cash - restricted	14,982	123,333	--
Total pooled investments and cash	431,003	1,195,917	177,405
Investments - restricted	12,311	136,317	--
Cash held by trustee	--	1,601	--
Cash held by trustee - restricted	--	1,144	2,179
Working capital advances	--	2,225	--
Accounts receivable, net of allowance	21,288	224,532	12,037
Receivables from other governments	29	91	1,018
Receivables from other governments - restricted	680	8,421	--
Due from other funds	1,148	1,830	--
Inventories, at cost	3,169	74,152	2,953
Regulatory assets, net of accumulated amortization	--	29,552	--
Prepaid expenses	377	24,004	2,194
Other receivables - restricted	--	4,370	--
Other assets	--	10,142	--
Total current assets	470,038	1,714,361	197,796
Noncurrent assets:			
Cash - restricted	--	4,920	--
Pooled investments and cash - restricted	26,731	638,690	5,428
Advances to other funds	--	13,558	12
Advances to other funds - restricted	229	261	--
Investments - restricted	10,263	341,645	--
Investments held by trustee - restricted	--	228,367	--
Interest receivable - restricted	--	410	--
Depreciable capital assets, net	356,509	6,829,037	71,319
Nondepreciable capital assets	324,568	1,328,267	601
Derivative instruments - energy risk management	--	50	--
Regulatory assets, net of accumulated amortization	--	1,020,958	--
Other receivables - restricted	--	7,696	--
Other long-term assets	--	20,339	--
Total noncurrent assets	718,300	10,434,198	77,360
Total assets	1,188,338	12,148,559	275,156
DEFERRED OUTFLOWS OF RESOURCES			
	94,518	361,090	105

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2018
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water	
		Utility	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 81,327	3,775	2,837
Accounts and retainerage payable from restricted assets	11,115	16,509	33,402
Accrued payroll	7,852	4,033	1,542
Accrued compensated absences	11,067	5,579	2,355
Claims payable	64	141	--
Due to other funds	--	--	166
Due to other governments	3,464	--	5
Accrued interest payable from restricted assets	20,614	62,682	11,559
Interest payable on other debt	527	137	--
Bonds payable	--	--	20
Bonds payable from restricted assets	37,116	36,165	24,249
Other postemployment benefits liability	6,619	4,485	1,852
Capital lease obligations payable	56	--	--
Customer and escrow deposits payable from restricted assets	27,283	12,239	1,116
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	3,753	--	--
Other liabilities	975	2,229	1,685
Other liabilities payable from restricted assets	487	--	--
Total current liabilities	212,319	147,974	80,788
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	--	--	--
Claims payable	5	212	--
Advances from other funds	--	556	341
Advances from other funds payable from restricted assets	--	10,821	--
Capital appreciation bond interest payable	--	2,722	--
Commercial paper notes payable, net of discount	212,597	42,170	--
Bonds payable, net of discount and inclusive of premium	1,216,890	2,433,401	829,245
Net pension liability	240,493	127,015	43,715
Other postemployment benefits liability	308,236	208,869	86,267
Capital lease obligations payable	878	--	--
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	201,617	--	--
Derivative instruments - energy risk management	7,796	--	--
Derivative instruments - interest rate swaps	--	9,653	12,349
Other liabilities	33,041	--	--
Other liabilities payable from restricted assets	2,811	--	--
Total noncurrent liabilities	2,224,364	2,835,419	971,917
Total liabilities	2,436,683	2,983,393	1,052,705
 DEFERRED INFLOWS OF RESOURCES	 \$ 389,490	 760,948	 185,891

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	7,835	95,774	16,653
Accounts and retainage payable from restricted assets	4,426	65,452	--
Accrued payroll	6,108	19,535	6,502
Accrued compensated absences	7,938	26,939	9,052
Claims payable	--	205	23,655
Due to other funds	1,449	1,615	--
Due to other governments	--	3,469	3
Accrued interest payable from restricted assets	796	95,651	8
Interest payable on other debt	489	1,153	--
Bonds payable	13,713	13,733	355
Bonds payable from restricted assets	13,440	110,970	--
Other postemployment benefits liability	7,049	20,005	--
Capital lease obligations payable	--	56	2,115
Customer and escrow deposits payable from restricted assets	6,516	47,154	174
Accrued landfill closure and postclosure costs	2,591	2,591	--
Decommissioning liability payable from restricted assets	--	3,753	--
Other liabilities	11	4,900	2,600
Other liabilities payable from restricted assets	418	905	--
Total current liabilities	<u>72,779</u>	<u>513,860</u>	<u>61,117</u>
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	714	714	372
Claims payable	--	217	24,319
Advances from other funds	2,151	3,048	--
Advances from other funds payable from restricted assets	--	10,821	--
Capital appreciation bond interest payable	--	2,722	--
Commercial paper notes payable, net of discount	--	254,767	--
Bonds payable, net of discount and inclusive of premium	199,479	4,679,015	2,294
Net pension liability	173,829	585,052	--
Other postemployment benefits liability	328,257	931,629	--
Capital lease obligations payable	--	878	7,765
Accrued landfill closure and postclosure costs	9,899	9,899	--
Decommissioning liability payable from restricted assets	--	201,617	--
Derivative instruments - energy risk management	--	7,796	--
Derivative instruments - interest rate swaps	5,721	27,723	--
Other liabilities	--	33,041	--
Other liabilities payable from restricted assets	--	2,811	--
Total noncurrent liabilities	<u>720,050</u>	<u>6,751,750</u>	<u>34,750</u>
Total liabilities	<u>792,829</u>	<u>7,265,610</u>	<u>95,867</u>
DEFERRED INFLOWS OF RESOURCES	<u>10,714</u>	<u>1,347,043</u>	<u>1</u>

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

(Continued)

**Proprietary Funds
Statement of Net Position
September 30, 2018
(In thousands)**

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
NET POSITION			
Net investment in capital assets	\$ 927,258	638,134	335,667
Restricted for:			
Bond reserve	13,297	15,573	3,330
Capital projects	25,089	20,976	205,237
Debt service	23,714	--	21,317
Operating reserve	--	45,089	16,225
Passenger facility charges	--	--	110,452
Renewal and replacement	42,458	--	10,000
Strategic reserve	192,352	--	--
Unrestricted	680,984	190,642	(100,111)
Total net position	\$ 1,905,152	910,414	602,117
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	25,706	14,825	5,316
Total net position - Business-type activities	\$ 1,930,858	925,239	607,433

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>	
NET POSITION			
Net investment in capital assets	474,160	2,375,219	59,391
Restricted for:			
Bond reserve	7,269	39,469	--
Capital projects	24,608	275,910	5,428
Debt service	12,476	57,507	--
Operating reserve	4,706	66,020	--
Passenger facility charges	--	110,452	--
Renewal and replacement	881	53,339	--
Strategic reserve	--	192,352	--
Unrestricted	(44,787)	726,728	114,574
Total net position	<u>479,313</u>	<u>3,896,996</u>	<u>179,393</u>
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	16,642	62,489	
Total net position - Business-type activities	<u>495,955</u>	<u>3,959,485</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, 2018
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
OPERATING REVENUES			
Utility services	\$ 1,400,523	575,066	--
User fees and rentals	--	--	167,284
Billings to departments	--	--	--
Employee contributions	--	--	--
Operating revenues from other governments	--	--	--
Other operating revenues	--	--	--
Total operating revenues	<u>1,400,523</u>	<u>575,066</u>	<u>167,284</u>
OPERATING EXPENSES			
Operating expenses before depreciation	1,122,290	273,522	118,126
Depreciation and amortization	165,645	124,678	33,723
Total operating expenses	<u>1,287,935</u>	<u>398,200</u>	<u>151,849</u>
Operating income (loss)	<u>112,588</u>	<u>176,866</u>	<u>15,435</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	10,645	4,994	7,542
Interest on revenue bonds and other debt	(58,845)	(95,722)	(33,318)
Passenger facility charges	--	--	30,142
Loss on in-substance defeasance	--	(1,180)	--
Cost (recovered) to be recovered in future years	81,602	(109,039)	--
Other nonoperating revenue (expense)	(10,386)	1,588	(375)
Total nonoperating revenues (expenses)	<u>23,016</u>	<u>(199,359)</u>	<u>3,991</u>
Income (loss) before contributions and transfers	135,604	(22,493)	19,426
Capital contributions	34,986	73,892	7,593
Transfers in	2,879	65	--
Transfers out	(115,885)	(51,857)	(182)
Change in net position	<u>57,584</u>	<u>(393)</u>	<u>26,837</u>
Beginning net position, as restated (see Note 18)	1,847,568	910,807	575,280
Ending net position	<u>\$ 1,905,152</u>	<u>910,414</u>	<u>602,117</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	57,584	(393)	26,837
Adjustment to consolidate internal service activities	5,568	3,268	1,261
Change in net position - Business-type activities	<u>\$ 63,152</u>	<u>2,875</u>	<u>28,098</u>

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

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
OPERATING REVENUES			
Utility services	--	1,975,589	--
User fees and rentals	370,773	538,057	--
Billings to departments	--	--	455,708
Employee contributions	--	--	44,372
Operating revenues from other governments	--	--	5,337
Other operating revenues	--	--	13,968
Total operating revenues	370,773	2,513,646	519,385
OPERATING EXPENSES			
Operating expenses before depreciation	366,234	1,880,172	465,623
Depreciation and amortization	29,137	353,183	9,888
Total operating expenses	395,371	2,233,355	475,511
Operating income (loss)	(24,598)	280,291	43,874
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	4,549	27,730	79
Interest on revenue bonds and other debt	(6,737)	(194,622)	(3)
Passenger facility charges	--	30,142	--
Loss on in-substance defeasance	--	(1,180)	--
Cost (recovered) to be recovered in future years	--	(27,437)	--
Other nonoperating revenue (expense)	(4,886)	(14,059)	(950)
Total nonoperating revenues (expenses)	(7,074)	(179,426)	(874)
Income (loss) before contributions and transfers	(31,672)	100,865	43,000
Capital contributions	5,925	122,396	13,039
Transfers in	103,887	106,831	2,407
Transfers out	(6,593)	(174,517)	(22,122)
Change in net position	71,547	155,575	36,324
Beginning net position, as restated (see Note 18)	407,766	3,741,421	143,069
Ending net position	479,313	3,896,996	179,393
Reconciliation to government-wide Statement of Activities			
Change in net position	71,547	155,575	
Adjustment to consolidate internal service activities	5,748	15,845	
Change in net position - Business-type activities	<u>77,295</u>	<u>171,420</u>	

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

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,398,861	575,435	166,712
Cash received from other funds	30,050	8,663	--
Cash payments to suppliers for goods and services	(746,577)	(64,750)	(37,399)
Cash payments to other funds	(53,346)	(75,250)	(27,874)
Cash payments to employees for services	(209,794)	(112,203)	(42,352)
Cash payments to claimants/beneficiaries	(293)	(238)	(1)
Taxes collected and remitted to other governments	(42,659)	--	--
Net cash provided by operating activities	376,242	331,657	59,086
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	2,876	53	--
Transfers out	(115,873)	(51,847)	(182)
Collections from other sources	--	929	--
Loan repayments to other funds	--	(123)	(179)
Loan repayments from other funds	470	301	20
Collections from other governments	1,423	1,725	(453)
Net cash provided (used) by noncapital financing activities	(111,104)	(48,962)	(794)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	66,502	42,170	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	--	--
Proceeds from the sale of revenue bonds	--	45,175	--
Principal paid on long-term debt	(35,787)	(60,962)	(23,765)
Proceeds from the sale of capital assets	1,362	--	--
Interest paid on revenue bonds and other debt	(61,161)	(153,419)	(36,702)
Passenger facility charges	--	--	29,494
Acquisition and construction of capital assets	(162,072)	(133,028)	(222,152)
Contributions from state and federal governments	--	128	7,593
Contributions in aid of construction	34,986	30,674	--
Bond issuance costs	(118)	(143)	--
Bond premiums	--	--	--
Cash paid for bond defeasance	--	(63,407)	--
Cash paid for nuclear fuel inventory	(24,084)	--	--
Net cash provided (used) by capital and related financing activities	\$ (180,372)	(292,812)	(245,532)

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

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	365,762	2,506,770	62,903
Cash received from other funds	3,735	42,448	455,708
Cash payments to suppliers for goods and services	(86,144)	(934,870)	(102,535)
Cash payments to other funds	(66,196)	(222,666)	(24,757)
Cash payments to employees for services	(169,980)	(534,329)	(176,479)
Cash payments to claimants/beneficiaries	--	(532)	(167,890)
Taxes collected and remitted to other governments	--	(42,659)	--
Net cash provided by operating activities	47,177	814,162	46,950
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	103,624	106,553	2,370
Transfers out	(6,508)	(174,410)	(21,915)
Collections from other sources	--	929	--
Loan repayments to other funds	(1,279)	(1,581)	--
Loan repayments from other funds	635	1,426	--
Collections from other governments	671	3,366	--
Net cash provided (used) by noncapital financing activities	97,143	(63,717)	(19,545)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	--	108,672	--
Proceeds from the sale of general obligation bonds and other tax supported debt	5,075	5,075	--
Proceeds from the sale of revenue bonds	--	45,175	--
Principal paid on long-term debt	(27,917)	(148,431)	(374)
Proceeds from the sale of capital assets	--	1,362	--
Interest paid on revenue bonds and other debt	(8,597)	(259,879)	(129)
Passenger facility charges	--	29,494	--
Acquisition and construction of capital assets	(35,594)	(552,846)	(1,300)
Contributions from state and federal governments	177	7,898	--
Contributions in aid of construction	3,286	68,946	--
Bond issuance costs	(43)	(304)	--
Bond premiums	429	429	--
Cash paid for bond defeasance	--	(63,407)	--
Cash paid for nuclear fuel inventory	--	(24,084)	--
Net cash provided (used) by capital and related financing activities	(63,184)	(781,900)	(1,803)

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ (196,635)	(258,794)	(62,111)
Proceeds from sale and maturities of investment securities	161,868	273,752	61,840
Interest on investments	5,407	4,994	6,930
Net cash provided (used) by investing activities	(29,360)	19,952	6,659
Net increase (decrease) in cash and cash equivalents	55,406	9,835	(180,581)
Cash and cash equivalents, beginning	501,421	334,201	664,286
Cash and cash equivalents, ending	556,827	344,036	483,705
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	112,588	176,866	15,435
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	165,645	124,678	33,723
Change in assets and liabilities:			
Decrease in working capital advances	1,434	--	--
(Increase) decrease in accounts receivable	(12,896)	8,724	4,588
Increase (decrease) in allowance for doubtful accounts	1,468	(100)	61
Decrease in receivables from other governments	--	--	--
(Increase) decrease in inventory	9,923	(277)	(96)
(Increase) decrease in prepaid expenses and other assets	(900)	(526)	(430)
Increase in advances to other funds	--	--	--
Decrease in other long-term assets	17,630	--	1,140
(Increase) decrease in deferred outflows	(6,845)	(9,554)	(11,359)
Increase (decrease) in accounts payable	(1,335)	95	740
Increase in accrued payroll and compensated absences	1,026	168	342
Decrease in claims payable	(2,001)	(209)	--
Decrease in net pension liability	(32,959)	(19,075)	(2,527)
Increase in other postemployment benefits liability	63,630	42,238	21,325
Increase (decrease) in other liabilities	32,704	(1,468)	(137)
Decrease in customer deposits	(2,958)	(2,244)	(235)
Increase (decrease) in deferred inflows	30,088	12,341	(3,484)
Total adjustments	263,654	154,791	43,651
Net cash provided by operating activities	\$ 376,242	331,657	59,086

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	(19,565)	(537,105)	--
Proceeds from sale and maturities of investment securities	21,459	518,919	--
Interest on investments	4,549	21,880	79
Net cash provided (used) by investing activities	6,443	3,694	79
Net increase (decrease) in cash and cash equivalents	87,579	(27,761)	25,681
Cash and cash equivalents, beginning	370,188	1,870,096	159,341
Cash and cash equivalents, ending	457,767	1,842,335	185,022
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	(24,598)	280,291	43,874
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	29,137	353,183	9,888
Change in assets and liabilities:			
Decrease in working capital advances	--	1,434	--
(Increase) decrease in accounts receivable	(1,525)	(1,109)	(1,837)
Increase (decrease) in allowance for doubtful accounts	292	1,721	--
Decrease in receivables from other governments	--	--	1,069
(Increase) decrease in inventory	(650)	8,900	(657)
(Increase) decrease in prepaid expenses and other assets	(210)	(2,066)	(1,739)
Increase in advances to other funds	--	--	(5)
Decrease in other long-term assets	--	18,770	--
(Increase) decrease in deferred outflows	(29,833)	(57,591)	2
Increase (decrease) in accounts payable	3,147	2,647	(1,555)
Increase in accrued payroll and compensated absences	1,237	2,773	686
Decrease in claims payable	--	(2,210)	(1,122)
Decrease in net pension liability	(16,953)	(71,514)	--
Increase in other postemployment benefits liability	77,428	204,621	--
Increase (decrease) in other liabilities	(758)	30,341	(70)
Decrease in customer deposits	(43)	(5,480)	(1,584)
Increase (decrease) in deferred inflows	10,506	49,451	--
Total adjustments	71,775	533,871	3,076
Net cash provided by operating activities	47,177	814,162	46,950

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2018
(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	\$ (30)	(4,665)	--
Capital assets contributed from other funds	--	79	--
Capital assets contributed to other funds	(1,491)	(352)	(814)
Capital assets acquired through service concession arrangements	--	--	213
Contributed facilities	--	43,011	--
Increase in the fair value of investments	(4,051)	--	--
Amortization of bond (discounts) premiums	7,092	20,320	4,140
Amortization of deferred gain (loss) on refundings	(4,582)	(5,908)	(875)
Gain (loss) on disposal of assets	(4,533)	(755)	(216)
Costs (recovered) to be recovered	81,605	(109,039)	--
Transfers from other funds	3	12	--
Transfers to other funds	(12)	(10)	--
Assets acquired through capital lease	--	--	--

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

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital appreciation bonds interest accreted	--	(4,695)	--
Capital assets contributed from other funds	2,462	2,541	8,661
Capital assets contributed to other funds	(5,271)	(7,928)	--
Capital assets acquired through service concession arrangements	--	213	--
Contributed facilities	--	43,011	--
Increase in the fair value of investments	--	(4,051)	--
Amortization of bond (discounts) premiums	2,304	33,856	123
Amortization of deferred gain (loss) on refundings	(602)	(11,967)	(13)
Gain (loss) on disposal of assets	(234)	(5,738)	(913)
Costs (recovered) to be recovered	--	(27,434)	--
Transfers from other funds	263	278	37
Transfers to other funds	(85)	(107)	(207)
Assets acquired through capital lease	--	--	9,880

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

Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit D-1

	<u>Private-purpose Trust</u>	<u>Agency</u>
ASSETS		
Pooled investments and cash	\$ 2,213	1,556
Investments held by trustee	--	3,101
Other assets	121	--
Total assets	<u>2,334</u>	<u>4,657</u>
LIABILITIES		
Accounts payable	42	--
Due to other governments	--	961
Deposits and other liabilities	1,548	3,696
Total liabilities	<u>1,590</u>	<u>4,657</u>
NET POSITION		
Held in trust	744	
Total net position	<u>\$ 744</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, 2018
(In thousands)

City of Austin, Texas
Exhibit D-2

	<u>Private-Purpose</u> <u>Trust</u>
ADDITIONS	
Contributions	\$ 2,251
Interest and other	29
Total additions	<u>2,280</u>
DEDUCTIONS	
Benefit payments	2,352
Total deductions	<u>2,352</u>
Change in net position	(72)
Beginning net position	816
Ending net position	<u>\$ 744</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 member of the City Council.

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. 82, No. 85 through No. 86, and No. 89. In fiscal year 2018, the City implemented the following GASB Statements:

GASB Statement	Impact
75 – <i>“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”</i>	GASB Statement No. 75 replaces GASB Statement No. 45 and requires governments offering postemployment benefits other than pensions to record as a liability in the current period for total future postemployment benefit obligations for existing employees and retirees in excess of plan assets. In addition, it identifies accepted actuarial methods and assumptions, allows deferral of certain pension expense items, expands financial statement note disclosures, and changes disclosure of required supplementary information. See Note 8. Implementation required restatement of beginning net position. See Note 18.
81 – <i>“Irrevocable Split-Interest Agreements”</i>	This statement provides recognition and measurement guidance for situations in which a government is a beneficiary of a split interest agreement. The implementation of this standard had no impact on amounts reported in the financial statements.
85 – <i>“Omnibus 2017”</i>	This statement will improve consistency in the accounting and reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits. The implementation of this standard had no impact on the statements. The only portion applicable was fair value measurement and application, and the City was already following requirements listed in the standard.
86 – <i>“Certain Debt Extinguishment Issues”</i>	This statement establishes accounting and financial reporting guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt in the future. The standard requires a restatement of the beginning net position; however, prior amounts were determined to be immaterial and the City did not restate as a result of this implementation.
89 – <i>“Accounting for Interest Cost Incurred before the End of a Construction Period”</i>	This statement establishes the requirements for interest costs incurred before the end of construction period. As a result of the statement interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this standard are to be applied prospectively. No restatement was necessary.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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

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. 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 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. 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. 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

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

Blended Component Units

Austin-Bergstrom International Airport
(ABIA) Development Corporation

Brief Description of Activities, Relationship to City, and Key Inclusion Criteria

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. In addition, City management has operational responsibilities for this component unit.

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

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

Discretely Presented Component Units

Austin-Bergstrom Landhost Enterprises,
Inc. (ABLE)
2716 Spirit of Texas Drive
Austin, TX 78719

Description of Activities, Relationship to City, and Key Inclusion Criteria

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. 8th 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 WCLGC is fiscally dependent on the City and in a relationship of financial benefit/burden with the City.

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

Austin/Travis County Sobriety Center
Local Government Corporation (SCLGC)
700 Lavaca Street
Austin, TX 78701

SCLGC is a non-profit local government corporation created by the City and Travis County under Subchapter D of Chapter 431 of the Texas Transportation Code. The purpose of SCLGC is to operate a sobriety center located within the City of Austin and Travis County. The City Council and the County each appoint five members of the SCLGC board. The operations of the Sobriety Center are primarily funded by the City. The SCLGC is fiscally dependent on the City and in a relationship of financial benefit/burden with the City.

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.

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

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.

b -- Government-wide and Fund Financial Statements

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.

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.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
c -- Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

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.

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.

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; debt service payments for special assessment debt; and escrow deposits and payments to loan recipients.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
c -- Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

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.

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. 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 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.

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. 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 net asset value (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, 2018 (in thousands):

	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Governmental activities				
Charges for Services	\$ 305,438	428	12,037	317,903
Fines	17,857	--	--	17,857
Taxes	50,006	25,433	--	75,439
Other Governments	--	6,034	--	6,034
Other	171	2,708	--	2,879
Allowance for doubtful accounts	(311,071)	(1,539)	--	(312,610)
Total	\$ 62,401	33,064	12,037	107,502

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

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

Business-type activities	Austin Energy	Austin Water Utility	Airport	Nonmajor Enterprise	Total
Accounts Receivable	\$ 146,964	64,567	5,841	23,189	240,561
Allowance for doubtful accounts	(9,931)	(2,338)	(1,859)	(1,901)	(16,029)
Total	<u>\$ 137,033</u>	<u>62,229</u>	<u>3,982</u>	<u>21,288</u>	<u>224,532</u>

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

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

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

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

Fund	Inventory Valuation Method
General Fund	First-in, first-out
Austin Energy	
Fuel oil – Distillate #2	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.

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

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	\$ 37,277	94,613	328,552	26,731	487,173
Customer and escrow deposits	27,283	14,886	1,116	6,214	49,499
Debt service	44,328	46,834	42,564	13,272	146,998
Federal grants	11,089	--	1,976	680	13,745
Operating reserve account	--	45,089	16,225	6,868	68,182
Passenger facility charge account	--	--	110,452	--	110,452
Plant decommissioning	238,742	--	--	--	238,742
Renewal and replacement account	42,458	--	10,000	1,168	53,626
Revenue bond reserve	27,081	57,337	40,124	10,263	134,805
Strategic reserve	192,352	--	--	--	192,352
Total	\$ 620,610	258,759	551,009	65,196	1,495,574

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. Donated capital assets and assets received in service concession arrangements are reported at estimated acquisition value on the date of receipt. 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.

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 \$18.8 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.

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.

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

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

Activities	Category and explanation	Deferred Outflows		Deferred Inflows	
		Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
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.	\$ --	35,519	--	50
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.	19,178	92,835	1	212
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.	--	--	--	1,126,159
Service concession arrangements	Deferred inflows. The resources related to the service concession arrangements that will be recognized as revenue in future years over the terms of arrangements between the City and the operators are reported as deferred inflows of resources.	--	--	1,028	183,249
Pensions	Deferred outflows or inflows. Differences between estimated and actual investment earnings, changes in actuarial assumptions, differences between projected and actual actuarial experience, and changes in proportionate share (between funds), 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.	190,260	93,953	73,937	37,373
Other postemployment benefits	Deferred outflows or inflows. Changes in actuarial assumptions, differences between projected and actual actuarial experience, and changes in proportionate share (between funds) may be treated as either deferred outflows or inflows. City benefit payments made between the measurement date (December 31) and the City's fiscal year end (September 30) are recognized as deferred outflows.	210,083	138,783	11,713	--
	Total	\$ 419,521	361,090	86,679	1,347,043

The governmental funds' statements include amounts recognized as deferred inflows of resources as a result of property taxes, other taxes, and certain revenues (\$22.5 million) that are not available to liquidate current liabilities in the funds. These amounts will be recognized in the period these amounts become available.

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

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 government-wide statements and in the proprietary activities of the fund financials statements. The liabilities and expenditures are reported on the modified accrual basis in the governmental fund financial statements; the estimated liability in 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.

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	240
	48	N/A	N/A	N/A	240
	53	N/A	N/A	360	N/A
Exception vacation (5)	0-40	160	160	176	160
	42	160	N/A	N/A	160
	48	160	N/A	N/A	160
	53	N/A	N/A	264	N/A
Sick leave	0-40	720	900	720	1080
	42	N/A	N/A	N/A	1080
	48	N/A	N/A	N/A	1080
	53	N/A	N/A	1,080	N/A
Compensatory time (6)		120	120	120	120

- (1) Non-sworn employees are eligible for accumulated sick leave payout if hired before October 1, 1986.
- (2) Sworn police employees maximums reflect Local Government Code Ch 143.
- (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, 2018, the City’s total OPEB liability for these retiree benefits was approximately \$2.5 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.

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

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.

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	\$ 4,505
Austin Water Utility	1,091
Airport	60
Nonmajor Enterprise	1,132

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, 2018. The amount of unbilled revenue recorded, as of September 30, 2018, was \$27.8 million. Austin Water Utility records unbilled revenue as earned based upon the percentage of October’s billing that represented water usage through September 30, 2018. The amount of unbilled revenue reported in accounts receivable as of September 30, 2018 was \$13.2 million for water and \$13.3 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	\$ 1,181
Nonmajor Enterprise	2,575

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.

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 \$59,000 in fiscal year 2018 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	
Nonspendable					
Inventory	\$ 45	--	--	--	45
Prepaid items	2,019	--	--	--	2,019
Permanent funds	--	--	--	1,070	1,070
Total Nonspendable	2,064	--	--	--	3,134
Restricted					
Municipal court services	--	1,768	--	--	1,768
Police special purpose	--	8,011	--	--	8,011
Fire special purpose	--	50	--	--	50
Transportation, planning, and sustainability	--	68	--	--	68
Public health services	--	188	--	--	188
Parks services	--	2,266	--	--	2,266
Library services	--	2,828	--	--	2,829
Tourism programs	--	28,960	--	--	28,960
Affordable housing programs	--	37,803	--	--	37,803
Urban growth programs	--	2,996	--	--	2,996
Capital construction	--	--	--	108,840	108,840
Debt service	--	--	29,283	--	29,283
Total Restricted	--	84,938	29,283	108,840	223,062
Committed					
Parks services	--	4,233	--	--	4,233
Tourism programs	--	63	--	--	63
Affordable housing programs	--	4,642	--	--	4,642
Urban growth programs	--	36,231	--	--	36,231
Total Committed	--	45,169	--	--	45,169
Assigned					
General government services	207	--	--	--	207
Municipal court services	1,068	--	--	--	1,068
Police special purpose	8,663	39	--	--	8,702
Fire special purpose	1,356	--	--	--	1,356
EMS special purpose	563	--	--	--	563
Transportation, planning, and sustainability	61	12	--	--	73
Public health services	3,914	36	--	--	3,950
Parks services	1,095	212	--	--	1,307
Library services	1,130	6	--	--	1,136
Tourism programs	--	2,680	--	--	2,680
Affordable housing programs	150	54	--	--	204
Urban growth programs	19,354	7,145	--	--	26,499
Capital construction	--	--	--	98,149	98,149
Total Assigned	37,561	10,184	--	98,149	145,894
Unassigned	173,309	(990)	--	(10,123)	162,196
Total Fund Balance	\$212,934	139,301	29,283	196,866	579,455

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.

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

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, 2018, the emergency reserve maintains a balance of six percent of total General Fund requirements, or \$62 million, and the budget stabilization reserve reports a balance of \$99.4 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.

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 14).

Austin Energy has established an energy risk management program. This program was authorized by City Council and led by the risk oversight committee. Under this program, Austin Energy enters into futures contracts, options, and swaps to reduce exposure to natural gas and energy price fluctuations. For additional details see Note 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, 2018 (in thousands):

	Pooled Investments and Cash	
	Unrestricted	Restricted
General Fund	\$ 213,964	--
Nonmajor governmental funds	353,362	--
Austin Energy	454,016	97,869
Austin Water Utility	190,509	150,777
Airport	12,038	471,664
Nonmajor enterprise funds	416,021	41,713
Internal service funds	177,405	5,428
Fiduciary funds	3,769	--
Subtotal pooled investments and cash	<u>1,821,084</u>	<u>767,451</u>
Total pooled investments and cash	<u>\$ 2,588,535</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. Members of the Investment Committee include the Chief Financial Officer (as chair), the City Treasurer (as vice chair), Assistant Treasurer over Investment Management, Assistant Treasurer over Debt Management, the City Controller, a public sector investment expert, a Financial Advisor's representative, a representative from Austin Energy, a representative from the Austin Water Utility, and a representative from the Law Department. 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.

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

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 2018.

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/TexPool Prime, TexasDAILY, TexStar, and Texas CLASS (collectively referred to as the LGIPs). The State Comptroller oversees TexPool/Texpool Prime, 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. Public Trust Advisors, LLC serves as the program administrator of Texas CLASS under a Trust Agreement with the Board of Trustees.

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, 2018, TexPool, Texpool Prime, TexasDAILY, TexStar, and Texas CLASS had a weighted average maturity of 28 days, 37 days, 34 days, 43 days, and 52 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.

Certain external investment pools and pool participants have an option to measure these investment pools at amortized cost rather than fair value if certain criteria are met. All City LGIPs are qualifying pools for these purposes. TexPool, Texpool Prime, and TexasDAILY opted to report at amortized cost, while TexStar and Texas CLASS measures their investments at fair value.

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.

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

The City has the following recurring fair value measurements as of September 30, 2018:

- U.S. Treasury securities of \$669.2 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 \$1.6 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, 2018, the City presented Money Market Funds of \$50.7 million, LGIPs of \$925.7 million valued using amortized cost, and LGIP's of \$137.6 million valued using NAV.

The following table includes the portfolio balances of all non-pooled and pooled investments of the City at September 30, 2018 (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	\$ 28,533	271,677	--	300,210
Money Market Funds	1,868	45,725	3,101	50,694
US Treasury Notes	--	64,075	--	64,075
US Agency Bonds	--	324,852	--	324,852
Total non-pooled investments	<u>30,401</u>	<u>706,329</u>	<u>3,101</u>	<u>739,831</u>
Pooled investments:				
Local Government Investment Pools	221,124	540,785	1,111	763,020
US Treasury Notes	175,375	428,901	881	605,157
US Agency Bonds	355,757	870,058	1,777	1,227,592
Total pooled investments	<u>752,256</u>	<u>1,839,744</u>	<u>3,769</u>	<u>2,595,769</u>
Total investments	<u>\$ 782,657</u>	<u>2,546,073</u>	<u>6,870</u>	<u>3,335,600</u>

Concentration of Credit Risk

At September 30, 2018, 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 (\$465.7 or 14%), Federal Home Loan Bank (\$380.7 or 12%), Federal Home Loan Mortgage Corporation (\$410 or 12%), and Federal National Mortgage Association (\$296 or 9%).

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

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

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

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

As of September 30, 2018, the City had the following investments in each of these strategic categories (in thousands):

Investment Type by Category	Governmental Activities	Business- type Activities	Fiduciary Funds	Total	Weighted Average Maturity
Operating funds					
Local Government Investment Pools	\$ 221,124	540,785	1,111	763,020	1
US Treasury Notes	175,375	428,901	881	605,157	300
US Agency Bonds	355,757	870,058	1,777	1,227,592	460
Total Operating funds	752,256	1,839,744	3,769	2,595,769	
Debt service funds					
General Obligation Debt Service					
Local Government Investment Pools	28,533	--	--	28,533	1
Utility (1)					
Local Government Investment Pools	--	91,163	--	91,163	1
Airport					
Local Government Investment Pools	--	32,843	--	32,843	1
Nonmajor Enterprise-Convention Center					
Local Government Investment Pools	--	12,311	--	12,311	1
Total Debt service funds	28,533	136,317	--	164,850	
Debt service reserve funds					
Utility (1)					
Local Government Investment Pools	--	41,394	--	41,394	1
Money Market Funds	--	7,753	--	7,753	1
Airport					
Local Government Investment Pools	--	40,124	--	40,124	1
Nonmajor Enterprise-Convention Center					
Local Government Investment Pools	--	10,263	--	10,263	1
Total Debt service reserve funds	--	99,534	--	99,534	
Special projects/purpose funds					
Austin Energy Strategic Reserve					
Local Government Investment Pools	--	19,461	--	19,461	1
US Treasury Notes	--	4,926	--	4,926	334
US Agency Bonds	--	201,359	--	201,359	723
Total Austin Energy Strategic Reserve	--	225,746	--	225,746	
Austin Energy Nuclear Decommissioning Trust Funds (NDF)					
Money Market Funds	--	37,936	--	37,936	1
US Treasury Notes	--	59,149	--	59,149	418
US Agency Bonds	--	123,493	--	123,493	403
Total Austin Energy NDF	--	220,578	--	220,578	
Special Projects - Utility Reserve (1)					
Local Government Investment Pools	--	24,118	--	24,118	1
Special Purpose Funds - Investments Held by Trustee					
Money Market Funds	1,868	36	3,101	5,005	1
Total Special projects/purpose funds	1,868	470,478	3,101	475,447	
Total funds	\$ 782,657	2,546,073	6,870	3,335,600	

(1) Includes combined pledge debt service

Credit Risk

At September 30, 2018, City funds held investments in LGIPs and Money Market Funds rated AA+ 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.

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

Concentration of Credit Risk

Operating Funds

At September 30, 2018, 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 (\$446.1 or 17%), Federal Home Loan Bank (\$287 or 11%), Federal Home Loan Mortgage Corporation (\$287 or 11%), and Federal National Mortgage Association (\$207.5 or 8%).

Special Projects or Special Purpose Funds

At September 30, 2018, 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 Farm Credit Bank (\$19.6 or 9%), Federal Home Loan Bank (\$44.4 or 20%), Federal Home Loan Mortgage Corporation (\$78.6 or 35%), and Federal National Mortgage Association (\$58.8 or 26%).

At September 30, 2018, the NDTF held investments with more than five percent of the total in securities of the following issuers (in millions): Federal Home Loan Bank (\$49.3 or 22%), Federal Home Loan Mortgage Corporation (\$44.4 or 20%), Federal National Mortgage Association (\$29.8 or 13%).

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, 2018, 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 289 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 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, 2018, 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 654 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, 2018, the dollar weighted average maturity was 338 days.

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.

3 – INVESTMENTS AND DEPOSITS, continued
c -- Investment and Deposits

Investments and deposits portfolio balances at September 30, 2018, are as follows (in thousands):

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Non-pooled investments and cash	\$ 41,467	714,057	3,101	758,625
Pooled investments and cash	753,338	1,842,389	3,769	2,599,496
Total investments and cash	<u>794,805</u>	<u>2,556,446</u>	<u>6,870</u>	<u>3,358,121</u>
Unrestricted cash	61	1,664	--	1,725
Restricted cash	11,005	6,064	--	17,069
Pooled investments and cash	753,338	1,842,389	3,769	2,599,496
Investments	30,401	706,329	3,101	739,831
Total	<u>\$ 794,805</u>	<u>2,556,446</u>	<u>6,870</u>	<u>3,358,121</u>

The bank balance of the portfolio exceeds the book balance by approximately \$11 million (net), which primarily consists of outstanding checks and deposits in transit. The outstanding checks decrease the book balance as compared to the bank, whereas the deposits in transit increases it. The difference eliminates once both the outstanding checks and deposits in transit clear the bank.

Deposits

The September 30, 2018 carrying amount of deposits at the bank and cash on hand are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total
Cash			
Unrestricted	\$ 61	63	124
Restricted	--	4,920	4,920
Cash held by trustee			
Unrestricted	--	1,601	1,601
Restricted	11,005	1,144	12,149
Pooled cash	1,082	2,645	3,727
Total deposits	<u>\$ 12,148</u>	<u>10,373</u>	<u>22,521</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, 2018.

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, 2017, upon which the 2018 levy was based, was \$138,418,647,260.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2018, 99.47% of the current tax levy (October 1, 2017) 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, 2018, was \$0.3393 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, 2018 was \$0.1055 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$0.6607 per \$100 assessed valuation, and could levy approximately \$914,532,002 in additional taxes from the assessed valuation of \$138,418,647,260 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, 2018, 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	\$ 1,013,858	37,977	(529)	1,051,306
Plant and equipment	264,858	27,813	(25,390)	267,281
Vehicles	141,625	14,531	(4,182)	151,974
Infrastructure	2,848,198	158,071	(109)	3,006,160
Total depreciable capital assets	<u>4,268,539</u>	<u>238,392</u>	<u>(30,210)</u>	<u>4,476,721</u>
Less accumulated depreciation for				
Building and improvements	(362,580)	(32,066)	329	(394,317)
Plant and equipment	(200,023)	(16,896)	24,218	(192,701)
Vehicles	(89,966)	(12,838)	4,832	(97,972)
Infrastructure	<u>(1,190,052)</u>	<u>(76,971)</u>	<u>--</u>	<u>(1,267,023)</u>
Total accumulated depreciation	<u>(1,842,621)</u>	<u>(138,771)</u> (2)	<u>29,379</u>	<u>(1,952,013)</u>
Depreciable capital assets, net	<u>2,425,918</u>	<u>99,621</u>	<u>(831)</u>	<u>2,524,708</u>
Nondepreciable capital assets				
Land and improvements	379,161	5,701	(1,725)	383,137
Arts and treasures	10,202	400	--	10,602
Library collections	18,167	--	--	18,167
Construction in progress	<u>115,646</u>	<u>114,840</u>	<u>(138,215)</u>	<u>92,271</u>
Total nondepreciable assets	<u>523,176</u>	<u>120,941</u>	<u>(139,940)</u>	<u>504,177</u>
Total capital assets	<u>\$ 2,949,094</u>	<u>220,562</u>	<u>(140,771)</u>	<u>3,028,885</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	\$ 6,367
Public safety	15,829
Transportation, planning and sustainability	61,028
Public health	1,772
Public recreation and culture	19,836
Urban growth management	21,407
Internal service funds	<u>9,887</u>
Total governmental activities depreciation expense	<u>136,126</u>
Transferred accumulated depreciation	<u>2,645</u>
Total increases in accumulated depreciation/amortization	<u>\$ 138,771</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Total

Capital asset activity for the year ended September 30, 2018, was as follows (in thousands):

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Depreciable capital assets				
Building and improvements	\$ 2,700,263	128,466	(1,268)	2,827,461
Plant and equipment	3,917,466	138,716	(4,864)	4,051,318
Vehicles	220,857	15,839	(8,376)	228,320
Electric plant	4,919,371	85,387	(18,083)	4,986,675
Non-electric plant	221,233	15,467	--	236,700
Nuclear fuel	376,385	24,082	--	400,467
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>12,455,575</u>	<u>407,957</u>	<u>(32,591)</u>	<u>12,830,941</u>
Less accumulated depreciation/amortization for				
Building and improvements	(784,818)	(64,706)	161	(849,363)
Plant and equipment	(1,569,973)	(107,985)	3,862	(1,674,096)
Vehicles	(145,039)	(16,975)	7,270	(154,744)
Electric plant	(2,721,313)	(154,248)	12,775	(2,862,786)
Non-electric plant	(80,128)	(9,823)	--	(89,951)
Nuclear fuel	(333,581)	(18,617)	--	(352,198)
Water rights	(17,778)	(988)	--	(18,766)
Total accumulated depreciation/amortization	<u>(5,652,630)</u>	<u>(373,342) (2)</u>	<u>24,068</u>	<u>(6,001,904)</u>
Depreciable capital assets, net	<u>6,802,945</u>	<u>34,615</u>	<u>(8,523)</u>	<u>6,829,037</u>
Nondepreciable capital assets				
Land and improvements	676,157	18,301	--	694,458
Arts and treasures	4,098	--	--	4,098
Construction in progress	402,729	560,801	(356,934)	606,596
Plant held for future use	23,115	--	--	23,115
Total nondepreciable assets	<u>1,106,099</u>	<u>579,102</u>	<u>(356,934)</u>	<u>1,328,267</u>
Total capital assets	<u>\$ 7,909,044</u>	<u>613,717</u>	<u>(365,457)</u>	<u>8,157,304</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	\$ 184,262
Water	60,031
Wastewater	64,647
Airport	33,723
Convention	9,026
Environmental and health services	8,863
Public recreation	716
Urban growth management	10,532
Total business-type activities depreciation expense	<u>371,800</u>
Transferred accumulated depreciation	1,542
Total increases in accumulated depreciation/amortization	<u>\$ 373,342</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Energy

Capital asset activity for the year ended September 30, 2018, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable capital assets				
Vehicles	\$ 33,152	2,938	(2,364)	33,726
Electric plant	4,919,371	85,387	(18,083)	4,986,675
Non-electric plant	221,233	15,467	--	236,700
Nuclear fuel	376,385	24,082	--	400,467
Total depreciable capital assets	<u>5,550,141</u>	<u>127,874</u>	<u>(20,447)</u>	<u>5,657,568</u>
Less accumulated depreciation/amortization for				
Vehicles	(26,290)	(1,574)	2,341	(25,523)
Electric plant	(2,721,313)	(154,248)	12,775	(2,862,786)
Non-electric plant	(80,128)	(9,823)	--	(89,951)
Nuclear fuel	(333,581)	(18,617)	--	(352,198)
Total accumulated depreciation/amortization	<u>(3,161,312)</u>	<u>(184,262)</u>	<u>15,116</u>	<u>(3,330,458)</u>
Depreciable capital assets, net	<u>2,388,829</u>	<u>(56,388)</u>	<u>(5,331)</u>	<u>2,327,110</u>
Nondepreciable capital assets				
Land and improvements	64,740	1,047	--	65,787
Plant held for future use	23,115	--	--	23,115
Construction in progress	124,130	160,929	(105,271)	179,788
Total nondepreciable assets	<u>211,985</u>	<u>161,976</u>	<u>(105,271)</u>	<u>268,690</u>
Total capital assets	<u>\$ 2,600,814</u>	<u>105,588</u>	<u>(110,602)</u>	<u>2,595,800</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	\$ 165,645
Current year amortization included in operating expense	18,617
Total increases in accumulated depreciation/amortization	<u>\$ 184,262</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Water Utility

Capital asset activity for the year ended September 30, 2018, 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	\$ 1,191,027	11,491	(346)	1,202,172
Plant and equipment	3,664,449	124,913	(1,758)	3,787,604
Vehicles	42,583	3,041	(1,413)	44,211
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>4,998,059</u>	<u>139,445</u>	<u>(3,517)</u>	<u>5,133,987</u>
Less accumulated depreciation/amortization for				
Building and improvements	(305,067)	(25,713)	148	(330,632)
Plant and equipment	(1,469,828)	(97,259)	996	(1,566,091)
Vehicles	(32,791)	(2,260)	1,408	(33,643)
Water rights	(17,778)	(988)	--	(18,766)
Total accumulated depreciation/amortization	<u>(1,825,464)</u>	<u>(126,220) (1)</u>	<u>2,552</u>	<u>(1,949,132)</u>
Depreciable capital assets, net	<u>3,172,595</u>	<u>13,225</u>	<u>(965)</u>	<u>3,184,855</u>
Nondepreciable capital assets				
Land and improvements	231,360	403	--	231,763
Arts and treasures	111	--	--	111
Construction in progress	217,473	130,093	(93,839)	253,727
Total nondepreciable assets	<u>448,944</u>	<u>130,496</u>	<u>(93,839)</u>	<u>485,601</u>
Total capital assets	<u>\$ 3,621,539</u>	<u>143,721</u>	<u>(94,804)</u>	<u>3,670,456</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	
Water	\$ 59,043
Wastewater	64,647
Current year amortization	
Water	988
Total water activities depreciation expense	<u>124,678</u>
Transferred accumulated depreciation	1,542
Total increases in accumulated depreciation/amortization	<u>\$ 126,220</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Airport

Capital asset activity for the year ended September 30, 2018, 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	\$ 1,166,557	114,868	--	1,281,425
Plant and equipment	36,337	2,375	(2,406)	36,306
Vehicles	15,421	2,291	(1,625)	16,087
Total depreciable capital assets	<u>1,218,315</u>	<u>119,534</u>	<u>(4,031)</u>	<u>1,333,818</u>
Less accumulated depreciation for				
Building and improvements	(316,493)	(30,166)	--	(346,659)
Plant and equipment	(17,487)	(2,010)	2,213	(17,284)
Vehicles	(8,515)	(1,547)	750	(9,312)
Total accumulated depreciation	<u>(342,495)</u>	<u>(33,723) (1)</u>	<u>2,963</u>	<u>(373,255)</u>
Depreciable capital assets, net	<u>875,820</u>	<u>85,811</u>	<u>(1,068)</u>	<u>960,563</u>
Nondepreciable capital assets				
Land and improvements	96,381	--	--	96,381
Arts and treasures	3,375	--	--	3,375
Construction in progress	33,140	235,751	(119,239)	149,652
Total nondepreciable assets	<u>132,896</u>	<u>235,751</u>	<u>(119,239)</u>	<u>249,408</u>
Total capital assets	<u>\$ 1,008,716</u>	<u>321,562</u>	<u>(120,307)</u>	<u>1,209,971</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation \$ 33,723

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Nonmajor Enterprise Funds

Capital asset activity for the year ended September 30, 2018, 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	\$ 342,679	2,107	(922)	343,864
Plant and equipment	216,680	11,430	(702)	227,408
Vehicles	129,701	7,590	(2,995)	134,296
Total depreciable capital assets	<u>689,060</u>	<u>21,127</u>	<u>(4,619)</u>	<u>705,568</u>
Less accumulated depreciation for				
Building and improvements	(163,258)	(8,827)	13	(172,072)
Plant and equipment	(82,658)	(8,716)	653	(90,721)
Vehicles	(77,443)	(11,594)	2,771	(86,266)
Total accumulated depreciation	<u>(323,359)</u>	<u>(29,137)</u> (2)	<u>3,437</u>	<u>(349,059)</u>
Depreciable capital assets, net	<u>365,701</u>	<u>(8,010)</u>	<u>(1,182)</u>	<u>356,509</u>
Nondepreciable capital assets				
Land and improvements	283,676	16,851	--	300,527
Arts and treasures	612	--	--	612
Construction in progress	27,986	34,028	(38,585)	23,429
Total nondepreciable assets	<u>312,274</u>	<u>50,879</u>	<u>(38,585)</u>	<u>324,568</u>
Total capital assets	<u>\$ 677,975</u>	<u>42,869</u>	<u>(39,767)</u>	<u>681,077</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	\$ 9,026
Environmental and health services	8,863
Public recreation	716
Urban growth management	10,532
Total increases in accumulated depreciation/amortization	<u>\$ 29,137</u>

Service Concession Arrangements

The City has recorded net capital assets of \$168.5 million, other assets of \$19.1 million and deferred inflows of \$184.3 million derived from four service concession arrangements (SCA) described below. An SCA is an arrangement in which the City conveys use of a capital asset to an operator in exchange for significant consideration; where the operator is compensated from third parties; where the City may determine what services are provided, to whom and for what price; where the City retains a significant residual interest in the asset after the SCA terminates.

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

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

The City entered into an agreement with the Young Men’s Christian Association (YMCA) in 2010 to develop and operate a new joint-use recreational facility for public use. The facility is owned by the City and operated by the YMCA under a 20 year agreement extending through 2032.

The City entered into a Master Lease Agreement with Austin CONRAC LLC, a corporation established to operate Austin’s consolidated rent-a-car facility (“CONRAC”). The master lease, with a 20 year initial term and a 10 year extension option, provides for construction, financing, and management of a joint use facility. CONRAC began operations October 1, 2015. The operator pays annual rent of \$900,000 to the Airport. The present value of the future rent payments was \$13 million at lease inception. As of September 30, 2018, the unamortized balance was \$10.6 million and is presented in other assets. The related deferred inflow balance is \$11.7 million. The CONRAC was financed with \$143 million in City issued Rental Car Special Facility Bonds, conduit debt secured by customer facilities charges (CFC). CFC funds are remitted by rental car concessionaires directly to the bond trustee. See Note 16 for conduit debt information. Construction costs totaled \$152.5 million and the City has recorded the asset with a corresponding deferred inflow of resources to be amortized over the 30 year term of the master lease agreement.

The City entered into a Lease and Development Agreement with Scott Airport Parking, LLC (Scott) to develop and operate a 2,000-space covered parking facility and full service pet boarding facility (Bark and Zoom). The lease has a 40 year term which began on October 2016. Scott pays a monthly square footage rate, a monthly percentage rate, and a fixed monthly rate in exchange for the right to operate the facilities, as defined in the lease and development agreement. The fixed monthly rate for the first 5 years is \$5,000. The present value of the future payments was \$9.2 million at lease inception. As of September 30, 2018, the unamortized balance was \$8.4 million and is presented in other assets. The related deferred inflow balance is \$8.8 million. Construction costs totaled \$26.8 million and the City has recorded the asset with a corresponding deferred inflow of resources to be amortized over the 40 year term of the master lease agreement.

As of September 30, 2018, the City reported the following SCA activities (in thousands):

	Beginning Asset Construction Cost	Current year Additions	Beginning Accumulated Depreciation	Current Year Depreciation	Ending Accumulated Depreciation	Net Book Value
Service Concession Arrangement						
Governmental Activities:						
Umlauf Sculpture Garden	\$ 2,337	--	1,515	58	1,573	764
YMCA Northeast Recreation Center	1,333	--	159	32	194	1,139
Total Governmental Activities	3,670	--	1,674	90	1,767	1,903
Business-type Activities:						
CONRAC facility	152,496	--	7,624	3,745	11,369	141,127
Bark and Zoom facility	26,558	213	664	675	1,339	25,432
Total Business-type Activities	179,054	213	8,288	4,420	12,708	166,559
	Beginning Deferred Inflows	Current year Additions	Beginning Accumulated Amortization	Current Year Amortization	Ending Accumulated Amortization	Ending Deferred Inflows
Governmental Activities:						
Umlauf Sculpture Garden	319	--	2,018	79	2,097	240
YMCA Northeast Recreation Center	855	--	478	67	545	788
Total Governmental Activities	1,174	--	2,496	146	2,642	1,028
Business-type Activities:						
CONRAC facility	142,361	--	10,135	5,083	15,218	137,278
CONRAC base rent agreement	12,170	--	871	435	1,306	11,735
Bark and Zoom facility	25,673	213	885	453	1,338	25,433
Bark and Zoom base rent agreement	8,957	--	307	154	461	8,803
Total Business-type Activities	\$ 189,161	213	12,198	6,125	18,323	183,249

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 Austin Energy, Austin Water Utility, Airport, and 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, 2018, were as follows (in thousands):

Description	October 1, 2017	Increases	Decreases	September 30, 2018	Amounts Due Within One Year
Governmental activities					
General obligation bonds, net	\$ 1,109,766	99,852	(86,163)	1,123,455	65,913
Certificates of obligation, net	214,394	35,601	(10,549)	239,446	8,457
Contractual obligations, net	111,868	--	(17,804)	94,064	15,485
General obligation bonds and other tax supported debt total	1,436,028	135,453	(114,516)	1,456,965	89,855
Capital lease obligations	--	9,880	--	9,880	2,115
Debt service requirements total	1,436,028	145,333	(114,516)	1,466,845	91,970
Other long-term obligations					
Accrued compensated absences	139,665	7,997	(325)	147,337	65,263
Claims payable	49,096	166,768	(167,890)	47,974	23,655
Net pension liability	1,203,405	295,759	(431,712)	1,067,452	--
Other postemployment benefits (1)	1,294,634	371,444	(92,815)	1,573,263	33,071
Other liabilities	102,195	12,409	(1,288)	113,316	95,987
Governmental activities total	4,225,023	999,710	(808,546)	4,416,187	309,946
Total business-type activities					
General obligation bonds, net	20,303	--	(4,086)	16,217	3,171
Certificates of obligation, net	55,242	--	(2,965)	52,277	2,273
Contractual obligations, net	32,895	5,504	(11,881)	26,518	9,885
Other tax supported debt, net	7,116	860	(1,071)	6,905	790
General obligation bonds and other tax supported debt total	115,556	6,364	(20,003)	101,917	16,119
Commercial paper notes, net	146,097	108,670	--	254,767	--
Revenue bonds, net	4,881,202	45,175	(224,576)	4,701,801	108,584
Capital lease obligations	989	--	(55)	934	56
Debt service requirements total	5,143,844	160,209	(244,634)	5,059,419	124,759
Other long-term obligations					
Accrued compensated absences	26,347	2,122	(816)	27,653	26,939
Claims payable	2,633	29	(2,240)	422	205
Net pension liability	656,565	163,364	(234,877)	585,052	--
Other postemployment benefits (1)	760,993	240,007	(49,366)	951,634	20,005
Accrued landfill closure and postclosure costs	12,693	116	(319)	12,490	2,591
Decommissioning expense payable	165,946	42,333	(2,909)	205,370	3,753
Other liabilities	96,475	462	(8,126)	88,811	52,959
Business-type activities total	6,865,496	608,642	(543,287)	6,930,851	231,211
Total liabilities (2)	\$ 11,090,519	1,608,352	(1,351,833)	11,347,038	541,157

(1) Beginning balances have been restated. See Note 18.

(2) This schedule excludes select short-term liabilities of \$109,538 for governmental activities. For business-type activities, it excludes select short-term liabilities of \$281,034, capital appreciation bond interest payable of \$2,722 and derivative instruments of \$35,519.

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

Description	October 1, 2017	Increases	Decreases	September 30, 2018	Amounts Due Within One Year
Business-type activities:					
Electric activities					
General obligation bonds, net	\$ 279	--	(116)	163	109
General obligation bonds					
and other tax supported debt total	279	--	(116)	163	109
Commercial paper notes, net	146,097	66,500	--	212,597	--
Revenue bonds, net	1,295,899	--	(42,056)	1,253,843	37,007
Capital lease obligations	989	--	(55)	934	56
Debt service requirements total	1,443,264	66,500	(42,227)	1,467,537	37,172
Other long-term obligations					
Accrued compensated absences	10,570	497	--	11,067	11,067
Claims payable	2,070	--	(2,001)	69	64
Net pension liability	273,451	62,600	(95,558)	240,493	--
Other postemployment benefits (1)	255,926	74,746	(15,817)	314,855	6,619
Decommissioning expense payable	165,946	42,333	(2,909)	205,370	3,753
Other liabilities	67,580	462	(3,445)	64,597	28,745
Electric activities total	2,218,807	247,138	(161,957)	2,303,988	87,420
Water and Wastewater activities					
General obligation bonds, net	1,973	--	(753)	1,220	239
Certificates of obligation bonds, net	1,693	--	(99)	1,594	91
Contractual obligations, net	5,502	--	(1,703)	3,799	1,352
Other tax supported debt, net	4,556	780	(826)	4,510	595
General obligation bonds					
and other tax supported debt total	13,724	780	(3,381)	11,123	2,277
Commercial paper notes, net	--	42,170	--	42,170	--
Revenue bonds, net	2,554,169	45,175	(140,901)	2,458,443	33,888
Debt service requirements total	2,567,893	88,125	(144,282)	2,511,736	36,165
Other long-term obligations					
Accrued compensated absences	5,634	5	(60)	5,579	5,579
Claims payable	562	29	(238)	353	141
Net pension liability	146,090	34,054	(53,129)	127,015	--
Other postemployment benefits (1)	174,317	49,771	(10,734)	213,354	4,485
Other liabilities	18,180	--	(3,712)	14,468	14,468
Water and Wastewater activities total	2,912,676	171,984	(212,155)	2,872,505	60,838
Airport activities					
General obligation bonds, net	56	--	(23)	33	20
General obligation bonds					
and other tax supported debt total	56	--	(23)	33	20
Revenue bonds, net	881,363	--	(27,882)	853,481	24,249
Debt service requirements total	881,419	--	(27,905)	853,514	24,269
Other long-term obligations					
Accrued compensated absences	2,194	161	--	2,355	2,355
Claims payable	1	--	(1)	--	--
Net pension liability	46,242	14,990	(17,517)	43,715	--
Other postemployment benefits (1)	68,041	24,917	(4,839)	88,119	1,852
Other liabilities	3,173	--	(372)	2,801	2,801
Airport activities total	1,001,070	40,068	(50,634)	990,504	31,277
Nonmajor activities					
General obligation bonds, net	17,995	--	(3,194)	14,801	2,803
Certificates of obligation, net	53,549	--	(2,866)	50,683	2,182
Contractual obligations	27,393	5,504	(10,178)	22,719	8,533
Other tax supported debt, net	2,560	80	(245)	2,395	195
General obligation bonds					
and other tax supported debt total	101,497	5,584	(16,483)	90,598	13,713
Revenue bonds, net	149,771	--	(13,737)	136,034	13,440
Debt service requirements total	251,268	5,584	(30,220)	226,632	27,153
Other long-term obligations					
Accrued compensated absences	7,949	1,459	(756)	8,652	7,938
Net pension liability	190,782	51,720	(68,673)	173,829	--
Other postemployment benefits (1)	262,709	90,573	(17,976)	335,306	7,049
Accrued landfill closure and postclosure costs	12,693	116	(319)	12,490	2,591
Other liabilities	7,542	--	(597)	6,945	6,945
Nonmajor activities total	\$ 732,943	149,452	(118,541)	763,854	51,676

(1) Beginning balances have been restated. See Note 18.

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, 2018, 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	405	24 (1)(3)	4.25 - 4.30%	9/1/2019-2020
NW Austin MUD - 2006	2006	7,995	6,165	1,620 (1)(3)	4.10 - 4.25%	9/1/2019-2026
Mueller Contractual Obligation - 2006	2006	12,000	6,520	1,395 (1)(4)	4.00 - 5.00%	9/1/2019-2026
Public Improvement Refunding - 2008	2008	172,505	19,725	2,001 (1)	5.00%	9/1/2019-2021
Public Improvement - 2009B	2009	78,460	68,980	21,953 (1)	4.45 - 5.31%	9/1/2019-2029
Certificates of Obligation - 2009	2009	12,500	7,825	3,676 (1)	3.13 - 4.75%	9/1/2019-2039
Contractual Obligation - 2009	2009	13,800	895	28 (2)	3.00 - 3.25%	11/1/2018-2019
Mueller Contractual Obligation - 2009	2010	15,000	9,835	2,619 (1)(4)	4.00 - 4.25%	9/1/2019-2029
Public Improvement - 2010A	2011	79,528	65,930	18,792 (1)	2.38 - 4.00%	9/1/2019-2030
Public Improvement - 2010B	2011	26,400	24,470	7,816 (1)	3.45 - 4.65%	9/1/2019-2030
Certificates of Obligation - 2010	2011	22,300	15,855	3,656 (1)	2.25 - 3.50%	9/1/2019-2030
Public Improvement Refunding - 2010	2011	91,560	63,950	8,459 (1)	4.34 - 5.00%	9/1/2019-2023
Public Improvement - 2011A	2012	78,090	68,040	23,309 (1)	2.00 - 4.00%	9/1/2019-2031
Public Improvement - 2011B	2012	8,450	7,700	2,482 (1)	2.75 - 4.50%	9/1/2019-2031
Certificates of Obligation - 2011	2012	51,150	43,875	22,387 (1)	3.00 - 5.00%	9/1/2019-2041
Contractual Obligation - 2011	2012	26,725	2,160	22 (2)	2.00%	11/1/2018
Public Improvement Refunding - 2011A	2012	68,285	15,920	2,458 (1)	4.00 - 5.00%	9/1/2019-2023
Public Improvement - 2012A	2013	74,280	70,945	22,514 (1)	3.00 - 5.00%	9/1/2023-2032
Public Improvement - 2012B	2013	6,640	4,800	1,242 (1)	2.00 - 3.50%	9/1/2019-2032
Certificates of Obligation - 2012	2013	24,645	19,500	5,512 (1)	3.00 - 4.00%	9/1/2019-2037
Contractual Obligation - 2012	2013	27,135	6,320	231 (2)	3.00 - 4.00%	11/1/2018-2019
Mueller Contractual Obligation - 2012	2013	16,735	13,630	4,054 (1)(4)	2.00 - 3.38%	9/1/2019-2032
Public Improvement - 2013	2014	104,665	93,380	39,968 (1)	4.00 - 5.00%	9/1/2019-2033
Certificates of Obligation - 2013	2014	25,355	22,940	11,302 (1)	3.25 - 5.00%	9/1/2019-2038
Contractual Obligation - 2013	2014	50,150	17,865	575 (2)	2.00 - 3.00%	11/1/2018-2020
Public Improvement Refunding - 2013A	2014	43,250	23,825	4,511 (1)	5.00%	9/1/2019-2024
Public Improvement Refunding - 2013B	2014	71,455	21,340	707 (1)	2.42 - 2.72%	9/1/2019-2020
Public Improvement - 2014	2015	89,915	89,205	52,632 (1)	3.00 - 5.00%	9/1/2020-2034
Public Improvement - 2014	2015	10,000	9,700	4,362 (1)	2.16 - 4.02%	9/1/2019-2034
Certificates of Obligation - 2014	2015	35,490	30,565	14,174 (1)	2.00 - 5.00%	9/1/2019-2034
Certificates of Obligation - 2014	2015	9,600	8,155	2,835 (1)	2.11 - 3.92%	9/1/2019-2034
Contractual Obligation - 2014	2015	14,100	9,680	879 (2)	4.00 - 5.00%	11/1/2018-2021
Mueller Contractual Obligation - 2014	2015	15,845	15,010	5,369 (1)(4)	3.00 - 5.00%	9/1/2019-2029
Public Improvement and Refunding - 2015	2016	236,905	220,410	69,181 (1)	2.95 - 5.00%	9/1/2019-2035
Public Improvement - 2015	2016	10,000	9,220	3,549 (1)	2.89 - 4.27%	9/1/2019-2035
Certificates of Obligation - 2015	2016	43,710	39,255	19,622 (1)	3.25 - 5.00%	9/1/2019-2035
Contractual Obligation - 2015	2016	14,450	9,775	1,257 (2)	4.00 - 5.00%	11/1/2018-2022
Public Improvement and Refunding - 2016	2017	98,365	89,135	34,588 (1)	3.00 - 5.00%	9/1/2019-2036
Certificates of Obligation - 2016	2017	44,015	41,065	21,241 (1)	3.00 - 5.00%	9/1/2019-2036
Contractual Obligation - 2016	2017	22,555	17,985	2,301 (2)	2.00 - 5.00%	11/1/2018-2023
Public Improvement - 2016	2017	12,000	11,070	3,243 (1)	1.81 - 4.00%	9/1/2019-2036
Certificates of Obligation - 2016	2017	8,700	8,030	2,349 (1)	1.81 - 4.00%	9/1/2019-2036
Public Improvement - 2017	2018	63,580	50,145	26,069 (1)	5.00%	9/1/2019-2037
Certificates of Obligation - 2017	2018	29,635	28,585	16,262 (1)	5.00%	9/1/2019-2037
Contractual Obligation - 2017	2018	5,075	4,750	609 (2)	2.00 - 5.00%	11/1/2018-2024
Public Improvement - 2017	2018	25,000	24,350	9,122 (1)	2.35 - 5.00%	9/1/2019-2037
River Place MUD - 2009 (5)	2018	7,010	335	15 (1)(3)	4.50%	9/1/2019
			<u>\$ 1,439,220</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 \$4,510 and interest of \$1,066 and Drainage fund principal of \$2,395 and interest of \$593.

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

(5) The City assumed the River Place MUD debt during fiscal year 2018.

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

In October 2017, the City issued \$63,580,000 of Public Improvement Bonds, Series 2017. The net proceeds of \$74,000,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and mobility (\$43,000,000), parks and recreation (\$15,300,000), and facility improvements (\$15,700,000). These bonds will be amortized serially on September 1 of each year from 2018 to 2037. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2018. Total interest requirements for these bonds, at a rate of 5.0%, are \$28,965,422.

In October 2017, the City issued \$29,635,000 of Certificates of Obligation, Series 2017. The net proceeds of \$35,325,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: watershed home buyouts (\$22,000,000), central library (\$5,000,000), animal shelter improvements (\$5,425,000), and women and children's shelter (\$2,900,000). These certificates of obligation will be amortized serially on September 1 of each year from 2018 to 2037. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2018. Total interest requirements for these obligations, at rates ranging from 4.0% to 5.0%, are \$17,602,222.

In October 2017, the City issued \$5,075,000 of Public Property Finance Contractual Obligations, Series 2017. The net proceeds of \$5,460,000 (after issue costs, discounts, and premiums) from this issue will be used for capital equipment. These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2018 to 2024. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2018. Total interest requirements for these obligations, at rates ranging from 2.0% to 5.0%, are \$702,034.

In October 2017, the City issued \$25,000,000 of Public Improvement Taxable Bonds, Series 2017. The net proceeds of \$25,000,000 (after issue costs, discounts, and premiums) from the issuance will be used for affordable housing. Interest is payable March 1 and September 1 of each year from 2018 to 2037, commencing on March 1, 2018. Principal payments are due September 1 of each year from 2018 to 2037. Total interest requirements for this obligation, at rates ranging from 2.3% to 5.0% are \$9,890,858.

General obligation bonds authorized and unissued amounted to \$767,420,000 at September 30, 2018. Bond ratings at September 30, 2018 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, 2018, exclusive of discounts, premiums, and loss on refundings consists of \$5,685,218 prior lien bonds and \$100,538,544 subordinate lien bonds. Aggregate interest requirements for all prior lien and subordinate lien bonds are \$52,772,638 at September 30, 2018. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2018, 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 -- Bonds Issued and Outstanding - The following schedule shows the refunding revenue bonds outstanding at September 30, 2018 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
1994 Refunding	1995	\$ 142,559	5,685	22,350 (2)	6.60%	5/15/2019
1998 Refunding	1999	139,965	96,035	22,542 (1)	5.25%	5/15/2019-2025
1998A Refunding	1999	105,350	4,504	7,881 (2)	4.25%	5/15/2019-2020
			<u>\$ 106,224</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, 2018, 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, 2018, Austin Energy had tax exempt commercial paper notes of \$156,655,000 outstanding and Austin Water Utility had \$42,170,000 of commercial paper notes outstanding with interest ranging from 1.57% to 2.75%, 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	JP Morgan Chase Bank NA	0.25%	Goldman Sachs	0.05%	<u>\$ 198,825</u>	10/9/2020

These notes are payable at maturity to the holder at a price equal to principal plus accrued interest. If the remarketing agent is unable to successfully remarket the notes, the notes will be purchased by the respective liquidity providers and become bank notes with principal to be paid in 12 equal, quarterly installments. Bank notes bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess interest or the maximum rate.

Combined Utility Systems Debt -- Taxable Commercial Paper Notes - The City is authorized by ordinance to issue taxable commercial paper notes (the "taxable notes") in an aggregate principal amount not to exceed \$75,000,000 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, 2018, 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.

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

At September 30, 2018, Austin Energy had outstanding taxable commercial paper notes of \$55,942,000 with interest rates ranging from 2.05% to 3.36%. 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	JP Morgan Chase Bank NA	0.25%	Goldman Sachs	0.05%	\$ 55,942	10/9/2020

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 JP Morgan Chase Bank 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 JP Morgan Chase Bank, 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, 2018, were Aa3 (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, 2018 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2007 Refunding	2007	\$ 146,635	22,010	1,541 (1)	5.00%	11/15/2018-2020
2008 Refunding	2008	50,000	38,475	20,794 (1)	5.20 - 6.26%	11/15/2018-2032
2010A Refunding	2010	119,255	95,090	46,591 (1)	4.00 - 5.00%	11/15/2018-2040
2010B Refunding	2010	100,990	100,990	76,304 (1)	4.54 - 5.72%	11/15/2019-2040
2012A Refunding	2013	267,770	255,175	154,489 (1)	2.50 - 5.00%	11/15/2018-2040
2012B Refunding	2013	107,715	83,615	17,279 (1)	1.53 - 3.16%	11/15/2019-2027
2015A Refunding	2015	327,845	327,845	267,155 (1)	5.00%	11/15/2021-2045
2015B Refunding	2015	81,045	72,355	23,548 (1)	1.70 - 4.66%	11/15/2018-2037
2017 Refunding	2017	101,570	101,570	73,339 (1)	4.00 - 5.00%	11/15/2019-2038
			\$ 1,097,125			

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

Electric Utility System Revenue Debt -- Pledged Revenues - The net revenue of Austin Energy was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2018 (in thousands):

Gross Revenue (1)	Operating Expense (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 1,417,232	1,083,928	333,304	93,628	3.56

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

(2) Excludes depreciation, other postemployment benefits and net pension liability accruals.

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

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, 2018, were Aa2 (Moody's Investors Service, Inc.), AA (Standard & Poor's), and AA- (Fitch).

Water and Wastewater System Revenue Debt -- Revenue Bond Issue - In November 2017, the City issued \$45,175,000 of Water and Wastewater System Revenue Bonds, Series, 2017A. This is a private placement structured through a memorandum with the Texas Water Development Board (TWDB). Project funds of \$42,363,027 will be used to improve and extend the water/wastewater system. The debt service requirements on the bonds are \$54,326,741 with interest rates ranging from 0.6% to 2.3%. Interest payments are due May 15 and November 15 of each year from 2018 to 2037. Principal payments are due November 15 of each year from 2018 to 2037.

Water and Wastewater System Revenue Debt -- Revenue Bond In-Substance Defeasance - In May 2018, the City defeased \$5,680,000 of separate lien revenue refunding bonds, series 2004A, \$7,740,000 of separate lien revenue refunding bonds, series 2009, \$2,480,000 of separate lien revenue refunding bonds, series 2009A, \$5,450,000 of separate lien revenue refunding bonds, series 2010A, \$26,570,000 of separate lien revenue refunding bonds, series 2011, \$10,055,000 of separate lien revenue refunding bonds, series 2012, \$1,060,000 of separate lien revenue refunding bonds, series 2015A, and \$2,210,000 of separate lien revenue refunding bonds, taxable series 2015B, with a \$63,406,607 cash payment. The funds were deposited in an irrevocable escrow account, that holds essentially risk-free U.S. Treasury Notes, to provide for the future debt service payments on the defeased bonds. The City is legally released from the obligation for the defeased debt. Revenue bond debt service savings from the 2018 defeasance were \$67.5 million over a seven-year period. These savings were an integral part of Austin Water's 2018 Water and Wastewater rate reduction. In addition, these savings, coupled with future planned debt defeasance transactions, will help achieve rate stability over the next few years. An accounting loss of \$1,179,652 was recorded and recognized in the current period on the defeasance.

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, 2018 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2008 Refunding	2008	\$ 170,605	105,690	30,732 (2)	0.87 - 1.82%	11/15/2018-2031 (3)
2009 Refunding	2009	175,000	1,700	102 (1)	4.00%	11/15/2019
2010	2010	31,815	25,445	-- (4)	0.00%	11/15/2018-2041
2010A Refunding	2011	76,855	64,215	47,560 (1)	5.00 - 5.13%	11/15/2019-2040
2010B Refunding	2011	100,970	93,145	71,735 (1)	3.90 - 6.02%	11/15/2018-2040
2011 Refunding	2012	237,530	208,100	135,279 (1)	3.00 - 5.00%	11/15/2019-2041
2012 Refunding	2012	336,820	255,590	153,387 (1)	2.50 - 5.00%	5/15/2019-2042
2013A Refunding	2013	282,460	263,125	165,973 (1)	3.00 - 5.00%	11/15/2018-2043
2014 Refunding	2014	282,205	279,785	194,385 (1)	5.00%	5/15/2019-2043
2015A Refunding	2015	249,145	245,535	96,886 (1)	2.85 - 5.00%	11/15/2019-2036
2015B Refunding	2015	40,000	32,625	1,269 (1)	1.52 - 2.54%	11/15/2018-2021
2016 Refunding	2016	247,770	247,770	210,191 (1)	5.00%	11/15/2019-2045
2016A	2017	20,430	19,510	3,309 (1)	0.55 - 2.12%	11/15/2018-2036
2017 Refunding	2017	311,100	311,100	208,303 (1)	2.50 - 5.00%	11/15/2020-2046
2017A	2018	45,175	45,175	8,809 (1)	0.58 - 2.29%	11/15/2018-2037
			<u>\$ 2,198,510</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.

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

Series 2008 refunding bonds are variable rate demand bonds. The associated letter of credit agreement has 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	Citibank	0.28%	Goldman Sachs	0.05%	<u>\$ 105,690</u>	10/15/2018 (1)

(1) In October 2018, the City extended the letter of credit agreement with Barclays Bank PLC. The new agreement expires on October 28, 2022, thus the City has classified this debt as long-term at the end of the fiscal year.

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.

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, 2018 (in thousands):

<u>Gross Revenue (1)</u>	<u>Operating Expense (2)</u>	<u>Net Revenue</u>	<u>Debt Service Requirement</u>	<u>Revenue Bond Coverage (3)</u>
\$ 581,324	250,223	331,101	210,284	1.57

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

(2) Excludes depreciation, other postemployment benefits and net pension liability accruals.

(3) 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, 2018, the total airport system obligation for prior lien bonds is \$789,189,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior lien bonds are \$584,867,972 at September 30, 2018. Revenue bonds authorized and unissued amount to \$735,795,000. Bond ratings at September 30, 2018, 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, 2018 (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	2008 (1)	\$ 281,300	176,100	27,575 (2)	0.84 - 1.86%	11/15/2018-2025
2013 Revenue	2013	60,000	52,265	6,675 (3)	2.25%	11/15/2018-2028 (4)
2013A Refunding	2014	35,620	1,364	11 (3)	1.56%	11/15/2018
2014 Revenue	2015	244,495	244,495	231,573 (3)	5.00%	11/15/2026-2044
2017A Revenue	2017	185,300	185,300	187,695 (3)	5.00%	11/15/2026-2046
2017B Revenue	2017	129,665	129,665	131,339 (3)	5.00%	11/15/2026-2046
			<u>\$ 789,189</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 \$176,100,000. 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%	\$ 44,025	4/15/2019
2005-2	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	44,000	4/15/2019
2005-3	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	44,050	4/15/2019
2005-4	Sumitomo Mitsui Banking Corporation	0.62%	Morgan Stanley	0.10%	44,025	4/15/2019
					\$ 176,100	

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, 2018. 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, 2018 (in thousands):

Gross Revenue (1)	Other Available Funds (2)	Operating Expense (3)	Net Revenue and Other Available Funds	Debt Service Requirement (4)	Revenue Bond Coverage
\$ 176,235	5,469	108,045	73,659	21,875	3.37

- (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, other postemployment benefits and net pension liability accruals.
- (4) 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 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, 2018, the total convention center obligation for prior and subordinate lien bonds is \$135,055,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior and subordinate lien bonds are \$24,853,366 at September 30, 2018. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2018.

Bond ratings at September 30, 2018, 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, 2018 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2008AB Refunding	2008	\$ 125,280	82,325	16,230 (2)	0.81 - 1.85%	11/15/2018-2029
2012 Refunding	2012	20,185	16,020	4,987 (1)	3.63 - 5.00%	11/15/2018-2029
2013 Refunding	2014	26,485	9,640	488 (1)	5.00%	11/15/2018-2019
2016 Refunding	2017	29,080	27,070	3,148 (1)	1.88%	11/15/2018-2029
			<u>\$ 135,055</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):

Bond Sub-Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding	Expiration
2008-A	Citibank	0.28%	Raymond James	0.06%	\$ 41,160	10/9/2020
2008-B	Sumitomo Mitsui Banking Corporation	0.33%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.05%	41,165	10/9/2020
					<u>\$ 82,325</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, 2018. 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
2019	\$ 65,913	45,351	8,457	9,329	15,485	3,428
2020	68,976	42,559	8,734	9,003	13,824	2,879
2021	73,507	39,362	9,107	8,660	11,455	2,387
2022	73,876	35,840	9,507	8,300	8,953	1,935
2023	74,385	32,338	9,929	7,913	7,228	1,555
2024-2028	365,655	113,317	56,698	32,925	21,335	4,564
2029-2033	258,765	43,687	65,197	19,611	10,395	802
2034-2038	55,680	4,209	42,726	6,105	--	--
2039-2043	--	--	6,395	552	--	--
	<u>1,036,757</u>	<u>356,663</u>	<u>216,750</u>	<u>102,398</u>	<u>88,675</u>	<u>17,550</u>
Less: Unamortized bond discounts	(1,025)	--	(605)	--	(207)	--
Add: Unamortized bond premiums	87,723	--	23,301	--	5,596	--
Net debt service requirements	<u>1,123,455</u>	<u>356,663</u>	<u>239,446</u>	<u>102,398</u>	<u>94,064</u>	<u>17,550</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Governmental Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2019	2,115	74	91,970	58,182
2020	2,043	146	93,577	54,587	148,164
2021	1,973	215	96,042	50,624	146,666
2022	1,907	282	94,243	46,357	140,600
2023	1,842	347	93,384	42,153	135,537
2024-2028	--	--	443,688	150,806	594,494
2029-2033	--	--	334,357	64,100	398,457
2034-2038	--	--	98,406	10,314	108,720
2039-2043	--	--	6,395	552	6,947
	<u>9,880</u>	<u>1,064</u>	<u>1,352,062</u>	<u>477,675</u>	<u>1,829,737</u>
Less: Unamortized bond discounts	--	--	(1,837)	--	(1,837)
Add: Unamortized bond premiums	--	--	116,620	--	116,620
Net debt service requirements	<u>\$ 9,880</u>	<u>1,064</u>	<u>1,466,845</u>	<u>477,675</u>	<u>1,944,520</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
2019	\$ 3,171	714	2,273	2,090	9,885	753
2020	3,119	588	2,371	2,016	7,551	470
2021	3,254	443	2,488	1,935	4,000	276
2022	2,574	297	2,603	1,849	1,986	158
2023	1,650	168	2,730	1,753	1,158	81
2024-2028	1,715	85	15,788	6,991	1,170	51
2029-2033	--	--	14,953	3,382	--	--
2034-2038	--	--	5,314	584	--	--
2039-2043	--	--	380	18	--	--
2044-2048	--	--	--	--	--	--
	<u>15,483</u>	<u>2,295</u>	<u>48,900</u>	<u>20,618</u>	<u>25,750</u>	<u>1,789</u>
Less: Unamortized bond discounts	--	--	(88)	--	(3)	--
Add: Unamortized bond premiums	734	--	3,465	--	771	--
Net debt service requirements	<u>16,217</u>	<u>2,295</u>	<u>52,277</u>	<u>20,618</u>	<u>26,518</u>	<u>1,789</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Commercial Paper Notes (1)		Revenue Bonds (2)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2019	790	590	254,767	516	108,584
2020	775	258	--	--	149,178	197,279
2021	820	226	--	--	171,500	187,060
2022	845	191	--	--	187,560	179,629
2023	885	156	--	--	188,516	170,888
2024-2028	2,790	238	--	--	1,051,284	719,539
2029-2033	--	--	--	--	802,854	500,721
2034-2038	--	--	--	--	744,646	323,137
2039-2043	--	--	--	--	634,370	146,591
2044-2048	--	--	--	--	287,611	22,812
	<u>6,905</u>	<u>1,659</u>	<u>254,767</u>	<u>516</u>	<u>4,326,103</u>	<u>2,671,454</u>
Less: Unamortized bond discounts	--	--	--	--	(1,906)	--
Add: Unamortized bond premiums	--	--	--	--	377,604	--
Net debt service requirements	<u>\$ 6,905</u>	<u>1,659</u>	<u>254,767</u>	<u>516</u>	<u>4,701,801</u>	<u>2,671,454</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 0.81% to 1.86%.

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
	2019	\$ 56	75	379,526	228,536
2020	60	73	163,054	200,684	363,738
2021	63	69	182,125	190,009	372,134
2022	67	66	195,635	182,190	377,825
2023	70	64	195,009	173,110	368,119
2024-2028	407	257	1,073,154	727,161	1,800,315
2029-2033	211	78	818,018	504,181	1,322,199
2034-2038	--	--	749,960	323,721	1,073,681
2039-2043	--	--	634,750	146,609	781,359
2044-2048	--	--	287,611	22,812	310,423
	<u>934</u>	<u>682</u>	<u>4,678,842</u>	<u>2,699,013</u>	<u>7,377,855</u>
Less: Unamortized bond discounts	--	--	(1,997)	--	(1,997)
Add: Unamortized bond premiums	--	--	382,574	--	382,574
Net debt service requirements	<u>\$ 934</u>	<u>682</u>	<u>5,059,419</u>	<u>2,699,013</u>	<u>7,758,432</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
	2019	\$ 109	4	212,597	462	37,007
2020	50	2	--	--	46,993	52,724
2021	4	--	--	--	47,106	50,835
2022	--	--	--	--	54,593	48,794
2023	--	--	--	--	51,983	46,323
2024-2028	--	--	--	--	284,474	192,169
2029-2033	--	--	--	--	219,915	129,890
2034-2038	--	--	--	--	203,565	80,494
2039-2043	--	--	--	--	141,430	35,958
2044-2048	--	--	--	--	81,340	6,221
	<u>163</u>	<u>6</u>	<u>212,597</u>	<u>462</u>	<u>1,168,406</u>	<u>697,771</u>
Less: Unamortized bond discounts	--	--	--	--	(190)	--
Add: Unamortized bond premiums	--	--	--	--	85,627	--
Net debt service requirements	<u>163</u>	<u>6</u>	<u>212,597</u>	<u>462</u>	<u>1,253,843</u>	<u>697,771</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Austin Energy Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2019	56	75	249,769	54,904
2020	60	73	47,103	52,799	99,902
2021	63	69	47,173	50,904	98,077
2022	67	66	54,660	48,860	103,520
2023	70	64	52,053	46,387	98,440
2024-2028	407	257	284,881	192,426	477,307
2029-2033	211	78	220,126	129,968	350,094
2034-2038	--	--	203,565	80,494	284,059
2039-2043	--	--	141,430	35,958	177,388
2044-2048	--	--	81,340	6,221	87,561
	<u>934</u>	<u>682</u>	<u>1,382,100</u>	<u>698,921</u>	<u>2,081,021</u>
Less: Unamortized bond discounts	--	--	(190)	--	(190)
Add: Unamortized bond premiums	--	--	85,627	--	85,627
Net debt service requirements	<u>\$ 934</u>	<u>682</u>	<u>1,467,537</u>	<u>698,921</u>	<u>2,166,458</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 Bonds		Certificates of Obligation		Contractual Obligations		Other Tax Supported Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 239	51	91	59	1,352	126	595	382
2020	207	43	92	56	1,052	83	496	165
2021	186	34	99	53	671	50	525	145
2022	187	27	102	50	419	24	541	122
2023	155	17	109	47	175	4	567	100
2024-2028	188	9	612	165	--	--	1,786	152
2029-2033	--	--	463	38	--	--	--	--
2034-2038	--	--	--	--	--	--	--	--
2039-2043	--	--	--	--	--	--	--	--
2044-2048	--	--	--	--	--	--	--	--
	<u>1,162</u>	<u>181</u>	<u>1,568</u>	<u>468</u>	<u>3,669</u>	<u>287</u>	<u>4,510</u>	<u>1,066</u>
Less: Unamortized bond discounts	--	--	(5)	--	--	--	--	--
Add: Unamortized bond premiums	58	--	31	--	130	--	--	--
Net debt service requirements	<u>1,220</u>	<u>181</u>	<u>1,594</u>	<u>468</u>	<u>3,799</u>	<u>287</u>	<u>4,510</u>	<u>1,066</u>

Fiscal Year Ended September 30	Commercial Paper Notes (1)		Revenue Bonds (2)		Total Austin Water Utility Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2019	42,170	54	33,888	129,662	78,335	130,334	208,669
2020	--	--	62,085	106,267	63,932	106,614	170,546
2021	--	--	88,934	99,331	90,415	99,613	190,028
2022	--	--	97,927	95,195	99,176	95,418	194,594
2023	--	--	100,233	90,214	101,239	90,382	191,621
2024-2028	--	--	576,520	375,755	579,106	376,081	955,187
2029-2033	--	--	456,054	251,320	456,517	251,358	707,875
2034-2038	--	--	410,266	152,738	410,266	152,738	563,004
2039-2043	--	--	326,005	57,769	326,005	57,769	383,774
2044-2048	--	--	81,541	5,711	81,541	5,711	87,252
	<u>42,170</u>	<u>54</u>	<u>2,233,453</u>	<u>1,363,962</u>	<u>2,286,532</u>	<u>1,366,018</u>	<u>3,652,550</u>
Less: Unamortized bond discounts	--	--	(1,443)	--	(1,448)	--	(1,448)
Add: Unamortized bond premiums	--	--	226,433	--	226,652	--	226,652
Net debt service requirements	<u>\$ 42,170</u>	<u>54</u>	<u>2,458,443</u>	<u>1,363,962</u>	<u>2,511,736</u>	<u>1,366,018</u>	<u>3,877,754</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 0.87% - 1.82%.

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		
2019	\$ 20	1	24,249	35,646
2020	10	1	26,135	34,682
2021	2	--	26,150	33,702
2022	1	--	25,430	32,748
2023	--	--	26,430	31,769
2024-2028	--	--	135,820	143,741
2029-2033	--	--	102,495	118,931
2034-2038	--	--	130,815	89,905
2039-2043	--	--	166,935	52,864
2044-2048	--	--	124,730	10,880
	<u>33</u>	<u>2</u>	<u>789,189</u>	<u>584,868</u>
Less: Unamortized bond discounts	--	--	(204)	--
Add: Unamortized bond premiums	--	--	64,496	--
Net debt service requirements	<u>33</u>	<u>2</u>	<u>853,481</u>	<u>584,868</u>

Fiscal Year Ended September 30	Total Airport		
	Debt Service Requirements		
	Principal	Interest	Total
2019	24,269	35,647	59,916
2020	26,145	34,683	60,828
2021	26,152	33,702	59,854
2022	25,431	32,748	58,179
2023	26,430	31,769	58,199
2024-2028	135,820	143,741	279,561
2029-2033	102,495	118,931	221,426
2034-2038	130,815	89,905	220,720
2039-2043	166,935	52,864	219,799
2044-2048	124,730	10,880	135,610
	<u>789,222</u>	<u>584,870</u>	<u>1,374,092</u>
Less: Unamortized bond discounts	(204)	--	(204)
Add: Unamortized bond premiums	64,496	--	64,496
Net debt service requirements	<u>\$ 853,514</u>	<u>584,870</u>	<u>1,438,384</u>

(1) Portions of these bonds are variable rate bonds with rates ranging from 0.84% - 1.86%.

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
2019	\$ 2,803	658	2,182	2,031	8,533	627
2020	2,852	542	2,279	1,960	6,499	387
2021	3,062	409	2,389	1,882	3,329	226
2022	2,386	270	2,501	1,799	1,567	134
2023	1,495	151	2,621	1,706	983	77
2024-2028	1,527	76	15,176	6,826	1,170	51
2029-2033	--	--	14,490	3,344	--	--
2034-2038	--	--	5,314	584	--	--
2039-2043	--	--	380	18	--	--
	<u>14,125</u>	<u>2,106</u>	<u>47,332</u>	<u>20,150</u>	<u>22,081</u>	<u>1,502</u>
Less: Unamortized bond discounts	--	--	(83)	--	(3)	--
Add: Unamortized bond premiums	676	--	3,434	--	641	--
Net debt service requirements	<u>14,801</u>	<u>2,106</u>	<u>50,683</u>	<u>20,150</u>	<u>22,719</u>	<u>1,502</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
2019	195	208	13,440	4,127	27,153	7,651	34,804
2020	279	93	13,965	3,606	25,874	6,588	32,462
2021	295	81	9,310	3,192	18,385	5,790	24,175
2022	304	69	9,610	2,892	16,368	5,164	21,532
2023	318	56	9,870	2,582	15,287	4,572	19,859
2024-2028	1,004	86	54,470	7,874	73,347	14,913	88,260
2029-2033	--	--	24,390	580	38,880	3,924	42,804
2034-2038	--	--	--	--	5,314	584	5,898
2039-2043	--	--	--	--	380	18	398
	<u>2,395</u>	<u>593</u>	<u>135,055</u>	<u>24,853</u>	<u>220,988</u>	<u>49,204</u>	<u>270,192</u>
Less: Unamortized bond discounts	--	--	(69)	--	(155)	--	(155)
Add: Unamortized bond premiums	--	--	1,048	--	5,799	--	5,799
Net debt service requirements	<u>\$ 2,395</u>	<u>593</u>	<u>136,034</u>	<u>24,853</u>	<u>226,632</u>	<u>49,204</u>	<u>275,836</u>

(1) A portion of these bonds are variable rate bonds with rates ranging from 0.81% - 1.85%.

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, 2018, defeased bonds remaining unredeemed or unmatured are provided below (in thousands):

Refunded Bonds	Escrow Maturity Dates	Balance (1)
Austin Energy		
Series 2008A	11/15/2018	\$ 165,200
Austin Water Utility		
Series 2004A	11/15/2018 - 11/15/2019	14,010
Series 2009	11/15/2018 - 11/15/2019	126,100
Series 2009A	11/15/2018 - 11/15/2019	139,690
Series 2010A	11/15/2018 - 11/15/2020	5,450
Series 2011	11/15/2018 - 11/15/2021	26,570
Series 2012	11/15/2018 - 11/15/2020	10,055
Series 2014	5/15/2019	1,000
Series 2015A	11/15/2018	1,060
Series 2015B	11/15/2018	2,210
Combined Utility System Revenue		
Series 1994 Subordinate Lien	5/15/2019	3,700
		<u>\$ 495,045</u>

(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, 2017. 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 2018.

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

Employees Covered by Benefit Terms: Membership in the plans as of December 31, 2017, is as follows:

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Inactive employees or beneficiaries currently receiving benefits	6,225	867	786
Inactive employees entitled to but not yet receiving benefits	2,657	98 (1)	9
Active employees	9,612	1,866	1,045
Total	<u>18,494</u>	<u>2,831</u>	<u>1,840</u>

(1) Includes 45 terminated vested members and 53 nonvested terminated members due refunds

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.

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Employee contribution (percent of earnings)	8.00%	13.00%	18.70%
City contribution (percent of earnings)	18.00% (1)	21.313%	22.05%
City contributions year ended September 30, 2018 (in thousands)	\$114,149	34,944	19,809

(1) 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, 2017 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' and Police Officers' funds. For the Fire Fighters fund, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 using the final 2017 assumptions and then was rolled forward to the plan's year ending December 31, 2017.

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

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Inflation rate	2.75%	3.00%	3.50%
Projected annual salary increases	4.00% to 6.25%	0.00% to 22.50% Service based (1)(2)	1.00% to 8.50% Service based (2)
Investment rate of return	7.50%	7.70%	7.70%
Ad hoc postemployment benefit changes including COLAs	None	None	None
Dates of experience studies	2011 - 2015	2012 - 2016	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.

(2) This does not include assumed general wage inflation increases of 3.25% and 3.00% for Police and Fire, respectively.

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:		
US equity	30.00%	5.30%
International equity	20.00%	6.38%
Emerging markets equities	10.00%	6.62%
Fixed income	24.50%	3.33%
Alternative investments	10.00%	3.95% to 6.34%
Real estate	5.50%	5.52%
Total	100.00%	
Police Officers:		
Domestic equity	42.50%	7.50%
International equity	15.00%	8.50%
Other equity	7.50%	7.50%
US and non-US fixed income	10.00%	3.00%
Other fixed income	5.00%	3.50%
Real estate	15.00%	4.50%
Timber	0.00%	2.50%
Multi asset class	5.00%	5.00%
Total	100.00%	
Fire Fighters:		
Public domestic equity	20.00%	5.30%
Public foreign equity	22.00%	6.90%
Private equity fund of funds	15.00%	5.60%
Investment grade bonds	13.00%	1.10%
Treasury inflation protected securities	5.00%	0.80%
High yield/bank loans	5.00%	3.80%
Emerging market debt	7.00%	3.60%
Core real estate	5.00%	3.40%
Non-core real estate	5.00%	5.00%
Natural resources	3.00%	5.90%
Total	100.00%	

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%	7.70%	7.70%
Change since last measurement date	None	None	None
Long-term expected rate of return on pension plan investments	7.50%	7.70%	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 28 years and then will decrease to 8%.	Plan member contributions and City contributions will be made at current contribution rates and will remain a level percentage of payroll.	Plan member contributions will be made at current contribution rates. City contributions will be continued at the currently negotiated rate of 22.05%.

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 Rate</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 (Asset)</u>
City Employees	6.50%	\$ 1,608,628	7.50%	\$ 1,147,385	8.50%	\$ 762,471
Police Officers	6.70%	553,553	7.70%	420,116	8.70%	307,089
Fire Fighters	6.70%	189,653	7.70%	85,003	8.70%	(3,088)

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.

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, 2017 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, 2016 (a)	\$ 3,591,376	1,106,189	977,723	5,675,288
Changes for the year:				
Service cost	107,767	35,322	23,830	166,919
Interest	266,257	84,472	75,812	426,541
Benefit changes	--	--	8,964	8,964
Differences between expected and actual experience	22,755	17,241	4,360	44,356
Contribution buy back	--	2,915	--	2,915
Benefit payments including refunds	(190,332)	(56,548)	(51,888)	(298,768)
Net change in total pension liability	<u>206,447</u>	<u>83,402</u>	<u>61,078</u>	<u>350,927</u>
Total pension liability at December 31, 2017 (b)	<u>\$ 3,797,823</u>	<u>1,189,591</u>	<u>1,038,801</u>	<u>6,026,215</u>
Total plan fiduciary net position at December 31, 2016 (c)	<u>\$ 2,299,688</u>	<u>686,020</u>	<u>829,610</u>	<u>3,815,318</u>
Changes for the year:				
Employer contributions	110,846	35,141	19,242	165,229
Employee contributions	56,194	21,437	16,319	93,950
Contribution buy back	--	2,915	--	2,915
Pension plan net investment income (loss)	376,820	82,072	141,915	600,807
Benefits payments and refunds	(190,332)	(56,548)	(51,888)	(298,768)
Pension plan administrative expense	(2,778)	(1,562)	(1,400)	(5,740)
Net change in total plan fiduciary net position	<u>350,750</u>	<u>83,455</u>	<u>124,188</u>	<u>558,393</u>
Total plan fiduciary net position at December 31, 2017 (d)	<u>\$ 2,650,438</u>	<u>769,475</u>	<u>953,798</u>	<u>4,373,711</u>
Net pension liability at December 31, 2016 (a-c)	<u>\$ 1,291,688</u>	<u>420,169</u>	<u>148,113</u>	<u>1,859,970</u>
Net pension liability at December 31, 2017 (b-d)	<u>\$ 1,147,385</u>	<u>420,116</u>	<u>85,003</u>	<u>1,652,504</u>

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

The City Employees' fund had no changes of assumptions or benefit terms that affected the total pension liability for the measurement period. The Police Officers' fund also had no changes of assumptions or benefit terms that affected the total pension liability for the measurement period.

The Fire Fighters' fund had no significant changes of assumptions during the measurement period but did have a change in benefit term that affected the total pension liability. Effective January 1, 2018 a cost-of-living adjustment increase of 2.20% went into effect.

c -- Pension Expense

Total pension expense recognized by the City for the fiscal year ended September 30, 2018, was comprised of the following (in thousands):

	<u>Pension Expense</u>
City Employees	\$ 203,901
Police Officers	59,126
Fire Fighters	32,775
Total	<u>\$ 295,802</u>

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

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources (in thousands):

<u>Source</u>	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
Deferred Outflows of Resources				
Contributions to the plans subsequent to the measurement date	\$ 84,001	25,478	14,558	124,037
Differences between expected and actual experience	43,447	21,257	14,903	79,607
Changes in assumptions	52,369	15,334	2,713	70,416
Net difference between projected and actual earnings on pension plan investments	--	8,140	--	8,140
Changes in proportionate share (between funds)	2,013	--	--	2,013
Total	<u>181,830</u>	<u>70,209</u>	<u>32,174</u>	<u>284,213</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	--	4,423	--	4,423
Net difference between projected and actual earnings on pension plan investments	69,347	--	35,527	104,874
Changes in proportionate share (between funds)	2,013	--	--	2,013
Total	<u>\$ 71,360</u>	<u>4,423</u>	<u>35,527</u>	<u>111,310</u>

7 – RETIREMENT PLANS, continued

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

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

Fiscal Year Ended September 30	City Employees	Police Officers	Fire Fighters	Total
2019	\$ 55,007	13,895	2,285	71,187
2020	34,929	11,549	(865)	45,613
2021	(30,005)	1,353	(11,675)	(40,327)
2022	(35,301)	(1,134)	(12,567)	(49,002)
2023	1,839	4,381	3,176	9,396
Thereafter	--	10,264	1,735	11,999
Total	<u>\$ 26,469</u>	<u>40,308</u>	<u>(17,911)</u>	<u>48,866</u>

8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

a -- General Information

Plan Description. In addition to the contributions made to the three pension systems, the City provides certain other postemployment benefits to its retirees. The City of Austin OPEB Plan is a defined-benefit single-employer plan. Allocation of City funds to pay postemployment benefits other than pensions 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 is under no obligation to pay any portion of the cost of other postemployment benefits for retirees or their dependents. The City does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Day-to-day accounting and administration of the OPEB activities is provided by the City and recorded in the Employee Benefits fund. However, at year end an adjustment was made to recognize OPEB expense in the operating funds that provide funding to the Employee Benefits fund to pay for these benefits. No separate plan report is available.

Unlike pensions, State law does not provide specific requirements or authority for OPEB. Instead, the City relies on its status as a municipal corporation under Article XI, Section 5 of the Constitution of the State of Texas, the Home Rule Amendment, as the authority under which OPEB is provided to retirees. Any amendments to the OPEB Plan are approved by City Council through the annual budget approval process.

Benefits Provided. 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 as described in Note 7 are eligible for other postemployment benefits. Retirees may also enroll eligible dependents under the medical, dental, and vision plan(s) in which they participate.

Plan members do not pay into the OPEB plan while in active employment nor does the City pay on behalf of active employees. The City pays actual claims for medical and prescription drug coverage as a primary provider for non-Medicare eligible, and as a secondary provider for Medicare eligible retirees through either a PPO, HMO, or CDHP, (Consumer Driven Health Plan), medical plan as selected by the retiree. The City subsidizes a maximum of 80% of the projected medical premium for retirees, 50% for dependents, and 70% (75% if pre-Medicare) for surviving spouses. Subsidies are based on years of service at retirement as displayed in the table below and are applied to the corresponding maximum reflected above. For example, a retiree with less than five years of service would be eligible for a subsidy of 16% (20% of 80%). Retirees must pay the unsubsidized portion of the premium.

For the 2017 plan year, (January 1 to December 31), the percentage of the maximum subsidy paid by the City was as follows:

Years of Service at Retirement	Percent of Maximum Subsidy Paid by the City
<5	20%
5-9	30%
10-14	50%
15-19	70%
20 and over	100%

8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued
a -- General Information, continued

The City pays 100% of the retiree's basic life insurance premium. The cost of coverage above the \$1,000 level is paid by the retiree. 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. If excise tax is payable in the future, it is assumed that these costs will also be paid by the retirees.

Employees Covered by Benefit Terms: Membership in the plan as of December 31, 2017, is as follows:

Inactive employees or beneficiaries currently receiving benefits	7,178
Inactive employees entitled to but not yet receiving benefits	2,763
Active employees	<u>12,557</u>
Total	<u>22,498</u>

b – Total OPEB Liability

The City's total OPEB liability of \$2,524,897 (in thousands) was measured as of December 31, 2017 and was determined by an actuarial valuation as of that date. Of the total liability, \$53,076 (in thousands) is considered to be due within one year and the remaining \$2,471,821 (in thousands) is considered to be a long-term liability.

Actuarial Assumptions and Other Inputs. Actuarial assumptions used in the most recent actuarial valuations are shown below. The majority of the demographic assumptions used in the OPEB valuation are identical to those used in the pension valuation from the previous reporting period. As a result, experience studies performed by the pension systems as discussed in Note 7a were also relied upon.

Inflation rate	NA
Salary increases	Vary by retirement group, age, and years of service
Discount rate	3.44%
Healthcare cost trend rates:	
Medical (pre-65)	7.00% graded to 4.50% over 5 years
Medical (post-65)	6.00% graded to 4.50% over 3 years
Prescription drug	9.00% graded to 4.50% over 9 years
Administrative costs	2.50%
Experience studies	Experience for healthcare cost trend rates was based on activity from November 1, 2015 to October 31, 2017 for medical costs and December 1, 2015 to November 30, 2017 for prescriptions.

Sources for mortality rate assumptions include:

General (Actives)	RP-2014 Blue Collar Employee Mortality Tables projected generationally using scale BB from 2014
General (Healthy retirees)	RP-2014 Blue Collar Healthy Annuitant Mortality Tables projected generationally using scale BB from 2014
General (Disabled retirees)	RP-2014 Blue Collar Healthy Annuitant Mortality Tables, set forward 3 years, projected generationally using Scale BB from 2014, with a minimum 3% rate of mortality applicable at all ages
Police (All lives)	RP-2000 Combined Healthy Mortality Tables
Fire (Healthy lives)	RP-2000 Combined Healthy Mortality Tables, set back 2 years, projected generationally using Scale AA from 2000
Fire (Disabled lives)	RP-2000 Disabled Retiree Mortality Tables

Discount Rate. The discount rate for OPEB funded entirely on a pay-as-you-go basis is the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). For the OPEB measurement at December 31, 2017, the City's actuaries used the Bond Buyer US Weekly Yields 20 General Obligation Bond Index of 3.44%. The discount rate as of December 31, 2016 used in calculating the total OPEB liability as of September 30, 2017 for restating the financial statements was 3.78%. The discount rate decreased 0.34% between these two measurement dates.

8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued
b – Total OPEB Liability, continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City calculated using the discount rate discussed above, as well as what the total OPEB 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 Rate</u>		<u>1% Increase</u>	
<u>Total OPEB</u>		<u>Total OPEB</u>		<u>Total OPEB</u>	
<u>Rate</u>	<u>Liability</u>	<u>Rate</u>	<u>Liability</u>	<u>Rate</u>	<u>Liability</u>
2.44%	\$ 3,043,665	3.44%	\$ 2,524,897	4.44%	\$ 2,123,411

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the City calculated using the healthcare cost trend rates displayed above, as well as what the total OPEB liability (in thousands) would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower and 1-percentage point higher than the current rates.

<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
<u>Total OPEB Liability</u>	<u>Total OPEB Liability</u>	<u>Total OPEB Liability</u>
\$ 2,087,263	\$ 2,524,897	\$ 3,101,315

Schedule of Changes in Total OPEB Liability. Changes in the total OPEB liability for measurement period ended December 31, 2017 is as follows (in thousands):

Total OPEB liability at December 31, 2016	<u>\$ 2,055,627</u>
Changes for the year:	
Service cost	86,687
Interest	80,132
Differences between expected and actual experience	64,227
Assumption changes	283,099
Expected benefit payments	<u>(44,875)</u>
Net change in total OPEB liability	<u>469,270</u>
Total OPEB liability at December 31, 2017	<u>\$ 2,524,897</u>

The OPEB plan had no changes in benefit terms during the period. Assumption changes included:

- Lowering the discount rate from 3.78% to 3.44% based on Bond Buyer US Weekly Yields 20 General Obligation Bond Index as of the measurement date,
- Updating medical and prescription drug claim costs to reflect more recent experience,
- Modifying medical and prescriptions drug trend rates by splitting the single category from the previous valuation into three categories for the current valuation, grading these categories for different periods, and lowering the ultimate trend rate from 5.0% to 4.5%, and
- Updating third-party administrator and vendor administrative expenses to reflect more recent contracts and assumed trends on such costs.

c – Other Postemployment Benefits Expense

Total OPEB expenses recognized by the City for the fiscal year ended September 30, 2018 were \$213,006 (in thousands).

8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued
d -- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources (in thousands):

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Benefit payments subsequent to the measurement date	\$ 35,830	--
Differences between expected and actual experience	55,720	--
Changes in assumptions	245,603	--
Changes in proportionate share (between funds)	11,713	11,713
Total	<u>\$ 348,866</u>	<u>11,713</u>

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

<u>Fiscal Year Ended September 30</u>	
2019	\$ 46,004
2020	46,004
2021	46,004
2022	46,004
2023	46,004
Thereafter	71,303
Total	<u>\$ 301,323</u>

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.

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 requires consideration of nonperformance risk when measuring the fair value of a liability and considers 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, using a 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 is 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, 2018, \$96 thousand in premiums was deferred. As of September 30, 2018, the fair value of Austin Energy's futures, options, and swaps was an unrealized loss of \$7.7 million, of which \$7.8 million is reported as derivative instruments in liabilities and \$50 thousand 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. While the instruments exhibit all three characteristics - settlement, leverage, and net settlement - to classify them as derivative instruments, they are generally used by Austin Energy as factors in the cost of transmission, and therefore meet the Normal Purchases and Normal Sales scope exception allowing them to be reported at cost.

In fiscal year 2018, Austin Energy sold PCRRs and recorded a gain of \$193 thousand; however, this gain was deferred under the accounting requirements for regulated operations. At September 30, 2018, \$344 thousand remained deferred.

On September 30, 2018, Austin Energy had the following outstanding hedging derivative instruments (in thousands):

Type of Transaction	Reference Index	Fair Value at September 30, 2018			Change in Fair Value	Premiums Deferred	
		Maturity Dates	Notional Volumes	Fair Value			
Long	OTC Call Options	Henry Hub	Oct 2018 - Sept 2021	5,945,000 (1)	\$ 50	(257)	1,246
			Derivative instruments (assets)		50	(257)	1,246
Short	OTC Put Options	Henry Hub	Oct 2018 - Sep 2021	(5,945,000) (1)	(2,743)	82	(1,150)
Long	OTC Basis Swaps	WAHA	Oct 2018	155,000 (1)	(189)	(187)	--
Long	OTC Swaps	Henry Hub	Oct 2018 - Sep 2020	4,645,000 (1)	(4,864)	(492)	--
			Derivative instruments (liabilities)		(7,796)	(597)	(1,150)
			Total		\$ (7,746)	(854)	96

(1) Volume in MMBTUs

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 Power Supply Adjustment 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. At September 30, 2018, the brokerages had credit ratings of A.

The over-the-counter agreements expose Austin Energy to credit risk; however, at September 30, 2018, 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, 2018, 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, a regulatory entity of the State of Texas. In the event of default or nonperformance, Austin Energy's operations will not be materially affected.

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 i.e. NYMEX (Henry Hub). As of September 30, 2018, the NYMEX price was \$3.02 per MMBTU (one million British thermal unit, a measurement of heating value), the WAHA Hub price was \$1.21 per MMBTU, Katy was \$3.20 per MMBTU, and the HSC Hub price was \$3.17 per MMBTU.

Risks

As of September 30, 2018, 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, 2018, the City has three outstanding swap transactions with initial and outstanding notional amounts totaling \$602.1 million and \$364.1 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, 2018, 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	\$ 105,690	(9,653)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Pay 4.051%, receive 71% of LIBOR	8/17/2005	11/15/2025	176,100	(12,349)
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	82,325	(5,721)
					<u>\$ 364,115</u>	<u>(27,723)</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, 2018 (in thousands):

Item	Outstanding Notional Amount	Fair Value and Classification		Change in fair value	
		Amount	Classification	Deferred Outflows	Deferred Inflows
Business-Type Activities:					
Hedging derivative instruments (cash flow hedges):					
WW2	\$ 105,690	(9,653)	Non-current liability	5,856	--
AIR1	176,100	(12,349)	Non-current liability	9,187	--
HOT1	82,325	(5,721)	Non-current liability	4,193	--
<u>\$ 364,115</u>		<u>(27,723)</u>		<u>19,236</u>	<u>--</u>

Due to the continued low interest rate levels during fiscal year 2018, the City's interest rate swap hedging derivative instruments had negative fair values as of September 30, 2018. 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.

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

Risks

Credit risk. As of September 30, 2018, 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, 2018, 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+	BBB+

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, 2018, 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	\$ (3,830)	1,309	(2,521)	(1,326)	(3,847)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	(7,218)	2,122	(5,096)	(2,258)	(7,354)
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	(2,721)	960	(1,761)	(1,042)	(2,803)
		<u>\$ (13,769)</u>	<u>4,391</u>	<u>(9,378)</u>	<u>(4,626)</u>	<u>(14,004)</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, 2018, 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, 2018, the City did not have any investment derivative instruments related to interest rate swaps.

c -- Swap Payments and Associated Debt

As of September 30, 2018, 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 (1)		
2019	\$ 28,525	234	12,501	12,735
2020	31,935	197	11,338	11,535
2021	31,010	159	10,177	10,336
2022	27,710	121	9,123	9,244
2023	39,185	84	7,931	8,015
2024-2028	149,125	(31)	19,882	19,851
2029-2032	56,625	(42)	2,863	2,821
Total	<u>\$ 364,115</u>	<u>722</u>	<u>73,815</u>	<u>74,537</u>

(1) The net effect of the reference rate projected to be paid to the City versus the variable rate projected to be paid to bondholders utilizing rates in effect at 9/30/2018.

10 – DEFICITS IN FUND BALANCES AND NET POSITION

At September 30, 2018, 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	\$ 27
Fiscal Surety - Land Development	947
Town Lake Beautification	16
Capital Projects Funds:	
2016 fund	
Mobility	1,260
Other funds	
General Government Projects	1,915
Build Austin	5
Public Works	711
City Hall, plaza, parking garage	6,232
Nonmajor Enterprise	
Austin Resource Recovery	86,927
Transportation	79,298

11 – INTERFUND BALANCES AND TRANSFERS

a -- Interfund receivables, payables, and advances

Interfund receivables, payables, and advances at September 30, 2018, are as follows (in thousands):

<u>Due To</u>	<u>Due From</u>				
	<u>Nonmajor Governmental</u>	<u>Austin Energy</u>	<u>Austin Water Utility</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
General Fund	\$ 16	215	--	--	231
Nonmajor governmental	11,112	--	--	--	11,112
Airport	--	166	--	--	166
Nonmajor enterprise	--	--	301	1,148	1,449
Total	<u>\$ 11,128</u>	<u>381</u>	<u>301</u>	<u>1,148</u>	<u>12,958</u>

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 (\$11.9 million). Deficits in grant funds awaiting reimbursement from grantors (\$10.7 million) was borrowed from the Fiscal Surety fund.

<u>Advance From</u>	<u>Advance To</u>						<u>Total</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>	
General Fund	\$ --	441	--	--	--	--	441
Nonmajor governmental	7,779	152	--	32	229	12	8,204
Austin Water Utility	556	10,821	--	--	--	--	11,377
Airport	--	341	--	--	--	--	341
Nonmajor enterprise	348	--	1,803	--	--	--	2,151
Total	<u>\$ 8,683</u>	<u>11,755</u>	<u>1,803</u>	<u>32</u>	<u>229</u>	<u>12</u>	<u>22,514</u>

Advances to and advances from reflect borrowing that will not be liquidated within one year. 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. Of the \$7.8 million between nonmajor governmental funds, \$6.3 million represents a long-term borrowing by the City Hall fund from the TPSD general improvements fund as a result of a deficit in pooled investments and cash.

11 – INTERFUND BALANCES AND TRANSFERS

b -- Transfers

Transfers at September 30, 2018, are as follows (in thousands):

Transfers Out	Transfers In						Total
	General Fund	Nonmajor Governmental	Austin Energy	Austin Water Utility	Nonmajor Enterprise	Internal Service	
General Fund	\$ --	7,553	--	--	1,853	2,370	11,776
Nonmajor governmental	5,721	36,143	45	--	101,770	--	143,679
Austin Energy	115,873	--	--	12	--	--	115,885
Austin Water Utility	49,148	75	2,625	--	--	9	51,857
Airport	--	--	182	--	--	--	182
Nonmajor enterprise	635	5,794	27	53	84	--	6,593
Internal service	2,237	19,677	--	--	180	28	22,122
Total	\$ 173,614	69,242	2,879	65	103,887	2,407	352,094

Interfund transfers are authorized through City council approval. Significant transfers include: Austin Energy and Austin Water Utility transfers to the General Fund (\$165 million), which are comparable to a return on investment to owners. Tax collections from the Hotel-Motel Occupancy Tax (\$69.5 million) and the Vehicle Rental Tax (\$9.9 million), special revenue funds, are transferred to the Convention Center in support of convention operations and debt service. In addition, there was a transfer of (\$22.1 million) from the Watershed Protection Annexed Areas fund to reimburse the Drainage fund for the buyouts of single family homes in flood-prone areas.

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 July 2, 2018, the PUC approved the City's most recent wholesale transmission rate of \$1.187214/KW. Transmission revenues totaled approximately \$79 million in fiscal year 2018. 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, 2018, 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 costs differ from amounts billed to customers, then regulatory assets or deferred inflows are recorded by Austin Energy. Pass-through rates are set annually and the power supply factor can be adjusted 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.

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

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 2018, the Airport fund revenues included minimum concession guarantees of \$22,090,118.

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, 2018 (in thousands):

Fiscal Year Ended September 30	Airport Lease Receipts
2019	\$ 28,359
2020	29,560
2021	29,507
2022	27,902
2023	27,728
2024-2028	105,933
2029-2033	11,441
2034-2038	8,331
2039-2043	3,568
Thereafter	1,780
Totals	<u>\$ 274,109</u>

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
2019	\$ 2,607
2020	2,425
2021	1,866
2022	1,731
2023	1,594
2024-2028	6,945
Totals	<u>\$ 17,168</u>

13 – TAX ABATEMENTS

The City grants tax abatements under one of two programs, the Chapter 380 Performance Based Economic Development Incentive Program under which sales and property taxes may be rebated if the entity meets performance criteria, and the Media Production Development Zone program under which sales, excise, and use taxes may be abated.

13 – TAX ABATEMENTS, continued
Performance Based Rebate Program

To promote local economic development and stimulate business and commercial activity in the municipality, the City has granted tax rebate agreements under the authority of Chapter 380 of the Texas Local Government Code through the City's Chapter 380 Performance Based Economic Development Incentive Program. All or a portion of property taxes, sales taxes, or a combination of the two were abated as a part of these agreements. To be eligible to participate in the program an entity must make a commitment to move or expand its business in the City through investments in real and/or personal property or leasehold improvements as well as commitments about the number of new jobs it will create. Some agreements also require the participants in this program to meet other City requirements such as salary levels of employees and local business participation. Each agreement is negotiated individually and the terms vary depending on the type of development and the economic benefits to the City.

Sales taxes abated may either be all or a portion of those generated by the entity or its actions. The amount of property taxes abated may be all or a portion of property taxes on the entity's real and personal property or leasehold investment. Agreements generally run for a certain number of years and also may be subject to a not-to-exceed maximum of taxes to be abated. All taxes are collected and then rebated if the entity meets commitments made under the agreement. If the criteria are not met, no taxes are refunded.

During fiscal year 2018, the City had four agreements under this program which resulted in rebates that meet the definition of tax abatements of approximately \$10.2 million. The City had no commitments related to these agreements other than the timeframe during which a compliance review will occur and a deadline for the refund of the taxes.

Exemption Program

There were no active agreements under the Media Production Development Zone Program during fiscal year 2018.

The City is not subject to any tax abatement agreements entered into by other governmental entities.

14 – COMMITMENTS AND CONTINGENCIES

a -- Fayette Power Project

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

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 \$17.8 million as of September 30, 2018. The decrease in the pro-rata interest from 2017 is primarily due to a decrease in coal inventory. The pro-rata interest in the FPP is calculated pursuant to the participation agreement and is reported in various asset and liability accounts within the City's financial statements. The original cost of Austin Energy's share of FPP's generation and transmission facilities is recorded in the utility plant accounts of the City in accordance with its accounting policies.

b -- South Texas Project

Austin Energy is one of three participants in the South Texas Project (STP), which consists of two 1,250-megawatt nuclear generating units in Matagorda County, Texas. The other participants in the STP are NRG South Texas LP and City Public Service of San Antonio. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. Austin Energy's 16 percent ownership in the STP represents 400 megawatts of plant capacity. At September 30, 2018, Austin Energy's investment in the STP was approximately \$361.8 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.

14 – COMMITMENTS AND CONTINGENCIES, continued
b -- South Texas Project, continued

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 20 year license renewal was issued by the NRC in September 2017. Unit 1 and 2 are currently licensed through 2047 and 2048, respectively.

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, 2018, the trust's assets were in excess of the estimated liability by \$20.9 million which is reported as part of deferred inflows of resources (in thousands).

Decommissioning trust assets	\$ 222,505
Pro rata decommissioning liability	<u>(201,617)</u>
	<u>\$ 20,888</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, 2016, showed that the trust assets exceeded the minimum required assurance by \$49.0 million.

d -- Purchased Power

Austin Energy has commitments totaling \$6.2 billion to purchase energy and capacity through purchase power agreements. This amount includes provisions for wind power through 2041, landfill power through 2018, biomass through 2032, and solar through 2043.

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, 2018, the financial statements includes a \$3.8 million short-term decommissioning liability related to Holly and a \$404 thousand short-term environmental liability related to Fayette and Decker, classified as other liabilities. The amount is based on 2018 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, 2018.

g -- Federal and State Financial Assistance Programs

The City participates in a number of federally assisted and state grant programs, financed primarily by the U.S. Housing and Urban Development Department, U.S. Health and Human Services Department, and U.S. Department of Transportation. The City's programs are subject to program compliance audits by the 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 2018 Capital Budget has substantial contractual commitments relating to its capital improvement plan.

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

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	Remaining Commitment (in thousands)
Governmental activities:	
General government	\$ 154,178
Public safety	39,003
Transportation, planning, and sustainability	206,795
Public health	3,642
Public recreation and culture	54,570
Urban growth management	13,980
Business-type activities:	
Electric	124,808
Water	117,755
Wastewater	146,555
Airport	283,530
Convention	69,557
Environmental and health services	9,282
Public recreation and culture	123
Urban growth management	111,594
Total	<u>\$ 1,335,372</u>

i -- Encumbrances

The City utilizes encumbrances to track commitments against budget in governmental funds. The amount of outstanding encumbrances at September 30, 2018, is as follows (in thousands):

	Encumbrances
General Fund	\$ 25,033
Nonmajor governmental	
Special Revenue	23,865
Capital Projects	136,487
	<u>\$ 185,385</u>

Significant encumbrances include reservations for the 2016 bond program (\$38,165), 2012 bond program (\$31,535), Communications and Technology Management (\$26,717), and General government projects (\$16,465).

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 2019. 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, 2018, is as follows (in thousands):

	Closure	Postclosure	Total
Total estimated costs	\$ 23,706	9,899	33,605
% capacity used	100%	100%	100%
Cumulative liability accrued	23,706	9,899	33,605
Costs incurred	(21,115)	--	(21,115)
Closure and postclosure liability	<u>\$ 2,591</u>	<u>9,899</u>	<u>12,490</u>

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

These amounts are based on the 2018 cost estimates to perform closure and postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. State and federal laws require owners to demonstrate financial assurance for closure, postclosure, and/or corrective action. The City complies with the financial and public notice components of the local government financial test and government-guarantee of the test.

k -- Risk-Related Contingencies

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

Fund Name	Description
Employee Benefits	City employees and retirees may choose a self-insured PPO, HMO, or CDHP with HSA for health coverage. Approximately 17% of City employees and 24% of retirees use the HMO option; approximately 73% of City employees and 75% of retirees use the PPO option; and approximately 11% of City employees and 1% 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. Third-party claims activities are also reported directly in the Austin Energy, Austin Water Utility, and Airport enterprise funds.
Workers' Compensation	Premium charges for this self-insured program are assessed to other funds each year based on the number of full-time equivalent (FTE) employees per fund.

The City purchases stop-loss insurance for the City's PPO, HMO, and CDHP plans. This stop-loss insurance covers individual claims that exceed \$500,000 per calendar year, up to a maximum of \$5 million. In fiscal year 2018, eleven claims exceeded the stop-loss limit of \$500,000; during fiscal year 2017, four claims exceeded the stop-loss limit of \$500,000, and during fiscal year 2016, ten 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 four 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 Austin Energy, Austin Water Utility, Airport and Liability Reserve funds are calculated based on an estimate of outstanding claims, which may differ from the actual amounts paid. Possible losses are estimated to range from \$48.4 to \$53.5 million. In accordance with GAAP, \$48.4 million is recognized as claims payable in the financial statements with \$23.9 million recognized as a current liability and \$24.5 million recognized as long term. For Employee Benefits and Workers Compensation, city funds contribute amounts to these internal service funds based on an estimate of anticipated costs for claims each year. Austin Energy, Austin Water utility, and Airport report their respective claims activities for third-party claims. All other funds contribute amounts to the Liability Reserve fund based on an estimate of anticipated costs for claims each year.

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

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

	Austin Energy		Austin Water Utility		Airport	
	2018	2017	2018	2017	2018	2017
Liability balances, beginning of year	\$ 2,070	--	562	--	1	--
Claims and changes in estimates	(1,708)	2,221	29	1,839	--	9
Claim payments	(293)	(151)	(238)	(1,277)	(1)	(8)
Liability balances, end of year	69	2,070	353	562	--	1

	Employee Benefits (1)		Liability Reserve		Workers' Compensation	
	2018	2017	2018	2017	2018	2017
Liability balances, beginning of year	18,822	14,310	4,975	9,364	25,299	25,664
Claims and changes in estimates	158,704	18,568	2,963	3,984	5,101	3,524
Claim payments	(161,001)	(14,056)	(3,498)	(8,373)	(3,391)	(3,889)
Liability balances, end of year	\$ 16,525	18,822	4,440	4,975	27,009	25,299

- (1) For the Employee Benefits Fund, claim payments as reported above, represent amounts paid against claims outstanding at the beginning of the year. Claims initiated after the beginning of the year, but not yet settled, are reported in claims and changes in estimates. Cash paid for claims was \$160,180 for the year ended September 30, 2017.

The Austin Water Utility fund claims liability balance at fiscal year-end included liabilities of \$238 thousand discounted at 4.44% in 2018 and \$216 thousand discounted at 3.75% in 2017. The Liability Reserve fund claims liability balance at fiscal year-end included liabilities of \$2.8 million discounted at 4.44% in 2018 and \$3.1 million discounted at 3.75% in 2017.

I -- Redevelopment of Robert Mueller Municipal Airport

In December 2004, City Council approved a master development agreement with Catellus Development Group (Catellus) to develop approximately 700 acres at the former site of the City's municipal airport into a mixed-use urban village near downtown Austin. Catellus is currently developing and marketing the property. The Mueller Local Government Corporation (MLGC), created by the City for this development, issues debt to fund infrastructure such as streets, drainage facilities, public parks, and greenways, which are supported by taxes generated from this development.

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

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 2.1 million square feet of civic, institutional, hotel and Class A office space, including over 600,000 square feet of retail space that is either complete or under construction. Over 100 employers provide approximately 5,800 jobs at Mueller. From the start of home sales in 2007, the community has been well received. As of September 30, 2018, approximately 2,040 single-family homes and 2,110 multi-family units were either complete or under construction. Catellus has also recently completed the infrastructure for an additional 140 single-family homes, and commercial and multi-family sites in the Town Center.

14 – 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. \$2,111,882 in total assessments were levied in the year ended September 30, 2018. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2018 are \$13,705,000 and \$4,827, 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. \$366,873 in total assessments were levied in the year ended September 30, 2018. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2018 are \$2,525,000 and \$365, 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. \$1,786,810 in total assessments were levied during the fiscal year ended September 30, 2018. The aggregate principal outstanding at September 30, 2018 is \$10,615,000.

n -- Capital Leases

The City has entered into a lease agreement to finance equipment for both governmental and 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, 2018, under capital lease obligations (in thousands):

Capital Assets	Governmental Activities	Austin Energy
Building and improvements	\$ --	1,405
Equipment	14,257	--
Accumulated depreciation	--	(562)
Net capital assets	<u>\$ 14,257</u>	<u>843</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, 2018, was \$24.3 million.

Fiscal Year Ended September 30	Future Lease Payments
2019	\$ 23,285
2020	19,845
2021	18,872
2022	17,340
2023	17,319
2024-2028	17,316
Totals	<u>\$ 113,977</u>

15 – 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 Austin Energy, Austin Water Utility, Airport, and Liability Reserve funds for claims payable at September 30, 2018. These liabilities, reported in the government-wide statement of net position, include amounts for claims and lawsuits settled subsequent to year-end.

16 – 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, 2018, \$155.5 million in housing revenue bonds were outstanding with an original issue value of \$163 million.

Revenue bonds have been issued by various related entities to provide for facilities located at the international airport. 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, 2018, \$145 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.

17 – 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	\$ 189,334
Capital assets	207,327
Other noncurrent assets	21,876
Total assets	<u>418,537</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>26,521</u>
LIABILITIES	
Other current liabilities	24,138
Other noncurrent liabilities	218,914
Total liabilities	<u>243,052</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,803</u>
NET POSITION	
Net investment in capital assets	68,515
Restricted	36,716
Unrestricted	94,972
Total net position	<u>\$ 200,203</u>

17 – SEGMENT INFORMATION – CONVENTION CENTER, continued

Condensed Statement of Revenues, Expenses, and Changes in Net Position	
OPERATING REVENUES	
User fees and rentals	\$ 33,752
Total operating revenues	<u>33,752</u>
OPERATING EXPENSES	
Operating expenses before depreciation	67,889
Depreciation and amortization	9,026
Total operating expenses	<u>76,915</u>
Operating income (loss)	(43,163)
Nonoperating revenues (expenses)	(3,752)
Transfers	76,681
Change in net position	<u>29,766</u>
Beginning net position, as restated	<u>170,437</u>
Ending net position	<u><u>\$ 200,203</u></u>

Condensed Statement of Cash Flows	
Net cash provided (used) by:	
Operating activities	\$ (26,910)
Noncapital financing activities	76,698
Capital and related financing activities	(23,512)
Investing activities	3,909
Net increase (decrease) in cash and cash equivalents	<u>30,185</u>
Cash and cash equivalents, beginning	<u>157,807</u>
Cash and cash equivalents, ending	<u><u>\$ 187,992</u></u>

18 – RESTATEMENT

During fiscal year 2018, the City implemented a new accounting standard, GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” This statement revised the standards for determination of the OPEB liability, for accounting and reporting for OPEB expenses and liabilities, and for deferral of certain OPEB expense elements. As a result of implementing this statement, net position was restated at October 1, 2017. The City’s other postemployment benefits payable was eliminated and replaced by a larger OPEB liability which was divided into short- and long-term components. In addition, net contributions made by the City for retiree healthcare benefits from January 1 to September 30, 2017, are recorded as deferred outflows of resources. The impact of these changes on the beginning balances reported in the financial statements is shown below (in thousands):

	Government-wide		Proprietary Funds		
	Governmental Activities	Business-Type Activities	Airport	Nonmajor Enterprise Funds	Business-Type Activities
September 30, 2017					
Net position, as previously reported	\$ 455,353	3,976,814	615,880	555,915	3,930,170
Adjustments to properly record implementation of GASB Statement No. 75	(639,689)	(188,749)	(40,600)	(148,149)	(188,749)
Net position, as restated	<u><u>\$ (184,336)</u></u>	<u><u>3,788,065</u></u>	<u><u>575,280</u></u>	<u><u>407,766</u></u>	<u><u>3,741,421</u></u>

The adjustments associated with the implementation of this standard were deferred in accordance with accounting for regulated operations for Austin Energy and Austin Water Utility. The amount deferred is \$103 million and \$75.1 million respectively; therefore, there was no restatement to net position in these funds.

19 – SUBSEQUENT EVENTS

a -- General Obligation Bond Issue

In October 2018, the City issued \$65,595,000 of Public Improvement Bonds, Series 2018. The net proceeds of \$69,055,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and mobility (\$63,670,000), parks and recreation (\$3,790,000), and facility improvements (\$1,595,000). These bonds will be amortized serially on September 1 of each year from 2019 to 2038. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2019. Total interest requirements for these bonds, at rates ranging from 3.0% to 5.0%, are \$12,395,116.

In October 2018, the City issued \$7,140,000 of Certificates of Obligation, Series 2018. The net proceeds of \$7,500,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: watershed home buyouts (\$6,000,000), and fire station improvements (\$1,500,000). These certificates of obligation will be amortized serially on September 1 of each year from 2019 to 2038. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2019. Total interest requirements for these obligations, at rates ranging from 3.0% to 5.0%, are \$3,121,116.

In October 2018, the City issued \$21,215,000 of Public Property Finance Contractual Obligations, Series 2018. The net proceeds of \$23,115,000 (after issue costs, discounts, and premiums) from this issue will be used for capital equipment. These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2019 to 2025. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2019. Total interest requirements for these obligations, at rates ranging from 4.0% to 5.0%, are \$4,060,563.

In October 2018, the City issued \$6,980,000 of Public Improvement Taxable Bonds, Series 2018. The net proceeds of \$7,000,000 (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 2019 to 2038, commencing on March 1, 2019. Principal payments are due September 1 of each year from 2019 to 2038. Total interest requirements for this obligation, at rates ranging from 3.4% to 5.0% are \$3,184,623.

b -- Water and Wastewater – System Revenue Bond Issue

In November 2018, the City issued \$3,000,000 of Water and Wastewater System Revenue Bonds, Series, 2018. This is a private placement structured through a memorandum with the Texas Water Development Board (TWDB). Project funds of \$2,769,600 will be used to improve and extend the Water/Wastewater system. The total debt service requirements on the bonds are \$3,740,207, with interest rates ranging from 1.2% to 2.6%. Interest payments are due May 15 and November 15 of each year from 2019 to 2038. Principal payments are due November 15 of each year from 2019 to 2038.



**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, 2018
(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	\$ 702,761	100	702,861	691,467	691,467	11,394
Franchise fees	35,738	(76)	35,662	36,936	36,936	(1,274)
Fines, forfeitures and penalties	10,330	--	10,330	14,075	14,075	(3,745)
Licenses, permits and inspections	54,103	(7)	54,096	59,943	59,943	(5,847)
Charges for services/goods	61,705	2,565	64,270	65,457	65,457	(1,187)
Interest and other	21,389	(10,568)	10,821	6,982	7,850	2,971
Total revenues	886,026	(7,986)	878,040	874,860	875,728	2,312
EXPENDITURES						
General government						
Municipal Court	22,021	703	22,724	22,555	22,555	(169)
Public safety						
Police	338,547	49,056	387,603	402,536	402,536	14,933
Fire	172,356	20,356	192,712	195,713	195,713	3,001
Emergency Medical Services	73,857	9,016	82,873	86,320	86,320	3,447
Public health						
Public Health	38,673	(826)	37,847	39,123	39,123	1,276
Animal Services	10,915	1,653	12,568	13,266	13,266	698
Social Services	34,822	(783)	34,039	33,965	33,965	(74)
Public recreation and culture						
Parks and Recreation	75,509	9,334	84,843	86,026	85,745	902
Austin Public Library	44,611	5,380	49,991	50,446	50,446	455
Urban growth management						
Development Services	41,125	6,286	47,411	53,342	53,342	5,931
Planning and Zoning	6,148	1,636	7,784	8,722	8,722	938
Other urban growth management	35,020	3,422	38,442	39,846	40,864	2,422
General city responsibilities (4)	113,140	(105,665)	7,475	7,744	7,744	269
Total expenditures	1,006,744	(432)	1,006,312	1,039,604	1,040,341	34,029
Excess (deficiency) of revenues over expenditures	(120,718)	(7,554)	(128,272)	(164,744)	(164,613)	36,341
OTHER FINANCING SOURCES (USES)						
Transfers in	173,614	50,826	224,440	192,692	192,842	31,598
Transfers out	(11,776)	(57,817)	(69,593)	(37,714)	(37,995)	(31,598)
Total other financing sources (uses)	161,838	(6,991)	154,847	154,978	154,847	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	41,120	(14,545)	26,575	(9,766)	(9,766)	36,341
Fund balance at beginning of year	171,814	7,815	179,629	151,180	151,180	28,449
Fund balance at end of year	\$ 212,934	(6,730)	206,204	141,414	141,414	64,790

- (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 fourteen separately budgeted funds: the Budgetary General Fund, as budgeted by the City, plus the Budget Stabilization Reserve, Barton Springs Conservation, Community Development Incentives, Economic Development, Economic Incentives Reserve, Emergency Reserve, Long Center Capital Improvements, Music Venue Assistance Program, Neighborhood Housing-Housing Trust, Parks and Recreation Special Events, Pay for Success, Property Tax Reserve, and Seaholm Parking Garage Revenue.

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 interdepartmental charges (\$7,156,713).

b -- Budget Amendments

During fiscal year 2018 an amendment to the General Fund Interest and other revenue budget increased it by \$868,240 to reflect proceeds related to the Aspen Heights Density Bonus Program. This was the sole revenue budget amendment. The budget for Transfers in was increased by \$150,000 related to a settlement with an apartment complex. Budgeted expenditures in Other urban growth management were increased by \$868,240 to provide housing subsidies to the homeless and by \$150,000 to fund relocation costs related to the apartment settlement. The expenditure budget related to Parks and Recreation was decreased by \$280,630 and the budget for Transfers out was increased by the same amount. Upgrades to the Millennium Youth Entertainment Complex that were originally budgeted to be spent in 2018 were delayed resulting in this amendment which moved the funds from the operating to the capital budget.

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	\$ 41,120
Adjustments - increases (decreases) due to:	
Unbudgeted revenues	3,011
Net compensated absences accrual	(325)
Outstanding encumbrances established in current year	(22,292)
Payments against prior year encumbrances	14,685
Other	(9,624)
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	<u>\$ 26,575</u>

RETIREMENT PLANS-TREND INFORMATION

Changes in net pension liability for each pension plan for the measurement periods ended December 31, 2014, 2015, 2016, and 2017 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>	<u>2016</u>	<u>2017</u>
Beginning total pension liability (a)	\$ 2,909,918	3,094,056	3,391,796	3,591,376
Changes for the year:				
Service cost	89,235	93,506	107,111	107,767
Interest	222,710	236,844	251,684	266,257
Differences between expected and actual experience	33,911	13,414	19,914	22,755
Assumption changes	--	123,493	--	--
Benefit payments including refunds	(161,718)	(169,517)	(179,129)	(190,332)
Net change in total pension liability	<u>184,138</u>	<u>297,740</u>	<u>199,580</u>	<u>206,447</u>
Ending total pension liability (b)	<u>3,094,056</u>	<u>3,391,796</u>	<u>3,591,376</u>	<u>3,797,823</u>
Beginning total plan fiduciary net position (c)	<u>2,130,624</u>	<u>2,209,800</u>	<u>2,144,804</u>	<u>2,299,688</u>
Changes for the year:				
Employer contributions	93,331	100,485	104,273	110,846
Employee contributions	50,490	54,066	60,801	56,194
Pension plan net investment income (loss)	99,704	(47,608)	171,640	376,820
Benefits payments and refunds	(161,718)	(169,517)	(179,129)	(190,332)
Pension plan administrative expense	(2,631)	(2,422)	(2,701)	(2,778)
Net change in plan fiduciary net position	<u>79,176</u>	<u>(64,996)</u>	<u>154,884</u>	<u>350,750</u>
Ending total plan fiduciary net position (d)	<u>2,209,800</u>	<u>2,144,804</u>	<u>2,299,688</u>	<u>2,650,438</u>
Beginning net pension liability (a-c)	<u>779,294</u>	<u>884,256</u>	<u>1,246,992</u>	<u>1,291,688</u>
Ending net pension liability (b-d)	<u>\$ 884,256</u>	<u>1,246,992</u>	<u>1,291,688</u>	<u>1,147,385</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	71.42%	63.24%	64.03%	69.79%
Covered payroll	\$ 514,787	546,058	573,308	609,553
City's net pension liability as a percentage of covered payroll	171.77%	228.36%	225.30%	188.23%

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

The City Employees' fund had no significant changes of benefit terms in any of the years presented. There were no other significant factors that affected measurement of the total pension liability during the years ended December 31, 2017, 2016 or 2014; however, significant changes to assumptions were made as the result of an experience study of the five years ended 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	2016	2017
Beginning total pension liability (a)	\$ 909,000	971,623	1,028,909	1,106,189
Changes for the year:				
Service cost	30,254	32,138	32,990	35,322
Interest	72,443	76,999	80,846	84,472
Benefit changes	(11,015)	(4,080)	--	--
Differences between expected and actual experience	--	(6,318)	7,455	17,241
Assumption changes	14,137	3,904	5,148	--
Contribution buy back	2,207	4,648	1,668	2,915
Benefit payments including refunds	(45,403)	(50,005)	(50,827)	(56,548)
Net change in total pension liability	<u>62,623</u>	<u>57,286</u>	<u>77,280</u>	<u>83,402</u>
Ending total pension liability (b)	<u>971,623</u>	<u>1,028,909</u>	<u>1,106,189</u>	<u>1,189,591</u>
Beginning total plan fiduciary net position (c)	<u>595,110</u>	<u>638,019</u>	<u>644,174</u>	<u>686,020</u>
Changes for the year:				
Employer contributions	32,400	33,239	33,814	35,141
Employee contributions	19,458	20,061	20,623	21,437
Contribution buy back	2,207	4,648	1,668	2,915
Pension plan net investment income (loss)	35,574	(322)	37,965	82,072
Benefits payments and refunds	(45,403)	(50,005)	(50,827)	(56,548)
Pension plan administrative expense	(1,327)	(1,466)	(1,397)	(1,562)
Net change in plan fiduciary net position	<u>42,909</u>	<u>6,155</u>	<u>41,846</u>	<u>83,455</u>
Ending total plan fiduciary net position (d)	<u>638,019</u>	<u>644,174</u>	<u>686,020</u>	<u>769,475</u>
Beginning net pension liability (a-c)	<u>313,890</u>	<u>333,604</u>	<u>384,735</u>	<u>420,169</u>
Ending net pension liability (b-d)	<u>\$ 333,604</u>	<u>384,735</u>	<u>420,169</u>	<u>420,116</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	65.67%	62.61%	62.02%	64.68%
Covered payroll	\$ 149,686	152,696	157,303	163,995
City's net pension liability as a percentage of covered payroll	222.87%	251.96%	267.11%	256.18%

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 years ended December 31, 2017, 2015 or 2014. For the year ended December 31, 2016 there were no changes to benefit terms that affected measurement of the total pension liability; there were, however, the following assumption changes:

- The investment return assumption has been decreased from 7.80% to 7.70% (decreasing 0.30% over the last three years)
- The core inflation rate assumption has been decreased from 3.25% to 3.00%,
- The general wage inflation rate assumption has been decreased from 3.50% to 3.25%,
- The assumed rates of salary increase have been amended at most service points, and
- The payroll growth assumption has been increased from 3.50% to 4.00%.

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>	<u>2016</u>	<u>2017</u>
Beginning total pension liability (a)	\$ 806,282	861,468	913,618	977,723
Changes for the year:				
Service cost	25,319	23,309	24,323	23,830
Interest	62,977	66,405	70,893	75,812
Benefit Changes	--	--	5,491	8,964
Differences between expected and actual experience	--	7,193	8,893	4,360
Assumption changes	4,883	--	--	--
Benefit payments including refunds	<u>(37,993)</u>	<u>(44,757)</u>	<u>(45,495)</u>	<u>(51,888)</u>
Net change in total pension liability	<u>55,186</u>	<u>52,150</u>	<u>64,105</u>	<u>61,078</u>
Ending total pension liability (b)	<u>861,468</u>	<u>913,618</u>	<u>977,723</u>	<u>1,038,801</u>
Beginning total plan fiduciary net position (c)	<u>752,622</u>	<u>789,433</u>	<u>785,211</u>	<u>829,610</u>
Changes for the year:				
Employer contributions	18,670	19,222	19,104	19,242
Employee contributions	14,660	15,547	15,884	16,319
Pension plan net investment income	42,005	6,328	55,569	141,915
Benefits payments and refunds	(37,993)	(44,757)	(45,496)	(51,888)
Pension plan administrative expense	<u>(531)</u>	<u>(562)</u>	<u>(662)</u>	<u>(1,400)</u>
Net change in plan fiduciary net position	<u>36,811</u>	<u>(4,222)</u>	<u>44,399</u>	<u>124,188</u>
Ending total plan fiduciary net position (d)	<u>789,433</u>	<u>785,211</u>	<u>829,610</u>	<u>953,798</u>
Beginning net pension liability (a-c)	<u>53,660</u>	<u>72,035</u>	<u>128,407</u>	<u>148,113</u>
Ending net pension liability (b-d)	<u>\$ 72,035</u>	<u>128,407</u>	<u>148,113</u>	<u>85,003</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	91.64%	85.95%	84.85%	91.82%
Covered payroll	\$ 84,589	83,979	86,632	87,266
City's net pension liability as a percentage of covered payroll	85.16%	152.90%	170.97%	97.41%

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

There were no significant 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 years ended December 31, 2017, 2016, 2015, or 2014.

RETIREMENT PLANS-TREND INFORMATION, continued

Information pertaining to City contributions to the retirement systems for the fiscal year ending September 30, 2018, 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	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%
2017	119,038	108,929	10,109	600,726	18.13%
2018	123,058	114,149	8,909	630,631	18.10%

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.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal (all years)
 Asset Valuation Method 2017 forward - Expected actuarial value plus 20% recognition of prior years' differences between expected and actual investment income
 2016 and 2015 - 20% of market plus 80% of expected actuarial value
 Inflation 2.75% for 2016 forward, 3.25% for 2015
 Salary Increases 4.00% to 6.25% for 2016 forward, 4.50% to 6.00% for 2015
 Investment Rate of Return 7.50% for 2016 forward, 7.75% for 2015
 Retirement Age 2016 forward - Experience-based table of rates that are gender specific. Last updated for December 31, 2015 valuation pursuant to an experience study of 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 2016 forward - 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	Actual Contribution as a % of Covered Payroll (1)
	\$	\$	\$	\$	
Police Officers					
2015	32,942	32,942	--	152,229	21.64%
2016	33,141	33,141	--	155,476	21.32%
2017	34,717	34,717	--	162,891	21.31%
2018	34,944	34,944		163,956	21.31%
Fire Fighters					
2015	18,327	18,327	--	83,118	22.05%
2016	19,145	19,145	--	86,826	22.05%
2017	19,104	19,104	--	86,642	22.05%
2018	19,809	19,809		89,834	22.05%

(1) 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

Schedule of Changes in the City of Austin OPEB Liability and Related Ratios (in thousands)

	2017
Beginning total OPEB liability	<u>\$ 2,055,627</u>
Changes for the year:	
Service cost	86,687
Interest	80,132
Differences between expected and actual experience	64,227
Assumption changes	283,099
Expected benefit payments	<u>(44,875)</u>
Net change in total OPEB liability	<u>469,270</u>
Ending total OPEB liability	<u>\$ 2,524,897</u>
Covered-employee payroll	\$ 968,403
City's total OPEB liability as a percentage of covered-employee payroll	260.73%

The OPEB plan had no changes in benefit terms during the period. Assumption changes included:

- Lowering the discount rate from 3.78% to 3.44% based on Bond Buyer US Weekly Yields 20 General Obligation Bond Index as of the measurement date,
- Updating medical and prescription drug claim costs to reflect more recent experience,
- Modifying medical and prescriptions drug trend rates by splitting the single category from the previous valuation into three categories for the current valuation, grading these categories for different periods, and lowering the ultimate trend rate from 5.0% to 4.5%, and
- Updating third-party administrator and vendor administrative expenses to reflect more recent contracts and assumed trends on such costs.



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



GENERAL FUND

General Fund
Schedule of Revenues - Budget and Actual-Budget Basis
As of September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit E-1

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Taxes					
Property taxes:					
Current	\$ 456,358	100	456,458	451,558	4,900
Delinquent	(165)	--	(165)	123	(288)
Penalty and interest	1,596	--	1,596	1,324	272
Property taxes	457,789	100	457,889	453,005	4,884
Sales taxes	232,319	--	232,319	226,132	6,187
Other taxes	12,653	--	12,653	12,330	323
Total taxes	702,761	100	702,861	691,467	11,394
Franchise fees	35,738	(76)	35,662	36,936	(1,274)
Fines, forfeitures, and penalties					
Library fines	563	--	563	782	(219)
Traffic fines	4,606	--	4,606	6,878	(2,272)
Parking violations	2,525	--	2,525	3,078	(553)
Other	2,636	--	2,636	3,337	(701)
Total fines, forfeitures, and penalties	10,330	--	10,330	14,075	(3,745)
Licenses, permits, and inspections					
Alarm permits	3,196	--	3,196	3,128	68
Public health	4,902	--	4,902	4,846	56
Development	20,401	(7)	20,394	26,833	(6,439)
Building safety	23,651	--	23,651	23,364	287
Beer and wine permits	472	--	472	536	(64)
Other	1,481	--	1,481	1,236	245
Total licenses, permits, and inspections	54,103	(7)	54,096	59,943	(5,847)
Charges for services/goods					
Recreation and culture	10,871	--	10,871	10,440	431
Public health	3,205	2,921	6,126	7,358	(1,232)
Emergency medical services	41,139	(356)	40,783	40,246	537
General government	6,490	--	6,490	7,413	(923)
Total charges for services/goods	61,705	2,565	64,270	65,457	(1,187)
Interest and other					
Interest	5,435	--	5,435	2,636	2,799
Rental income	1,644	--	1,644	2,400	(756)
Sale of property	1,061	--	1,061	1,098	(37)
Other	13,249	(10,568)	2,681	1,716	965
Total interest and other	21,389	(10,568)	10,821	7,850	2,971
Total revenues	\$ 886,026	(7,986)	878,040	875,728	2,312

(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, 2018
(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	\$ 14,400	--	14,400	14,414	14
Contractual services	7,639	703	8,342	8,206	(136)
Commodities	176	17	193	146	(47)
Expense refunds	(211)	--	(211)	(211)	--
Capital outlay	17	(17)	--	--	--
Total general government	22,021	703	22,724	22,555	(169)
Public safety					
Police:					
Salaries and fringe benefits	315,584	230	315,814	326,659	10,845
Contractual services	35,172	48,350	83,522	83,092	(430)
Commodities	4,093	442	4,535	5,058	523
Expense refunds	(16,332)	(12)	(16,344)	(12,367)	3,977
Capital outlay	30	46	76	94	18
	338,547	49,056	387,603	402,536	14,933
Fire:					
Salaries and fringe benefits	167,742	107	167,849	167,472	(377)
Contractual services	12,106	19,709	31,815	32,060	245
Commodities	4,709	464	5,173	2,970	(2,203)
Indirect cost	559	--	559	812	253
Expense refunds	(13,115)	--	(13,115)	(8,070)	5,045
Capital outlay	355	76	431	469	38
	172,356	20,356	192,712	195,713	3,001
Emergency Medical Services:					
Salaries and fringe benefits	62,100	(20)	62,080	63,706	1,626
Contractual services	8,519	10,037	18,556	18,621	65
Commodities	3,224	(57)	3,167	3,933	766
Expense refunds	(1,935)	--	(1,935)	(1,107)	828
Capital outlay	1,949	(944)	1,005	1,167	162
	73,857	9,016	82,873	86,320	3,447
Total public safety	584,760	78,428	663,188	684,569	21,381
Public health					
Public Health:					
Salaries and fringe benefits	26,477	(1,212)	25,265	26,480	1,215
Contractual services	12,429	573	13,002	13,010	8
Commodities	963	(217)	746	598	(148)
Expense refunds	(1,220)	--	(1,220)	(1,023)	197
Capital outlay	24	30	54	58	4
	38,673	(826)	37,847	39,123	1,276
Animal Services:					
Salaries and fringe benefits	7,852	--	7,852	8,176	324
Contractual services	2,068	1,688	3,756	3,754	(2)
Commodities	1,011	23	1,034	1,502	468
Expense refunds	(74)	--	(74)	(166)	(92)
Capital outlay	58	(58)	--	--	--
	10,915	1,653	12,568	13,266	698
Social Services:					
Salaries and fringe benefits	--	--	--	--	--
Contractual services	36,017	(853)	35,164	34,975	(189)
Commodities	81	70	151	--	(151)
Expense refunds	(1,276)	--	(1,276)	(1,010)	266
Capital outlay	--	--	--	--	--
	34,822	(783)	34,039	33,965	(74)
Total public health	84,410	44	84,454	86,354	1,900

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
As of September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit E-2

(Continued)

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Public recreation and culture					
Parks and Recreation:					
Salaries and fringe benefits	\$ 58,657	42	58,699	60,141	1,442
Contractual services	16,094	8,959	25,053	26,600	1,547
Commodities	4,271	340	4,611	3,287	(1,324)
Indirect cost	597	--	597	300	(297)
Expense refunds	(4,125)	--	(4,125)	(4,720)	(595)
Capital outlay	15	(7)	8	137	129
	<u>75,509</u>	<u>9,334</u>	<u>84,843</u>	<u>85,745</u>	<u>902</u>
Austin Public Library:					
Salaries and fringe benefits	32,245	--	32,245	34,112	1,867
Contractual services	6,841	4,806	11,647	11,247	(400)
Commodities	5,738	573	6,311	5,175	(1,136)
Expense refunds	(331)	--	(331)	(88)	243
Capital outlay	118	1	119	--	(119)
	<u>44,611</u>	<u>5,380</u>	<u>49,991</u>	<u>50,446</u>	<u>455</u>
Total public recreation and culture	120,120	14,714	134,834	136,191	1,357
Urban growth management					
Development Services:					
Salaries and fringe benefits	36,155	--	36,155	38,428	2,273
Contractual services	5,406	6,241	11,647	14,528	2,881
Commodities	783	45	828	1,520	692
Expense refunds	(1,869)	--	(1,869)	(1,885)	(16)
Capital outlay	650	--	650	751	101
	<u>41,125</u>	<u>6,286</u>	<u>47,411</u>	<u>53,342</u>	<u>5,931</u>
Planning & Zoning:					
Salaries and fringe benefits	5,437	--	5,437	5,833	396
Contractual services	856	1,586	2,442	2,824	382
Commodities	58	--	58	65	7
Expense refunds	(203)	--	(203)	--	203
Capital outlay	--	50	50	--	(50)
	<u>6,148</u>	<u>1,636</u>	<u>7,784</u>	<u>8,722</u>	<u>938</u>
Other urban growth management:					
Salaries and fringe benefits	13,257	8	13,265	10,267	(2,998)
Contractual services	24,684	3,110	27,794	31,258	3,464
Commodities	776	304	1,080	614	(466)
Expense refunds	(3,697)	--	(3,697)	(1,275)	2,422
	<u>35,020</u>	<u>3,422</u>	<u>38,442</u>	<u>40,864</u>	<u>2,422</u>
Total urban growth management	82,293	11,344	93,637	102,928	9,291
General city responsibilities (2)	113,140	(105,665)	7,475	7,744	269
Total expenditures	1,006,744	(432)	1,006,312	1,040,341	34,029
General fund expenditures					
Salaries	739,906	(845)	739,061	755,688	16,627
Contractuals	167,831	104,909	272,740	280,175	7,435
Commodities	25,883	2,004	27,887	24,868	(3,019)
Indirect cost	1,156	--	1,156	1,112	(44)
Expense refunds	(44,388)	(12)	(44,400)	(31,922)	12,478
Capital outlay	3,216	(823)	2,393	2,676	283
General city responsibilities	113,140	(105,665)	7,475	7,744	269
Total expenditures	\$ 1,006,744	(432)	1,006,312	1,040,341	34,029

(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, 2018
(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	\$ --	50,996	50,996	19,398	31,598
Budget Stabilization Reserve	--	5,017	5,017	5,017	--
Special revenue funds:					
Housing Trust Social Equity	4,370	(4,370)	--	--	--
Business Retention & Enhancement	534	--	534	534	--
Seaholm Parking Garage	817	(817)	--	--	--
Enterprise funds:					
Austin Energy	115,873	--	115,873	115,873	--
Austin Water Utility	49,148	--	49,148	49,148	--
Austin Resource Recovery	635	--	635	635	--
Internal service funds:					
Fleet	2,237	--	2,237	2,237	--
Total transfers in	173,614	50,826	224,440	192,842	31,598
Transfers out					
General Fund:					
Budget Stabilization Reserve	--	31,598	31,598	--	(31,598)
Barton Springs Conservation	--	53	53	53	--
Economic Development	--	5,560	5,560	5,560	--
Economic Incentives Reserve	--	11,388	11,388	11,388	--
Emergency Reserve	--	3,817	3,817	3,817	--
Long Center Capital Improvements	--	300	300	300	--
Music Venue Assistance Program	--	100	100	100	--
Neighborhood Housing-Housing Trust	--	1,997	1,997	1,997	--
Pay for Success	--	1,200	1,200	1,200	--
Special revenue funds:					
Child Safety	836	--	836	836	--
Urban Renewal Agency	22	(22)	--	--	--
Cable TV	475	--	475	475	--
East Sixth Street Public Improvement District	35	--	35	35	--
Mueller Local Government Corporation	979	--	979	979	--
South Congress Public Improvement District	3	--	3	3	--
Tax Increment Finance	--	100	100	100	--
Debt Service funds:					
Debt Service	572	--	572	572	--
Capital Improvement Projects	4,631	(184)	4,447	4,447	--
Enterprise funds:					
Golf	1,000	--	1,000	1,000	--
Transportation	853	--	853	853	--
Internal service funds:					
Information Systems	--	340	340	340	--
Liability Reserve	--	3	3	3	--
Support Services	--	1,501	1,501	1,501	--
Wireless Communication	2,370	--	2,370	2,370	--
Workers Compensation	--	66	66	66	--
Total transfers out	11,776	57,817	69,593	37,995	(31,598)
Net transfers	\$ 161,838	(6,991)	154,847	154,847	--

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



**NONMAJOR
GOVERNMENTAL
FUNDS**



**Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2018
(In thousands)**

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

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Pooled investments and cash	\$ 138,570	193	213,528	1,071	353,362
Investments	--	28,533	--	--	28,533
Cash held by trustee - restricted	8,826	--	--	--	8,826
Investments held by trustee - restricted	1,868	--	--	--	1,868
Property taxes receivable, net of allowance	--	3,810	--	--	3,810
Accounts receivable, net of allowance	28,569	--	4,495	--	33,064
Receivables from other governments	15,291	--	24	--	15,315
Notes receivable, net of allowance	26,504	--	--	--	26,504
Due from other funds	11,112	16	--	--	11,128
Advances to other funds	--	904	7,779	--	8,683
Real property held for resale	5,836	--	--	--	5,836
Other assets	3,808	--	--	--	3,808
Total assets	240,384	33,456	225,826	1,071	500,737
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	4,878	--	20,329	--	25,207
Accrued payroll	548	--	--	--	548
Due to other funds	11,112	--	--	--	11,112
Unearned revenue	3,320	--	--	--	3,320
Advances from other funds	--	425	7,779	--	8,204
Deposits and other liabilities	78,517	--	412	--	78,929
Total liabilities	98,375	425	28,520	--	127,320
DEFERRED INFLOWS OF RESOURCES	2,708	3,748	440	--	6,896
FUND BALANCES					
Nonspendable:					
Permanent funds	--	--	--	1,070	1,070
Restricted	84,938	29,283	108,840	1	223,062
Committed	45,169	--	--	--	45,169
Assigned	10,184	--	98,149	--	108,333
Unassigned	(990)	--	(10,123)	--	(11,113)
Total fund balances	139,301	29,283	196,866	1,071	366,521
Total liabilities, deferred inflows of resources, and fund balances	\$ 240,384	33,456	225,826	1,071	500,737

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit E-5

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Property taxes	\$ 12,896	145,739	--	--	158,635
Franchise fees and other taxes	111,363	--	--	--	111,363
Fines, forfeitures and penalties	5,434	--	--	--	5,434
Licenses, permits and inspections	321	--	--	--	321
Charges for services/goods	22,610	--	--	--	22,610
Intergovernmental	57,383	--	8,249	--	65,632
Property owners' participation and contributions	3,672	--	12,683	--	16,355
Interest and other	5,632	3,378	3,855	--	12,865
Total revenues	219,311	149,117	24,787	--	393,215
EXPENDITURES					
Current:					
General government	2,850	--	--	--	2,850
Public safety	12,325	--	--	--	12,325
Transportation, planning, and sustainability	5,162	--	--	--	5,162
Public health	21,606	--	--	--	21,606
Public recreation and culture	14,455	--	--	--	14,455
Urban growth management	68,342	--	--	--	68,342
Debt service:					
Principal	2,300	97,272	--	--	99,572
Interest	4,280	60,394	--	--	64,674
Fees and commissions	--	27	--	--	27
Capital outlay	--	--	139,324	--	139,324
Total expenditures	131,320	157,693	139,324	--	428,337
Excess (deficiency) of revenues over expenditures	87,991	(8,576)	(114,537)	--	(35,122)
OTHER FINANCING SOURCES (USES)					
Issuance of tax supported debt	24,798	658	92,760	--	118,216
Bond premiums	312	--	16,925	--	17,237
Transfers in	16,008	12,614	40,620	--	69,242
Transfers out	(114,528)	--	(29,151)	--	(143,679)
Total other financing sources (uses)	(73,410)	13,272	121,154	--	61,016
Net change in fund balances	14,581	4,696	6,617	--	25,894
Fund balances at beginning of year	124,720	24,587	190,249	1,071	340,627
Fund balances at end of year	\$ 139,301	29,283	196,866	1,071	366,521





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:

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.

OTHER SPECIAL REVENUE FUNDS, continued
Urban Growth Management

Neighborhood Housing & Community Development:

Homestead Preservation Reinvestment Tax Increment Fund - Accounts for property tax revenue that is collected in the City of Austin reinvestment zone. The purpose of the fund is to increase home ownership, provide affordable housing, and prevent the involuntary loss of homesteads by existing low-income and moderate-income families.

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)

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.

Historic Preservation Fund - Accounts for eligible historic restoration and preservation projects and activities. Funded by a portion of the hotel-motel occupancy tax.

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.

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 Parking Garage Fund - Accounts for property tax revenue and other revenue related to the Seaholm parking garage. The revenue will be used for debt service cost associated with the redevelopment of the former Seaholm Power Plant.

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, 2018
(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	\$ 1,794	133,507	3,269	138,570
Cash held by trustee - restricted	650	8,176	--	8,826
Investments held by trustee - restricted	--	1,868	--	1,868
Accounts receivable, net of allowance	--	28,569	--	28,569
Receivables from other governments	15,284	--	7	15,291
Notes receivable, net of allowance	--	3,431	23,073	26,504
Due from other funds	--	11,112	--	11,112
Real property held for resale	--	678	5,158	5,836
Other assets	354	3,454	--	3,808
Total assets	18,082	190,795	31,507	240,384
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	1,816	2,732	330	4,878
Accrued payroll	411	137	--	548
Due to other funds	11,096	16	--	11,112
Unearned revenue	3,320	--	--	3,320
Deposits and other liabilities	1,439	75,337	1,741	78,517
Total liabilities	18,082	78,222	2,071	98,375
DEFERRED INFLOWS OF RESOURCES	--	2,708	--	2,708
FUND BALANCES				
Restricted	--	55,502	29,436	84,938
Committed	--	45,169	--	45,169
Assigned	--	10,184	--	10,184
Unassigned	--	(990)	--	(990)
Total fund balances	--	109,865	29,436	139,301
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,082	190,795	31,507	240,384

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(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	\$ --	12,896	--	12,896
Franchise fees and other taxes	--	111,363	--	111,363
Fines, forfeitures, and penalties	--	5,434	--	5,434
Licenses, permits and inspections	--	321	--	321
Charges for services/goods	--	22,442	168	22,610
Intergovernmental	47,596	668	9,119	57,383
Property owners' participation and contributions	--	3,672	--	3,672
Interest and other	--	5,565	67	5,632
Total revenues	47,596	162,361	9,354	219,311
EXPENDITURES				
Current:				
General government	1,595	1,255	--	2,850
Public safety	8,796	3,529	--	12,325
Transportation, planning, and sustainability	2,005	3,157	--	5,162
Public health	21,391	215	--	21,606
Public recreation and culture	991	13,464	--	14,455
Urban growth management	12,818	48,252	7,272	68,342
Debt service:				
Principal	--	2,300	--	2,300
Interest	--	4,280	--	4,280
Total expenditures	47,596	76,452	7,272	131,320
Excess (deficiency) of revenues over expenditures	--	85,909	2,082	87,991
OTHER FINANCING SOURCES (USES)				
Issuance of tax supported debt	--	24,798	--	24,798
Bond premiums	--	312	--	312
Transfers in	--	16,008	--	16,008
Transfers out	--	(114,528)	--	(114,528)
Total other financing sources (uses)	--	(73,410)	--	(73,410)
Net change in fund balances	--	12,499	2,082	14,581
Fund balances at beginning of year	--	97,366	27,354	124,720
Fund balances at end of year	\$ --	109,865	29,436	139,301

Special Revenue Funds
 Combining Balance Sheet - All Special Revenue Grants
 September 30, 2018
 (In thousands)

City of Austin, Texas
 Exhibit E-8

	Assets				Liabilities and Fund Balances							Total Liabilities and Fund Balances
	Pooled Investments and Cash	Receivables from			Accounts Payable	Due to Other Funds	Unearned Revenue	Deposits and Other Liabilities	Total Liabilities	Fund Balances	Total	
		Cash	Trustee, Restricted and Cash	Other Governments								
\$	175	--	1,045	--	77	21	929	--	193	1,220	--	1,220
U.S. Department of Agriculture	--	--	2	--	--	--	2	--	--	2	--	2
U.S. Department of Commerce	--	--	93	--	--	--	93	--	--	93	--	93
Equal Employment Opportunity Commission	--	--	583	232	187	25	591	--	12	815	--	815
U.S. Department of Justice	--	--	10	--	--	--	10	--	--	10	--	10
U.S. Department of Labor	--	--	--	--	--	--	--	--	--	--	--	--
U.S. Department of State	--	--	--	--	--	--	--	--	--	--	--	--
U.S. Department of Transportation	17	--	2,601	54	185	--	2,151	17	319	2,672	--	2,672
U.S. Health & Human Services	107	--	1,995	12	496	317	1,008	51	242	2,114	--	2,114
U.S. Department of Homeland Security	43	--	5,414	31	26	11	4,772	417	262	5,488	--	5,488
Corporation for National and Community Services	--	--	--	--	--	--	--	--	--	--	--	--
U.S. Housing/Urban Development	234	650	1,834	--	835	7	838	999	39	2,718	--	2,718
U.S. National Endowment for the Arts	22	--	99	--	--	--	99	20	--	121	--	121
U.S. National Science Foundation	28	--	8	--	8	--	--	--	28	36	--	36
U.S. Department of Interior	--	--	30	--	--	--	--	--	30	30	--	30
Total federal grants	626	650	13,714	329	1,814	381	10,493	1,504	1,127	15,319	--	15,319
State grants	22	--	--	--	--	--	--	--	22	22	--	22
Texas Governor's Office Criminal Justice Division	--	--	212	--	1	30	181	--	--	212	--	212
State Health Services	3	--	--	--	--	--	--	3	--	3	--	3
Texas Commission of the Arts	--	--	29	--	--	--	29	--	--	29	--	29
Texas Parks and Wildlife	--	--	149	--	--	--	149	--	--	149	--	149
Texas Department of Motor Vehicles	--	--	31	--	--	--	31	--	--	31	--	31
Texas Commission of Environmental Quality	--	--	213	--	--	--	213	--	--	213	--	213
Texas Department of Housing and Community Affairs	25	--	634	--	1	30	603	3	22	659	--	659
Total state grants	1,143	--	936	25	1	--	1,813	290	--	2,104	--	2,104
Other special revenue grants	1,794	650	15,284	354	1,816	411	11,096	3,320	1,439	18,082	--	18,082
Total all grants												

**Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Special Revenue Grants
For the year ended September 30, 2018
(In thousands)**

	Revenues Inter- governmental	Expenditures Special Projects	Excess (Deficiency) Of Revenues Over Expenditures	Fund Balances at Beginning of Year	Fund Balances at End of Year
Federal grants					
U.S. Department of Agriculture	\$ 5,316	5,316	--	--	--
U.S. Department of Commerce	1	1	--	--	--
Equal Employment Opportunity Commission	108	108	--	--	--
U.S. Department of Justice	2,733	2,733	--	--	--
U.S. Department of Labor	--	--	--	--	--
U.S. Department of State	39	39	--	--	--
U.S. Department of Transportation	3,617	3,617	--	--	--
U.S. Health & Human Services	13,791	13,791	--	--	--
U.S. Department of Homeland Security	3,388	3,388	--	--	--
Corporation for National and Community Services	20	20	--	--	--
U.S. Housing/Urban Development	13,704	13,704	--	--	--
U.S. National Foundation for the Arts	49	49	--	--	--
U.S. National Science Foundation	70	70	--	--	--
U.S. Department of Interior	--	--	--	--	--
Total federal grants	42,836	42,836	--	--	--
State grants					
Texas Governor's Office Criminal Justice Division	10	10	--	--	--
State Health Services	907	907	--	--	--
Texas Commission of the Arts	3	3	--	--	--
Texas Parks and Wildlife	122	122	--	--	--
Texas Department of Motor Vehicles	447	447	--	--	--
Texas Commission on Environmental Quality	124	124	--	--	--
Texas Department of Housing and Community Affairs	514	514	--	--	--
Total state grants	2,127	2,127	--	--	--
Other special revenue grants	2,633	2,633	--	--	--
Total all grants	\$ 47,596	47,596	--	--	--

Special Revenue Funds
 Combining Schedule of Expenditures - All Special Revenue Grants
 From Inception to September 30, 2018
 (In thousands)

City of Austin, Texas
 Exhibit E-10

	Total Expenditures at Beginning of Year				Total Expenditures at End of Year				Budget				
	In-Kind		Total		In-Kind		Total		In-Kind		Total		
	Grant	Match	Grant	Match	Grant	Match	Grant	Match	Grant	Match	Grant	Match	
Federal grants													
U.S. Department of Agriculture	\$ 60,778	5	60,783	--	5,316	--	66,094	5	66,099	70,513	5	70,518	
U.S. Department of Commerce	814	35	849	--	1	--	815	35	850	845	35	880	
Equal Employment Opportunity Commission	1,085	--	1,085	--	108	--	1,193	--	1,193	1,309	--	1,309	
U.S. Department of Justice	33,995	5,562	39,557	859	2,733	859	36,728	6,421	43,149	43,120	7,055	50,175	
U.S. Department of Labor	68	--	68	--	--	--	68	--	68	82	--	82	
U.S. Department of State	458	--	458	--	39	--	497	--	497	500	166	666	
U.S. Department of Transportation	50,703	14,042	64,745	930	3,617	930	54,320	14,972	69,292	73,130	20,201	93,331	
U.S. Health & Human Services	155,475	1,223	156,698	232	13,791	232	169,266	1,455	170,721	197,075	1,683	198,758	
U.S. Department of Homeland Security	54,711	3,492	58,203	579	3,388	579	58,099	4,071	62,170	62,430	4,269	66,699	
Corporation for National and Community Services	--	--	--	--	20	--	20	--	20	20	--	20	
U.S. Housing/Urban Development	300,434	5,139	305,573	585	13,704	585	314,138	5,724	319,862	324,389	6,176	330,565	
U.S. National Endowment for the Arts	142	44	186	50	49	50	191	94	285	202	108	310	
U.S. National Science Foundation	6	--	6	10	70	10	76	10	86	125	20	145	
U.S. Department of Interior	395	305	700	--	--	--	395	305	700	397	311	708	
Total federal grants	659,064	29,847	688,911	3,245	42,836	3,245	701,900	33,092	734,992	774,137	40,029	814,166	
State grants													
Texas Governor's Office Criminal Justice Division	1,400	342	1,742	2	10	2	1,410	344	1,754	1,419	345	1,764	
State Health Services	8,204	755	8,959	97	907	97	9,111	852	9,963	11,041	917	11,958	
Texas Commission of the Arts	237	71	308	--	3	--	240	71	311	279	125	404	
Texas Parks and Wildlife	1,761	1,722	3,483	122	122	122	1,883	1,844	3,727	3,159	3,195	6,354	
Texas Department of Motor Vehicles	3,651	1,269	4,920	200	447	200	4,098	1,469	5,567	4,578	1,659	6,237	
Texas Commission on Environmental Quality	7,323	5,539	12,862	--	124	--	7,447	5,539	12,986	7,971	5,577	13,548	
Texas Department of Housing and Community Affairs	4,902	192	5,094	--	514	--	5,416	192	5,608	5,447	192	5,639	
Total state grants	27,478	9,890	37,368	421	2,127	421	29,605	10,311	39,916	33,894	12,010	45,904	
Other special revenue grants	7,346	109	7,455	--	2,633	--	9,979	109	10,088	13,827	553	14,380	
Total all grants	\$ 693,888	39,846	733,734	3,666	47,596	3,666	741,484	43,512	784,996	821,858	52,592	874,450	

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2018
(In thousands)

	Assets								Total 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	
General government									
<i>Municipal Court:</i>									
Municipal Court Building Security	\$ 46	--	--	--	--	--	--	--	46
Municipal Court Juvenile Case Manager	1,390	--	--	--	--	--	--	--	1,390
Municipal Court Technology	224	--	--	--	--	--	--	153	377
Total general government	1,660	--	--	--	--	--	--	153	1,813
Public safety									
<i>Police:</i>									
ARIC Sustainability	1,690	--	--	--	--	--	--	--	1,690
Auto Theft Interdiction	4	--	--	--	--	--	--	--	4
Municipal Court Traffic Safety	122	--	--	--	--	--	--	--	122
Police Benefit	286	--	--	--	--	--	--	--	286
Police Federal Dept. of Justice Asset Forfeiture	1,242	--	--	--	--	--	--	--	1,242
Police Federal Dept. of Treasury Asset Forfeiture	2,073	--	--	--	--	--	--	--	2,073
Police State Contraband Asset Forfeiture	2,255	--	--	--	--	--	--	--	2,255
Police State Gambling Asset Forfeiture	619	--	--	--	--	--	--	--	619
Total Police	8,291	--	--	--	--	--	--	--	8,291
<i>Fire:</i>									
Fire Miscellaneous	50	--	--	--	--	--	--	--	50
Total Fire	50	--	--	--	--	--	--	--	50
Total public safety	8,341	--	--	--	--	--	--	--	8,341
Transportation, planning, and sustainability									
<i>Public Works and Transportation:</i>									
Child Safety	193	--	--	--	--	--	--	--	193
Fiscal Surety - Land Development	56,656	--	--	--	--	11,096	--	--	67,752
Total Public Works and Transportation	56,849	--	--	--	--	11,096	--	--	67,945
Total transportation, planning, and sustainability	56,849	--	--	--	--	11,096	--	--	67,945
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	201	--	--	--	--	--	--	--	201
Animal Shelter Building	15	--	--	--	--	--	--	--	15
Total other public health	216	--	--	--	--	--	--	--	216
Total public health	\$ 379	--	--	--	--	--	--	--	379

Liabilities					Fund Balances						Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restr- icted	Com- mitted	Assi- gned	Unass- igned	Total Fund Balances	
14	--	--	--	14	--	32	--	--	--	32	46
1	19	--	--	20	--	1,370	--	--	--	1,370	1,390
11	--	--	--	11	--	366	--	--	--	366	377
26	19	--	--	45	--	1,768	--	--	--	1,768	1,813
88	--	--	--	88	--	1,602	--	--	--	1,602	1,690
--	--	--	31	31	--	--	--	--	(27)	(27)	4
120	2	--	--	122	--	--	--	--	--	--	122
4	--	--	--	4	--	243	--	39	--	282	286
--	--	--	--	--	--	1,242	--	--	--	1,242	1,242
23	--	--	--	23	--	2,050	--	--	--	2,050	2,073
--	--	--	--	--	--	2,255	--	--	--	2,255	2,255
--	--	--	--	--	--	619	--	--	--	619	619
235	2	--	31	268	--	8,011	--	39	(27)	8,023	8,291
--	--	--	--	--	--	50	--	--	--	50	50
--	--	--	--	--	--	50	--	--	--	50	50
235	2	--	31	268	--	8,061	--	39	(27)	8,073	8,341
5	108	--	--	113	--	68	--	12	--	80	193
--	--	--	68,699	68,699	--	--	--	--	(947)	(947)	67,752
5	108	--	68,699	68,812	--	68	--	12	(947)	(867)	67,945
5	108	--	68,699	68,812	--	68	--	12	(947)	(867)	67,945
--	--	--	108	108	--	54	--	1	--	55	163
--	--	--	108	108	--	54	--	1	--	55	163
--	--	--	47	47	--	134	--	20	--	154	201
--	--	--	--	--	--	--	--	15	--	15	15
--	--	--	47	47	--	134	--	35	--	169	216
--	--	--	155	155	--	188	--	36	--	224	379

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2018
(In thousands)

	Assets								Total Assets	
	Pooled Investments and Cash	Cash		Investments		Net Accounts Receivable	Net Notes Receivable	Due from Property		
		Held by Trustee, Restricted	Held by Trustee, Restricted	Net	Net			Other Funds		Held for Resale
Public recreation and culture										
<i>Austin Public Library:</i>										
Austin History Center	\$ 105	--	--	--	--	--	--	--	105	
Friends of Austin Public Library	595	--	--	--	--	--	--	7	602	
Special Library	2,127	--	--	--	--	--	--	--	2,127	
Total Austin Public Library	<u>2,827</u>	--	--	--	--	--	--	7	<u>2,834</u>	
<i>Parks and Recreation:</i>										
Adaptive Programs	10	--	--	--	--	--	--	--	10	
PARD Cultural Projects	4,437	--	--	--	--	16	--	--	4,453	
PARD Miscellaneous	1,195	--	--	--	--	--	--	--	1,195	
Planting for the Future	602	--	--	--	--	--	--	--	602	
Republic Square	1	--	--	--	--	--	--	--	1	
Summer Musical	401	--	--	--	--	--	--	--	401	
Teen Activity	136	--	--	--	--	--	--	--	136	
Tennis League	2	--	--	--	--	--	--	--	2	
Town Lake Beautification	--	--	--	--	--	--	--	--	--	
Total Parks and Recreation	<u>6,784</u>	--	--	--	--	16	--	--	<u>6,800</u>	
Total public recreation and culture	<u>9,611</u>	--	--	--	--	16	--	7	<u>9,634</u>	
Urban growth management										
<i>Neighborhood Housing & Community Development:</i>										
Homestead Preservation										
Reinvestment Tax Increment	740	--	--	--	--	--	--	--	740	
Housing Loan	--	--	--	--	3,431	--	--	--	3,431	
Housing Trust Social Equity	--	--	--	--	--	--	--	--	--	
Neighborhood Housing & Conservation	3,442	--	--	--	--	--	--	--	3,442	
UNO Housing Trust	1,674	--	--	--	--	--	--	--	1,674	
Urban Renewal Agency	--	--	--	--	--	--	678	--	678	
Total Neighborhood Housing & Community Development	<u>5,856</u>	--	--	--	3,431	--	678	--	<u>9,965</u>	
<i>Development Services and Watershed Protection:</i>										
Austin Industrial Development Corporation (AIDC)	188	--	--	--	--	--	--	--	188	
Austin Lake Hills Water Quality	98	--	--	--	--	--	--	--	98	
Barton Springs Zone Mitigation	443	--	--	--	--	--	--	--	443	
Riparian Zone Mitigation	770	--	--	--	--	--	--	--	770	
Urban Forest Replenishment	5,134	--	--	--	--	--	--	--	5,134	
Water Supply Mitigation	8	--	--	--	--	--	--	--	8	
Total Development Services and Watershed Protection	<u>\$ 6,641</u>	--	--	--	--	--	--	--	<u>6,641</u>	

(Continued)

Liabilities					Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restr- icted	Com- mitted	Assi- gned	Unass- igned		Total Fund Balances
--	--	--	--	--	--	105	--	--	--	105	105
--	--	--	--	--	--	596	--	6	--	602	602
--	--	--	--	--	--	2,127	--	--	--	2,127	2,127
--	--	--	--	--	--	2,828	--	6	--	2,834	2,834
--	--	--	--	--	--	10	--	--	--	10	10
83	--	--	--	83	--	--	4,233	137	--	4,370	4,453
6	--	--	--	6	--	1,114	--	75	--	1,189	1,195
--	--	--	--	--	--	602	--	--	--	602	602
--	--	--	--	--	--	1	--	--	--	1	1
--	--	--	--	--	--	401	--	--	--	401	401
--	--	--	--	--	--	136	--	--	--	136	136
--	--	--	--	--	--	2	--	--	--	2	2
--	--	16	--	16	--	--	--	--	(16)	(16)	--
89	--	16	--	105	--	2,266	4,233	212	(16)	6,695	6,800
89	--	16	--	105	--	5,094	4,233	218	(16)	9,529	9,634
--	--	--	--	--	--	740	--	--	--	740	740
--	--	--	--	--	--	3,431	--	--	--	3,431	3,431
--	--	--	--	--	--	--	--	--	--	--	--
835	--	--	4	839	--	2,603	--	--	--	2,603	3,442
27	--	--	--	27	--	1,593	--	54	--	1,647	1,674
--	--	--	--	--	--	--	678	--	--	678	678
862	--	--	4	866	--	8,367	678	54	--	9,099	9,965
--	--	--	--	--	--	--	188	--	--	188	188
--	--	--	--	--	--	--	98	--	--	98	98
--	--	--	--	--	--	--	434	9	--	443	443
--	--	--	--	--	--	--	753	17	--	770	770
165	--	--	--	165	--	--	4,859	110	--	4,969	5,134
--	--	--	--	--	--	--	8	--	--	8	8
165	--	--	--	165	--	--	6,340	136	--	6,476	6,641

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2018
(In thousands)

Assets									
	Pooled	Cash	Investments	Net	Net	Due from Property			Total
	Investments	Held by	Held by	Accounts	Notes	Other	Held for	Other	Assets
	and Cash	Trustee,	Trustee,	Receivable	Receivable	Funds	Resale	Assets	Assets
<i>Other urban growth management:</i>									
Business Retention & Enhancement	\$ 691	--	--	416	--	--	--	--	1,107
Cable TV	6,846	--	--	--	--	--	--	--	6,846
City Hall	219	--	--	12	--	--	--	--	231
City Hall Retail Tenant Improvement	90	--	--	--	--	--	--	--	90
Downtown Public Improvement District	4,187	--	--	223	--	--	--	--	4,410
East Sixth Street Public Improvement District	201	--	--	50	--	--	--	--	251
Estancia Hill Country Public Improvement District	179	--	1,296	13	--	--	--	--	1,488
Historic Preservation	4,662	--	--	--	--	--	--	--	4,662
Hotel-Motel Occupancy Tax	105	--	--	22,649	--	--	--	--	22,754
I-35 Parking Program	674	--	--	--	--	--	--	--	674
Indian Hills Public Improvement District	195	--	142	--	--	--	--	--	337
Mueller Development	100	--	--	2,708	--	--	--	--	2,808
Mueller Local Government Corporation	4,826	1,853	--	--	--	--	--	--	6,679
Mueller Tax Increment Financing	--	--	--	--	--	--	--	--	--
One Texas Center	85	--	--	--	--	--	--	--	85
Public Arts	13	--	--	--	--	--	--	--	13
Rainey Street District	103	--	--	--	--	--	--	--	103
Rutherford Lane Facility	926	--	--	--	--	--	--	--	926
Seaholm Parking Garage	--	--	--	--	--	--	--	--	--
Seaholm Tax Increment Financing	51	--	--	--	--	--	--	--	51
Section 108 Family Business Loan	703	6,323	--	--	--	--	--	3,294	10,320
South Congress Public Improvement District	193	--	--	87	--	--	--	--	280
Tax Increment Finance	200	--	--	--	--	--	--	--	200
Tourism and Promotion	954	--	--	--	--	--	--	--	954
Vehicle Rental Tax	--	--	--	2,411	--	--	--	--	2,411
Waller Creek Reserve	15,293	--	--	--	--	--	--	--	15,293
Waller Creek Tax Increment Finance	--	--	--	--	--	--	--	--	--
Whisper Valley Public Improvement District	892	--	430	--	--	--	--	--	1,322
Wildland Conservation	1,782	--	--	--	--	--	--	--	1,782
Total other urban growth management	44,170	8,176	1,868	28,569	--	--	--	3,294	86,077
Total urban growth management	56,667	8,176	1,868	28,569	3,431	--	678	3,294	102,683
Total	\$ 133,507	8,176	1,868	28,569	3,431	11,112	678	3,454	190,795

(Continued)

Liabilities					Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restr- icted	Com- mitted	Assi- gned	Unass- igned		Total Fund Balances
--	--	--	--	--	--	--	125	982	--	1,107	1,107
118	--	--	--	118	--	4,138	--	2,590	--	6,728	6,846
55	--	--	--	55	--	--	176	--	--	176	231
--	--	--	--	--	--	90	--	--	--	90	90
--	--	--	--	--	--	--	2,937	1,473	--	4,410	4,410
--	--	--	--	--	--	--	107	144	--	251	251
--	--	--	--	--	--	--	347	1,141	--	1,488	1,488
45	--	--	--	45	--	2,109	16	2,492	--	4,617	4,662
--	--	--	105	105	--	22,649	--	--	--	22,649	22,754
8	--	--	--	8	--	632	--	34	--	666	674
--	--	--	--	--	--	--	325	12	--	337	337
10	--	--	7	17	2,708	--	83	--	--	83	2,808
--	--	--	--	--	--	--	6,679	--	--	6,679	6,679
--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	85	--	--	85	85
--	--	--	13	13	--	--	--	--	--	--	13
--	--	--	--	--	--	--	69	34	--	103	103
120	--	--	--	120	--	--	806	--	--	806	926
--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	51	--	--	--	51	51
33	--	--	6,323	6,356	--	--	3,964	--	--	3,964	10,320
92	--	--	--	92	--	--	176	12	--	188	280
--	--	--	--	--	--	--	--	200	--	200	200
843	--	--	--	843	--	64	47	--	--	111	954
--	--	--	--	--	--	2,223	--	188	--	2,411	2,411
--	--	--	--	--	--	--	15,112	181	--	15,293	15,293
--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	1,269	53	--	1,322	1,322
26	8	--	--	34	--	--	1,595	153	--	1,748	1,782
1,350	8	--	6,448	7,806	2,708	31,956	33,918	9,689	--	75,563	86,077
2,377	8	--	6,452	8,837	2,708	40,323	40,936	9,879	--	91,138	102,683
2,732	137	16	75,337	78,222	2,708	55,502	45,169	10,184	(990)	109,865	190,795

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(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	\$ --	--	207	--	--	--	--	1	208
Municipal Court Juvenile Case Manager	--	--	340	--	--	--	--	21	361
Municipal Court Technology	--	--	276	--	--	--	--	5	281
Total general government	--	--	823	--	--	--	--	27	850
Public safety									
<i>Police:</i>									
ARIC Sustainability	--	--	--	--	--	--	438	24	462
Auto Theft Interdiction	--	--	--	--	--	--	--	3	3
Municipal Court Traffic Safety	--	--	714	--	--	--	--	64	778
Police Benefit	--	--	--	--	--	--	130	1	131
Police Federal Dept. of Justice Asset Forfeiture	--	--	671	--	--	--	--	41	712
Police Federal Dept. of Treasury Asset Forfeiture	--	--	889	--	--	--	--	58	947
Police State Contraband Asset Forfeiture	--	--	834	--	--	--	--	37	871
Police State Gambling Asset Forfeiture	--	--	--	--	--	--	--	8	8
Total Police	--	--	3,108	--	--	--	568	236	3,912
<i>Fire:</i>									
Fire Miscellaneous	--	--	--	--	--	--	--	1	1
Total Fire	--	--	--	--	--	--	--	1	1
Total public safety	--	--	3,108	--	--	--	568	237	3,913
Transportation, planning, and sustainability									
<i>Public Works and Transportation:</i>									
Child Safety	--	--	1,503	--	--	--	--	2	1,505
Fiscal Surety - Land Development	--	--	--	--	--	--	--	--	--
Total Public Works and Transportation	--	--	1,503	--	--	--	--	2	1,505
Total transportation, planning, and sustainability	--	--	1,503	--	--	--	--	2	1,505
Public health									
<i>Health and Human Services:</i>									
Health Miscellaneous	--	--	--	--	--	--	--	--	--
Total Health and Human Services	--	--	--	--	--	--	--	--	--
<i>Other public health:</i>									
Animal Services	--	--	--	--	--	--	162	4	166
Animal Shelter Building	--	--	--	--	--	--	--	--	--
Total other public health	--	--	--	--	--	--	162	4	166
Total public health	\$ --	--	--	--	--	--	162	4	166

(1) Expenditures include capital outlay of \$870 thousand.

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 Principal	Interest		Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out			
197	--	--	11	--	--	--	--	11	21	32
634	--	--	(273)	--	--	--	--	(273)	1,643	1,370
424	--	--	(143)	--	--	--	--	(143)	509	366
1,255	--	--	(405)	--	--	--	--	(405)	2,173	1,768
271	--	--	191	--	--	--	--	191	1,411	1,602
1	--	--	2	--	--	--	--	2	(29)	(27)
694	--	--	84	--	--	--	(84)	--	--	--
176	--	--	(45)	--	--	--	--	(45)	327	282
1,844	--	--	(1,132)	--	--	--	--	(1,132)	2,374	1,242
535	--	--	412	--	--	--	--	412	1,638	2,050
8	--	--	863	--	--	--	--	863	1,392	2,255
--	--	--	8	--	--	--	--	8	611	619
3,529	--	--	383	--	--	--	(84)	299	7,724	8,023
--	--	--	1	--	--	--	--	1	49	50
--	--	--	1	--	--	--	--	1	49	50
3,529	--	--	384	--	--	--	(84)	300	7,773	8,073
2,489	--	--	(984)	--	--	836	--	(148)	228	80
668	--	--	(668)	--	--	--	--	(668)	(279)	(947)
3,157	--	--	(1,652)	--	--	836	--	(816)	(51)	(867)
3,157	--	--	(1,652)	--	--	836	--	(816)	(51)	(867)
--	--	--	--	--	--	--	--	--	55	55
--	--	--	--	--	--	--	--	--	55	55
215	--	--	(49)	--	--	--	--	(49)	203	154
--	--	--	--	--	--	--	--	--	15	15
215	--	--	(49)	--	--	--	--	(49)	218	169
215	--	--	(49)	--	--	--	--	(49)	273	224

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(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	\$ --	--	--	--	--	--	15	--	15
Friends of Austin Public Library	--	--	--	--	--	--	135	192	327
Special Library	--	--	--	--	729	--	199	--	928
Total Austin Public Library	--	--	--	--	729	--	349	192	1,270
<i>Parks and Recreation:</i>									
Adaptive Programs	--	--	--	--	--	--	--	--	--
PARD Cultural Projects	--	11,232	--	--	--	--	--	56	11,288
PARD Miscellaneous	--	--	--	2	--	--	308	--	310
Planting for the Future	--	--	--	91	--	--	26	--	117
Republic Square	--	--	--	--	--	--	--	--	--
Summer Musical	--	--	--	--	--	--	123	--	123
Teen Activity	--	--	--	--	--	--	1	--	1
Tennis League	--	--	--	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	--	--	8	--	8
Total parks and recreation	--	11,232	--	93	--	--	466	56	11,847
Total public recreation and culture	--	11,232	--	93	729	--	815	248	13,117
Urban growth management									
<i>Neighborhood Housing & Community Development:</i>									
<i>Homestead Preservation</i>									
Reinvestment Tax Increment	487	--	--	--	--	--	--	--	487
Housing Loan	--	--	--	--	--	--	--	--	--
Housing Trust Social Equity	--	--	--	--	--	--	--	--	--
<i>Neighborhood Housing & Conservation</i>									
UNO Housing Trust	--	--	--	--	2,000	--	--	--	2,000
Urban Renewal Agency	--	--	--	--	734	--	--	20	754
Urban Renewal Agency	--	--	--	--	--	--	--	--	--
Total Neighborhood Housing & Community Development	487	--	--	--	2,734	--	--	20	3,241
<i>Development Services and Watershed Protection:</i>									
<i>Austin Industrial Development Corporation (AIDC)</i>									
Austin Industrial Development Corporation (AIDC)	--	--	--	--	--	--	--	3	3
Austin Lake Hills Water Quality	--	--	--	--	--	--	--	2	2
Barton Springs Zone Mitigation	--	--	--	--	--	--	37	5	42
Riparian Zone Mitigation	--	--	--	--	--	--	24	11	35
Urban Forest Replenishment	--	--	--	--	--	--	2,066	61	2,127
Water Supply Mitigation	--	--	--	--	--	--	--	--	--
Total Development Services and Watershed Protection	\$ --	--	--	--	--	--	2,127	82	2,209

(1) Expenditures include capital outlay of \$870 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 Principal	Interest		Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out			
10	--	--	5	--	--	--	--	5	100	105
160	--	--	167	--	--	--	--	167	435	602
202	--	--	726	--	--	--	--	726	1,401	2,127
372	--	--	898	--	--	--	--	898	1,936	2,834
--	--	--	--	--	--	--	--	--	10	10
12,672	--	--	(1,384)	--	--	--	--	(1,384)	5,754	4,370
239	--	--	71	--	--	--	--	71	1,118	1,189
29	--	--	88	--	--	--	--	88	514	602
--	--	--	--	--	--	--	--	--	1	1
79	--	--	44	--	--	--	--	44	357	401
--	--	--	1	--	--	--	--	1	135	136
--	--	--	--	--	--	--	--	--	2	2
73	--	--	(65)	--	--	--	--	(65)	49	(16)
13,092	--	--	(1,245)	--	--	--	--	(1,245)	7,940	6,695
13,464	--	--	(347)	--	--	--	--	(347)	9,876	9,529
--	--	--	487	--	--	--	--	487	253	740
103	--	--	(103)	--	--	--	--	(103)	3,534	3,431
--	--	--	--	--	--	--	(4,370)	(4,370)	4,370	--
22,559	--	--	(20,559)	24,798	312	--	--	4,551	(1,948)	2,603
321	--	--	433	--	--	--	--	433	1,214	1,647
22	--	--	(22)	--	--	22	--	--	678	678
23,005	--	--	(19,764)	24,798	312	22	(4,370)	998	8,101	9,099
--	--	--	3	--	--	--	--	3	185	188
--	--	--	2	--	--	--	--	2	96	98
--	--	--	42	--	--	--	--	42	401	443
--	--	--	35	--	--	--	(18)	17	753	770
965	--	--	1,162	--	--	--	--	1,162	3,807	4,969
--	--	--	--	--	--	--	--	--	8	8
965	--	--	1,244	--	--	--	(18)	1,226	5,250	6,476

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(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 \$	--	--	--	228	310	--	--	13	551
Cable TV	--	2,150	--	--	--	--	--	88	2,238
City Hall	--	--	--	--	1,491	--	--	1	1,492
City Hall Retail Tenant Improvement	--	--	--	--	--	--	--	1	1
Downtown Public Improvement District	--	--	--	--	7,526	--	--	85	7,611
East Sixth Street Public Improvement District	--	--	--	--	100	--	--	2	102
Estancia Hill Country Public Improvement District	--	--	--	--	1,788	--	--	20	1,808
Historic Preservation	--	7,035	--	--	--	--	--	16	7,051
Hotel-Motel Occupancy Tax	--	72,481	--	--	--	--	--	--	72,481
I-35 Parking Program	--	--	--	--	311	--	--	12	323
Indian Hills Public Improvement District	--	--	--	--	367	--	--	7	374
Mueller Development	--	--	--	--	16	--	--	252	268
Mueller Local Government Corporation	--	--	--	--	--	--	--	65	65
Mueller Tax Increment Financing	5,125	--	--	--	--	--	--	16	5,141
One Texas Center	--	--	--	--	1,284	--	--	--	1,284
Public Arts	--	--	--	--	--	--	--	--	--
Rainey Street District	--	--	--	--	--	--	--	2	2
Rutherford Lane Facility	--	--	--	--	3,490	--	--	9	3,499
Seaholm Parking Garage	--	--	--	--	--	--	--	--	--
Seaholm Tax Increment Financing	1,414	--	--	--	--	--	--	29	1,443
Section 108 Family Business Loan	--	--	--	--	--	668	--	119	787
South Congress Public Improvement District	--	--	--	--	184	--	--	3	187
Tax Increment Finance	100	--	--	--	--	--	--	6	106
Tourism and Promotion	--	8,470	--	--	--	--	--	47	8,517
Vehicle Rental Tax	--	9,995	--	--	--	--	--	90	10,085
Waller Creek Reserve	--	--	--	--	--	--	--	3,377	3,377
Waller Creek Tax Increment Finance	5,770	--	--	--	--	--	--	1	5,771
Whisper Valley Public Improvement District	--	--	--	--	2,112	--	--	29	2,141
Wildland Conservation	--	--	--	--	--	--	--	655	655
Total other urban growth management	12,409	100,131	--	228	18,979	668	--	4,945	137,360
Total urban growth management	12,896	100,131	--	228	21,713	668	2,127	5,047	142,810
Total	\$ 12,896	111,363	5,434	321	22,442	668	3,672	5,565	162,361

(1) Expenditures include capital outlay of \$870 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 Principal	Interest		Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out			
6	--	--	545	--	--	--	(534)	11	1,096	1,107
1,479	--	--	759	--	--	475	--	1,234	5,494	6,728
847	--	--	645	--	--	--	(300)	345	(169)	176
5	--	--	(4)	--	--	--	--	(4)	94	90
7,544	--	--	67	--	--	360	--	427	3,983	4,410
--	--	--	102	--	--	35	--	137	114	251
855	--	928	25	--	--	--	--	25	1,463	1,488
559	--	--	6,492	--	--	2,492	(4,367)	4,617	--	4,617
--	--	--	72,481	--	--	--	(69,508)	2,973	19,676	22,649
492	--	--	(169)	--	--	--	(102)	(271)	937	666
133	--	211	30	--	--	--	--	30	307	337
270	--	--	(2)	--	--	--	--	(2)	85	83
4	2,300	1,922	(4,161)	--	--	6,032	--	1,871	4,808	6,679
--	--	--	5,141	--	--	--	(5,052)	89	(89)	--
--	--	--	1,284	--	--	--	(1,600)	(316)	401	85
--	--	--	--	--	--	--	--	--	--	--
--	--	--	2	--	--	--	--	2	101	103
1,998	--	--	1,501	--	--	--	(1,521)	(20)	826	806
--	--	--	--	--	--	--	(817)	(817)	817	--
--	--	--	1,443	--	--	--	(3,225)	(1,782)	1,833	51
--	--	65	722	--	--	--	(485)	237	3,727	3,964
168	--	--	19	--	--	3	--	22	166	188
541	--	--	(435)	--	--	--	--	(435)	635	200
8,396	--	--	121	--	--	--	--	121	(10)	111
--	--	--	10,085	--	--	--	(9,950)	135	2,276	2,411
--	--	--	3,377	--	--	5,753	(6,842)	2,288	13,005	15,293
--	--	--	5,771	--	--	--	(5,753)	18	(18)	--
669	--	1,154	318	--	--	--	--	318	1,004	1,322
316	--	--	339	--	--	--	--	339	1,409	1,748
24,282	2,300	4,280	106,498	--	--	15,150	(110,056)	11,592	63,971	75,563
48,252	2,300	4,280	87,978	24,798	312	15,172	(114,444)	13,816	77,322	91,138
69,872	2,300	4,280	85,909	24,798	312	16,008	(114,528)	12,499	97,366	109,865

**Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2018
(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	\$ 3	208	183	--	--	--	--	25	28
Budget	--	379	379	--	--	--	--	--	--
Variance-Positive (Negative)	3	(171)	196	--	--	--	--	25	28
Municipal Court Juvenile Case Manager									
Actual-budget basis	1,579	361	624	--	10	--	10	(273)	1,306
Budget	1,643	440	852	--	10	--	10	(422)	1,221
Variance-Positive (Negative)	(64)	(79)	228	--	--	--	--	149	85
Municipal Court Technology									
Actual-budget basis	506	281	573	--	--	--	--	(292)	214
Budget	440	376	650	--	--	--	--	(274)	166
Variance-Positive (Negative)	66	(95)	77	--	--	--	--	(18)	48
Public safety									
<i>Police:</i>									
Municipal Court Traffic Safety									
Actual-budget basis	--	778	667	--	85	--	85	26	26
Budget	--	1,665	1,350	--	315	--	315	--	--
Variance-Positive (Negative)	--	(887)	683	--	230	--	230	26	26
Police Federal Dept. of Justice Asset Forfeiture									
Actual-budget basis	2,072	711	1,965	--	--	--	--	(1,254)	818
Budget	2,072	--	2,072	--	--	--	--	(2,072)	--
Variance-Positive (Negative)	--	711	107	--	--	--	--	818	818
Police Federal Dept. of Treasury Asset Forfeiture									
Actual-budget basis	1,638	948	1,398	--	--	--	--	(450)	1,188
Budget	1,624	--	1,624	--	--	--	--	(1,624)	--
Variance-Positive (Negative)	14	948	226	--	--	--	--	1,174	1,188
Police State Contraband Asset Forfeiture									
Actual-budget basis	1,392	871	8	--	--	--	--	863	2,255
Budget	1,265	--	1,265	--	--	--	--	(1,265)	--
Variance-Positive (Negative)	127	871	1,257	--	--	--	--	2,128	2,255
Police State Gambling Asset Forfeiture									
Actual-budget basis	611	9	--	--	--	--	--	9	620
Budget	608	--	608	--	--	--	--	(608)	--
Variance-Positive (Negative)	3	9	608	--	--	--	--	617	620

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2018
(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	\$ 217	1,505	2,478	836	15	(152)	65
Budget	226	1,700	2,621	836	15	(100)	126
Variance-Positive (Negative)	(9)	(195)	143	--	--	(52)	(61)
Public recreation and culture							
<i>Parks and Recreation:</i>							
PARC Cultural Projects							
Actual-budget basis	4,519	56	12,677	11,232	--	(1,389)	3,130
Budget	3,987	25	13,290	11,092	--	(2,173)	1,814
Variance-Positive (Negative)	532	31	613	140	--	784	1,316
Urban growth management							
<i>Neighborhood Housing & Community Development:</i>							
UNO Housing Trust							
Actual-budget basis	1,214	754	928	--	--	(174)	1,040
Budget	1,108	--	1,108	--	--	(1,108)	--
Variance-Positive (Negative)	106	754	180	--	--	934	1,040
<i>Other urban growth management:</i>							
Business Retention and Enhancement							
Actual-budget basis	1,091	550	6	--	534	10	1,101
Budget	534	--	--	--	534	(534)	--
Variance-Positive (Negative)	557	550	(6)	--	--	544	1,101
Cable TV							
Actual-budget basis	4,859	2,238	1,316	475	--	1,397	6,256
Budget	4,411	1,903	1,937	475	--	441	4,852
Variance-Positive (Negative)	448	335	621	--	--	956	1,404
City Hall							
Actual-budget basis	(188)	1,492	940	--	300	252	64
Budget	(187)	1,654	1,000	--	300	354	167
Variance-Positive (Negative)	(1)	(162)	60	--	--	(102)	(103)
Downtown Public Improvement District							
Actual-budget basis	374	7,611	7,866	360	--	105	479
Budget	53	7,503	7,863	360	--	--	53
Variance-Positive (Negative)	321	108	(3)	--	--	105	426
East Sixth Street Public Improvement District							
Actual-budget basis	87	102	157	35	--	(20)	67
Budget	84	92	157	35	--	(30)	54
Variance-Positive (Negative)	3	10	--	--	--	10	13

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2018
(In thousands)

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Urban growth management, continued							
Estancia Hill Country Public Improvement District							
Actual-budget basis	\$ 176	1,808	1,782	--	--	26	202
Budget	205	1,787	1,787	--	--	--	205
Variance-Positive (Negative)	(29)	21	5	--	--	26	(3)
Historic Preservation							
Actual-budget basis	--	16	718	9,527	4,367	4,458	4,458
Budget	--	--	1,427	6,950	4,367	1,156	1,156
Variance-Positive (Negative)	--	16	709	2,577	--	3,302	3,302
Hotel-Motel Occupancy Tax							
Actual-budget basis	--	99,357	--	--	96,244	3,113	3,113
Budget	--	95,074	--	--	95,074	--	--
Variance-Positive (Negative)	--	4,283	--	--	(1,170)	3,113	3,113
I-35 Parking Program							
Actual-budget basis	560	324	164	--	102	58	618
Budget	543	435	480	--	102	(147)	396
Variance-Positive (Negative)	17	(111)	316	--	--	205	222
Indian Hills Public Improvement District							
Actual-budget basis	192	374	344	--	--	30	222
Budget	190	367	367	--	--	--	190
Variance-Positive (Negative)	2	7	23	--	--	30	32
Mueller Tax Increment Financing							
Actual-budget basis	(89)	5,141	5,052	--	--	89	--
Budget	--	5,564	5,300	--	--	264	264
Variance-Positive (Negative)	(89)	(423)	248	--	--	(175)	(264)
One Texas Center							
Actual-budget basis	401	1,284	--	--	1,600	(316)	85
Budget	874	1,250	--	--	1,600	(350)	524
Variance-Positive (Negative)	(473)	34	--	--	--	34	(439)
Rutherford Lane Facility							
Actual-budget basis	465	3,499	1,899	--	1,521	79	544
Budget	412	3,490	1,969	--	1,521	--	412
Variance-Positive (Negative)	53	9	70	--	--	79	132
Seaholm Tax Increment Financing							
Actual-budget basis	1,833	1,444	--	--	3,225	(1,781)	52
Budget	1,825	1,619	--	--	3,225	(1,606)	219
Variance-Positive (Negative)	8	(175)	--	--	--	(175)	(167)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2018
(In thousands)

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Urban growth management, continued							
Section 108 Family Business Loan							
Actual-budget basis	\$ 714	1,170	699	--	485	(14)	700
Budget	412	5,567	3,000	--	491	2,076	2,488
Variance-Positive (Negative)	302	(4,397)	2,301	--	6	(2,090)	(1,788)
South Congress Public Improvement District							
Actual-budget basis	91	187	184	3	--	6	97
Budget	91	141	184	3	--	(40)	51
Variance-Positive (Negative)	--	46	--	--	--	46	46
Tax Increment Finance							
Actual-budget basis	89	6	114	100	--	(8)	81
Budget	94	--	180	100	--	(80)	14
Variance-Positive (Negative)	(5)	6	66	--	--	72	67
Tourism and Promotion							
Actual-budget basis	(11)	47	8,396	8,470	--	121	110
Budget	11	18	8,396	8,367	--	(11)	--
Variance-Positive (Negative)	(22)	29	--	103	--	132	110
Vehicle Rental Tax							
Actual-budget basis	--	10,086	--	--	9,950	136	136
Budget	--	9,447	--	--	9,447	--	--
Variance-Positive (Negative)	--	639	--	--	(503)	136	136
Waller Creek Reserve							
Actual-budget basis	13,005	3,377	--	5,753	6,842	2,288	15,293
Budget	12,984	3,270	--	6,267	6,842	2,695	15,679
Variance-Positive (Negative)	21	107	--	(514)	--	(407)	(386)
Waller Creek Tax Increment Finance							
Actual-budget basis	(18)	5,771	--	--	5,753	18	--
Budget	(20)	6,287	--	--	6,267	20	--
Variance-Positive (Negative)	2	(516)	--	--	514	(2)	--
Whisper Valley Public Improvement District							
Actual-budget basis	615	2,141	1,822	--	--	319	934
Budget	584	2,112	2,112	--	--	--	584
Variance-Positive (Negative)	31	29	290	--	--	319	350
Wildland Conservation							
Actual-budget basis	1,324	655	263	--	--	392	1,716
Budget	1,096	253	598	--	--	(345)	751
Variance-Positive (Negative)	228	402	335	--	--	737	965
Total							
Actual-budget basis	\$ 39,321	155,162	53,223	36,791	131,033	7,697	47,018
Budget	37,169	152,418	62,576	34,485	130,110	(5,783)	31,386
Variance-Positive (Negative)	2,152	2,744	9,353	2,306	(923)	13,480	15,632





DEBT SERVICE FUNDS

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

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

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



Debt Service Funds
Combining Balance Sheet
September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit E-14

	General Obligation	HUD Section 108 Loans	Total
ASSETS			
Pooled investments and cash	\$ 193	--	193
Investments	28,533	--	28,533
Property taxes receivable, net of allowance	3,810	--	3,810
Due from other funds	16	--	16
Advances to other funds	904	--	904
Total assets	<u>33,456</u>	<u>--</u>	<u>33,456</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Advances from other funds	425	--	425
Total liabilities	<u>425</u>	<u>--</u>	<u>425</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>3,748</u>	<u>--</u>	<u>3,748</u>
FUND BALANCES			
Nonspendable:			
Restricted	29,283	--	29,283
Total fund balances	<u>29,283</u>	<u>--</u>	<u>29,283</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,456</u>	<u>--</u>	<u>33,456</u>

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the period ended September 30, 2018
(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	\$ 145,228	--	145,228
Penalty and interest	511	--	511
Total property taxes	<u>145,739</u>	<u>--</u>	<u>145,739</u>
Interest and other	<u>3,119</u>	<u>259</u>	<u>3,378</u>
Total revenues	<u>148,858</u>	<u>259</u>	<u>149,117</u>
EXPENDITURES			
Current:			
Debt service:			
Principal	96,805	467	97,272
Interest	60,123	271	60,394
Fees and commissions	21	6	27
Total expenditures	<u>156,949</u>	<u>744</u>	<u>157,693</u>
Excess (deficiency) of revenues over expenditures	(8,091)	(485)	(8,576)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	658	--	658
Transfers in	12,129	485	12,614
Total other financing sources (uses)	<u>12,787</u>	<u>485</u>	<u>13,272</u>
Net change in fund balances	4,696	--	4,696
Fund balances at beginning of year	24,587	--	24,587
Fund balances at end of year	<u>\$ 29,283</u>	<u>--</u>	<u>29,283</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, 2018
(In thousands)

	General Obligation			HUD Section 108 Loans			Total
	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual- Budget Basis	Budget	Variance- Positive (Negative)	
REVENUES							
Property taxes	\$ 145,738	145,083	655	--	--	--	145,738
Interest	2,914	1,430	1,484	--	--	--	2,914
Other revenue	887	119	768	259	751	(492)	1,146
Total revenues	149,539	146,632	2,907	259	751	(492)	149,798
EXPENDITURES							
Principal	114,455	116,684	2,229	467	467	--	114,922
Interest	64,319	66,822	2,503	271	279	8	64,590
Fees and commissions	21	--	(21)	6	5	(1)	27
Total expenditures	178,795	183,506	4,711	744	751	7	179,539
Excess (deficiency) of revenues over expenditures	(29,256)	(36,874)	7,618	(485)	--	(485)	(29,741)
OTHER FINANCING SOURCES (USES)							
Transfers in	34,301	34,325	(24)	485	--	485	34,786
Total other financing sources (uses)	34,301	34,325	(24)	485	--	485	34,786
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,045	(2,549)	7,594	--	--	--	5,045
Fund balances at beginning of year	23,758	20,797	2,961	--	--	--	23,758
Fund balances at end of year	\$ 28,803	18,248	10,555	--	--	--	28,803



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:

- 1984:* Funds authorized September 8, 1984, for parks and recreation, street and drainage improvements, and fire projects;
- 1985:* 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;
- 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;
- 2016:* Funds authorized November 8, 2016, for mobility purposes; and
- Other:* Other funds established for various purposes.



**Capital Projects Funds
Combining Balance Sheet
September 30, 2018
(In thousands)**

	Assets					Liabilities
	Pooled Investments and Cash	Net Accounts Receivable	Receivables from Other Governments	Advances to Other Funds	Total Assets	Accounts Payable
Funds Authorized September 8, 1984						
Street improvements	\$ 980	--	17	--	997	--
Total Funds Authorized in 1984	980	--	17	--	997	--
Funds Authorized July 26, 1985						
Neighborhood park and recreation	18,012	--	--	--	18,012	143
Total Funds Authorized in 1985	18,012	--	--	--	18,012	143
Funds Authorized September 3, 1987						
Street resurfacing	256	--	--	--	256	--
Total Funds Authorized in 1987	256	--	--	--	256	--
Funds Authorized August 10, 1992						
Asbestos abatement/ADA compliance/ East Austin health clinic	1	--	--	--	1	--
Barton Creek greenway	320	--	--	--	320	--
Total Funds Authorized in 1992	321	--	--	--	321	--
Funds Authorized November 3, 1998						
Cultural arts and land	39	--	--	--	39	--
Traffic signals	3,255	--	--	--	3,255	25
Public safety facilities	71	--	--	--	71	--
Parks and recreation facilities	46	--	--	--	46	--
Total Funds Authorized in 1998	3,411	--	--	--	3,411	25
Funds Authorized November 7, 2000						
Transportation Mobility Improvement	788	--	--	--	788	48
Total Funds Authorized in 2000	788	--	--	--	788	48
Funds Authorized November 7, 2006						
Transportation	542	--	--	--	542	--
Drainage & Open Spaces	4,772	--	--	--	4,772	24
Parks	1,349	--	--	--	1,349	22
Cultural Facilities	1,252	--	--	--	1,252	--
Affordable Housing	147	--	--	--	147	--
Central Library	411	--	--	--	411	42
Public Safety	6,061	--	--	--	6,061	50
Total Funds Authorized in 2006	14,534	--	--	--	14,534	138
Funds Authorized November 2, 2010						
Mobility	2,199	--	--	--	2,199	52
Total Funds Authorized in 2010	\$ 2,199	--	--	--	2,199	52

Liabilities				Fund Balances				Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Advances from Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Assigned	Unassigned	Fund Balances	
--	--	--	--	--	997	--	997	997
--	--	--	--	--	997	--	997	997
--	--	143	--	17,642	227	--	17,869	18,012
--	--	143	--	17,642	227	--	17,869	18,012
--	--	--	--	--	256	--	256	256
--	--	--	--	--	256	--	256	256
--	--	--	--	--	1	--	1	1
--	--	--	--	320	--	--	320	320
--	--	--	--	320	1	--	321	321
--	--	--	--	39	--	--	39	39
--	--	25	--	3,230	--	--	3,230	3,255
--	--	--	--	71	--	--	71	71
--	--	--	--	46	--	--	46	46
--	--	25	--	3,386	--	--	3,386	3,411
--	--	48	--	--	740	--	740	788
--	--	48	--	--	740	--	740	788
--	--	--	--	542	--	--	542	542
--	--	24	--	4,748	--	--	4,748	4,772
--	--	22	--	1,327	--	--	1,327	1,349
--	--	--	--	1,252	--	--	1,252	1,252
--	--	--	--	147	--	--	147	147
--	--	42	--	369	--	--	369	411
--	--	50	--	6,011	--	--	6,011	6,061
--	--	138	--	14,396	--	--	14,396	14,534
--	--	52	--	2,147	--	--	2,147	2,199
--	--	52	--	2,147	--	--	2,147	2,199

(Continued)

**Capital Projects Funds
Combining Balance Sheet
September 30, 2018
(In thousands)**

	Assets				Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Receivables from Other Governments	Advances to Other Funds	Total Assets	Accounts Payable
Funds Authorized November 6, 2012						
Transportation	\$ 18,589	--	--	--	18,589	1,357
Open Space	196	--	--	--	196	1
Parks	19,734	--	--	--	19,734	1,357
Public Safety	13,465	--	--	--	13,465	620
Health	2,040	--	--	--	2,040	82
Library & Cultural	5,806	--	--	--	5,806	438
Total Funds Authorized in 2012	59,830	--	--	--	59,830	3,855
Funds Authorized November 8, 2016						
Mobility	5,243	--	--	--	5,243	6,503
Total Funds Authorized in 2016	5,243	--	--	--	5,243	6,503
Other funds						
TPSD general improvements	6,474	--	--	7,779	14,253	293
Library automation system	1,927	--	--	--	1,927	98
Fire/EMS/NW Austin MUD #1	782	--	--	--	782	--
General government projects	--	--	--	--	--	613
Health projects	60	--	--	--	60	--
Build Austin	9	--	6	--	15	20
CMTA Mobility	--	4,466	--	--	4,466	632
Park improvements	1,202	--	--	--	1,202	84
Parks and Recreation	6,509	--	--	--	6,509	128
Police and courts	852	--	--	--	852	--
Fire - general	915	--	--	--	915	103
CTM	56,851	--	--	--	56,851	6,484
GCP-PLD In Lieu Of Fee	8,185	--	--	--	8,185	--
Public Works	531	--	--	--	531	730
GCP-PLD Development Fee	2,791	--	--	--	2,791	--
Watershed Protection	--	--	--	--	--	--
Great Streets	2,446	--	--	--	2,446	2
City Hall, plaza, parking garage	--	29	--	--	29	--
Colony Park	697	--	1	--	698	--
NPZ general	7,042	--	--	--	7,042	378
Economic Development	39	--	--	--	39	--
Waller Creek Tunnel	2,029	--	--	--	2,029	--
Fleet general improvements	314	--	--	--	314	--
Interest income fund	8,299	--	--	--	8,299	--
Total other funds	107,954	4,495	7	7,779	120,235	9,565
Totals	\$ 213,528	4,495	24	7,779	225,826	20,329

(Continued)

Liabilities				Fund Balances				Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Advances from Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Assigned	Unassigned	Total Fund Balances	
--	--	1,357	--	17,232	--	--	17,232	18,589
--	--	1	--	195	--	--	195	196
--	--	1,357	--	18,377	--	--	18,377	19,734
--	--	620	--	12,845	--	--	12,845	13,465
--	--	82	--	1,958	--	--	1,958	2,040
--	--	438	--	5,368	--	--	5,368	5,806
--	--	3,855	--	55,975	--	--	55,975	59,830
--	--	6,503	--	--	--	(1,260)	(1,260)	5,243
--	--	6,503	--	--	--	(1,260)	(1,260)	5,243
--	--	293	--	--	13,960	--	13,960	14,253
--	--	98	--	1,019	810	--	1,829	1,927
--	--	--	--	--	782	--	782	782
890	412	1,915	--	--	--	(1,915)	(1,915)	--
--	--	--	--	--	60	--	60	60
--	--	20	--	--	--	(5)	(5)	15
116	--	748	440	3,107	171	--	3,278	4,466
--	--	84	--	--	1,118	--	1,118	1,202
--	--	128	--	--	6,381	--	6,381	6,509
--	--	--	--	852	--	--	852	852
--	--	103	--	--	812	--	812	915
--	--	6,484	--	--	50,367	--	50,367	56,851
--	--	--	--	5,791	2,394	--	8,185	8,185
512	--	1,242	--	--	--	(711)	(711)	531
--	--	--	--	2,005	786	--	2,791	2,791
--	--	--	--	--	--	--	--	--
--	--	2	--	--	2,444	--	2,444	2,446
6,261	--	6,261	--	--	--	(6,232)	(6,232)	29
--	--	--	--	--	698	--	698	698
--	--	378	--	--	6,664	--	6,664	7,042
--	--	--	--	--	39	--	39	39
--	--	--	--	1,886	143	--	2,029	2,029
--	--	--	--	314	--	--	314	314
--	--	--	--	--	8,299	--	8,299	8,299
7,779	412	17,756	440	14,974	95,928	(8,863)	102,039	120,235
7,779	412	28,520	440	108,840	98,149	(10,123)	196,866	225,826

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
September 8, 1984					
Street improvements	\$ --	--	--	--	--
Total Funds Authorized in 1984	--	--	--	--	--
Funds Authorized					
July 26, 1985					
Neighborhood park and recreation	--	--	71	71	919
Total Funds Authorized in 1985	--	--	71	71	919
Funds Authorized					
September 3, 1987					
Street resurfacing	--	--	6	6	--
Total Funds Authorized in 1987	--	--	6	6	--
Funds Authorized					
August 10, 1992					
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	45
Barton Creek greenway	--	--	--	--	--
Total Funds Authorized in 1992	--	--	--	--	45
Funds Authorized					
November 3, 1998					
Cultural arts and land	--	--	--	--	--
Traffic signals	--	--	--	--	411
Public safety facilities	--	--	--	--	39
Parks and recreation facilities	--	--	--	--	89
Total Funds Authorized in 1998	--	--	--	--	539
Funds Authorized					
November 7, 2000					
Transportation mobility improvement	--	--	--	--	506
Total Funds Authorized in 2000	--	--	--	--	506
Funds Authorized					
November 7, 2006					
Transportation	--	--	--	--	3
Drainage & open spaces	--	--	--	--	2,154
Parks	--	--	--	--	445
Cultural facilities	--	--	--	--	--
Affordable housing	--	--	--	--	--
Central library	--	--	--	--	911
Public safety	--	--	--	--	310
Total Funds Authorized in 2006	--	--	--	--	3,823
Funds Authorized					
November 2, 2010					
Mobility	--	--	--	--	309
Total Funds Authorized in 2010	\$ --	--	--	--	309

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)			
--	--	--	291	--	291	291	706	997
--	--	--	291	--	291	291	706	997
(848)	--	--	--	(3,168)	(3,168)	(4,016)	21,885	17,869
(848)	--	--	--	(3,168)	(3,168)	(4,016)	21,885	17,869
6	--	--	--	--	--	6	250	256
6	--	--	--	--	--	6	250	256
(45)	--	--	--	--	--	(45)	46	1
--	--	--	--	--	--	--	320	320
(45)	--	--	--	--	--	(45)	366	321
--	--	--	--	--	--	--	39	39
(411)	--	--	--	--	--	(411)	3,641	3,230
(39)	--	--	--	--	--	(39)	110	71
(89)	--	--	--	--	--	(89)	135	46
(539)	--	--	--	--	--	(539)	3,925	3,386
(506)	--	--	--	--	--	(506)	1,246	740
(506)	--	--	--	--	--	(506)	1,246	740
(3)	--	--	--	--	--	(3)	545	542
(2,154)	--	--	--	--	--	(2,154)	6,902	4,748
(445)	--	--	--	--	--	(445)	1,772	1,327
--	--	--	--	--	--	--	1,252	1,252
--	--	--	--	--	--	--	147	147
(911)	--	--	--	--	--	(911)	1,280	369
(310)	--	--	--	--	--	(310)	6,321	6,011
(3,823)	--	--	--	--	--	(3,823)	18,219	14,396
(309)	--	--	--	--	--	(309)	2,456	2,147
(309)	--	--	--	--	--	(309)	2,456	2,147

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
November 6, 2012					
Transportation	\$ --	--	--	--	9,564
Open space	--	--	--	--	--
Parks	--	--	--	--	11,476
Public safety	--	--	--	--	5,653
Health	--	--	--	--	697
Library & cultural	--	--	--	--	1,446
Total Funds Authorized in 2012	--	--	--	--	28,836
Funds Authorized					
November 8, 2016					
Mobility	--	--	--	--	31,280
Total Funds Authorized in 2016	--	--	--	--	31,280
Other funds					
TPSD general improvements	427	1,781	--	2,208	3,535
Library automation system	--	--	--	--	3,981
Fire/EMS/NW Austin MUD #1	--	--	11	11	--
General government projects	351	11	132	494	22,544
Health projects	80	--	--	80	1,802
Build Austin	299	--	--	299	40
CMTA Mobility	4,944	--	26	4,970	5,107
Park improvements	86	--	1	87	716
Parks and Recreation	127	1,109	--	1,236	1,911
Police and courts	--	--	--	--	139
Fire - general	--	--	--	--	303
CTM	--	2,174	--	2,174	21,380
GCP-PLD In Lieu Of Fee	--	5,368	71	5,439	119
Public Works	1,935	531	--	2,466	2,738
GCP-PLD Development Fee	--	1,709	25	1,734	14
Watershed Protection	--	--	--	--	--
Great Streets	--	--	1,698	1,698	--
City Hall, plaza, parking garage	--	--	--	--	--
Colony Park	--	--	65	65	1,199
NPZ general	--	--	--	--	3,746
Economic Development	--	--	--	--	--
Waller Creek Tunnel	--	--	55	55	3,154
Fleet general improvements	--	--	--	--	639
Interest income fund	--	--	1,694	1,694	--
Total other funds	8,249	12,683	3,778	24,710	73,067
Totals	\$ 8,249	12,683	3,855	24,787	139,324

(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)			
	(9,564)	--	--	--	--			
--	--	--	--	--	--	--	195	195
(11,476)	13,034	2,266	--	(7)	15,293	3,817	14,560	18,377
(5,653)	9,030	1,570	--	(20)	10,580	4,927	7,918	12,845
(697)	2,726	474	--	--	3,200	2,503	(545)	1,958
(1,446)	1,619	281	--	--	1,900	454	4,914	5,368
<u>(28,836)</u>	<u>26,409</u>	<u>4,591</u>	<u>--</u>	<u>(27)</u>	<u>30,973</u>	<u>2,137</u>	<u>53,838</u>	<u>55,975</u>
(31,280)	36,863	6,368	--	--	43,231	11,951	(13,211)	(1,260)
<u>(31,280)</u>	<u>36,863</u>	<u>6,368</u>	<u>--</u>	<u>--</u>	<u>43,231</u>	<u>11,951</u>	<u>(13,211)</u>	<u>(1,260)</u>
(1,327)	--	--	2,510	(469)	2,041	714	13,246	13,960
(3,981)	4,155	845	470	--	5,470	1,489	340	1,829
11	--	--	--	--	--	11	771	782
(22,050)	4,509	916	7,467	(70)	12,822	(9,228)	7,313	(1,915)
(1,722)	2,410	490	--	--	2,900	1,178	(1,118)	60
259	--	--	--	--	--	259	(264)	(5)
(137)	--	--	--	(5)	(5)	(142)	3,420	3,278
(629)	--	--	--	(585)	(585)	(1,214)	2,332	1,118
(675)	--	--	3,941	(12)	3,929	3,254	3,127	6,381
(139)	--	--	--	--	--	(139)	991	852
(303)	--	--	--	--	--	(303)	1,115	812
(19,206)	--	--	16,807	--	16,807	(2,399)	52,766	50,367
5,320	--	--	2,386	--	2,386	7,706	479	8,185
(272)	--	--	--	--	--	(272)	(439)	(711)
1,720	--	--	782	--	782	2,502	289	2,791
--	18,414	3,715	718	(22,129)	718	718	(718)	--
1,698	--	--	--	(2,686)	(2,686)	(988)	3,432	2,444
--	--	--	300	--	300	300	(6,532)	(6,232)
(1,134)	--	--	--	--	--	(1,134)	1,832	698
(3,746)	--	--	4,948	--	4,948	1,202	5,462	6,664
--	--	--	--	--	--	--	39	39
(3,099)	--	--	--	--	--	(3,099)	5,128	2,029
(639)	--	--	--	--	--	(639)	953	314
1,694	--	--	--	--	--	1,694	6,605	8,299
<u>(48,357)</u>	<u>29,488</u>	<u>5,966</u>	<u>40,329</u>	<u>(25,956)</u>	<u>49,827</u>	<u>1,470</u>	<u>100,569</u>	<u>102,039</u>
<u>(114,537)</u>	<u>92,760</u>	<u>16,925</u>	<u>40,620</u>	<u>(29,151)</u>	<u>121,154</u>	<u>6,617</u>	<u>190,249</u>	<u>196,866</u>





PERMANENT FUNDS

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

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

Ellis Library Trust Fund - Accounts for principal and interest income earned on the principal from the Ellis estate. This income is used for purchasing books on the subject of mental health.

Perpetual Care Fund - Accounts for revenues to be used for maintenance and care of cemeteries.



Permanent Funds
Combining Balance Sheet
September 30, 2018
(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	<u>50</u>	<u>10</u>	<u>1,011</u>	<u>1,071</u>
FUND BALANCES				
Nonspendable:				
Permanent funds	50	9	1,011	1,070
Restricted	--	1	--	1
Total fund balances	<u>50</u>	<u>10</u>	<u>1,011</u>	<u>1,071</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50</u>	<u>10</u>	<u>1,011</u>	<u>1,071</u>

Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2018
(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

Enterprise funds account for the acquisition, operations, and maintenance of the City's facilities and services that are entirely or predominantly supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations, and maintenance. The City reports the following nonmajor enterprise funds:

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

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

Drainage Fund – Accounts for drainage activities.

Golf Fund – Accounts for golf activities.

Transportation Fund – Accounts for transportation activities.



Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2018
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
ASSETS			
Current assets:			
Cash	\$ 3	22	1
Pooled investments and cash	23,442	163,943	177,332
Pooled investments and cash - restricted	2,542	12,440	--
Total pooled investments and cash	25,984	176,383	177,332
Investments - restricted	--	12,311	--
Accounts receivable, net of allowance	9,485	395	5,106
Receivables from other governments	24	--	--
Receivable from other governments - restricted	30	--	650
Due from other funds	--	--	1,148
Inventories, at cost	--	97	--
Prepaid expenses	5	126	80
Total current assets	35,531	189,334	184,317
Noncurrent assets:			
Pooled investments and cash - restricted	1,548	11,587	12,489
Advances to other funds - restricted	203	26	--
Investments - restricted	--	10,263	--
Depreciable capital assets, net	36,700	161,740	123,866
Nondepreciable capital assets	23,464	45,587	246,308
Total noncurrent assets	61,915	229,203	382,663
Total assets	97,446	418,537	566,980
DEFERRED OUTFLOWS OF RESOURCES	\$ 26,005	26,521	13,377

	Golf	Transportation	Total
ASSETS			
Current assets:			
Cash	5	2	33
Pooled investments and cash	--	51,304	416,021
Pooled investments and cash - restricted	--	--	14,982
Total pooled investments and cash	--	51,304	431,003
Investments - restricted	--	--	12,311
Accounts receivable, net of allowance	--	6,302	21,288
Receivables from other governments	--	5	29
Receivable from other governments - restricted	--	--	680
Due from other funds	--	--	1,148
Inventories, at cost	--	3,072	3,169
Prepaid expenses	41	125	377
Total current assets	46	60,810	470,038
Noncurrent assets:			
Pooled investments and cash - restricted	657	450	26,731
Advances to other funds - restricted	--	--	229
Investments - restricted	--	--	10,263
Depreciable capital assets, net	11,089	23,114	356,509
Nondepreciable capital assets	6,290	2,919	324,568
Total noncurrent assets	18,036	26,483	718,300
Total assets	18,082	87,293	1,188,338
DEFERRED OUTFLOWS OF RESOURCES	1,576	27,039	94,518

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2018
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,967	964	741
Accounts and retainage payable from restricted assets	1,864	318	2,160
Accrued payroll	1,802	934	1,119
Accrued compensated absences	1,857	1,368	1,722
Due to other funds	--	--	--
Accrued interest payable from restricted assets	--	796	--
Interest payable on other debt	116	63	137
Bonds payable	5,993	1,453	2,290
Bonds payable from restricted assets	--	13,440	--
Other postemployment benefits liability	2,298	1,120	1,205
Customer and escrow deposits payable from restricted assets	2,542	3,672	302
Accrued landfill closure and postclosure costs	2,591	--	--
Other liabilities	--	10	--
Other liabilities payable from restricted assets	--	--	418
Total current liabilities	21,030	24,138	10,094
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	595	--	--
Advances from other funds	--	--	348
Bonds payable, net of discount and inclusive of premium	16,705	134,419	37,018
Net pension liability	51,978	26,619	35,798
Other postemployment benefits liability	107,030	52,155	56,110
Accrued landfill closure and postclosure costs	9,899	--	--
Derivative instruments - interest rate swaps	--	5,721	--
Total noncurrent liabilities	186,207	218,914	129,274
Total liabilities	207,237	243,052	139,368
DEFERRED INFLOWS OF RESOURCES			
	3,141	1,803	2,178
NET POSITION			
Net investment in capital assets	48,286	68,515	328,811
Restricted for:			
Bond reserve	--	7,269	--
Capital projects	177	11,587	12,187
Debt service	203	12,273	--
Operating reserve	--	4,706	--
Renewal and replacement	--	881	--
Unrestricted	(135,593)	94,972	97,813
Total net position	(86,927)	200,203	438,811
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	6,574	2,953	2,066
Total net position - Business-type activities	\$ (80,353)	203,156	440,877

(Continued)

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	12	4,151	7,835
Accounts and retainage payable from restricted assets	--	84	4,426
Accrued payroll	171	2,082	6,108
Accrued compensated absences	181	2,810	7,938
Due to other funds	1,148	301	1,449
Accrued interest payable from restricted assets	--	--	796
Interest payable on other debt	3	170	489
Bonds payable	124	3,853	13,713
Bonds payable from restricted assets	--	--	13,440
Other postemployment benefits liability	154	2,272	7,049
Customer and escrow deposits payable from restricted assets	--	--	6,516
Accrued landfill closure and postclosure costs	--	--	2,591
Other liabilities	1	--	11
Other liabilities payable from restricted assets	--	--	418
Total current liabilities	<u>1,794</u>	<u>15,723</u>	<u>72,779</u>
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	93	26	714
Advances from other funds	--	1,803	2,151
Bonds payable, net of discount and inclusive of premium	64	11,273	199,479
Net pension liability	3,786	55,648	173,829
Other postemployment benefits liability	7,168	105,794	328,257
Accrued landfill closure and postclosure costs	--	--	9,899
Derivative instruments - interest rate swaps	--	--	5,721
Total noncurrent liabilities	<u>11,111</u>	<u>174,544</u>	<u>720,050</u>
Total liabilities	<u>12,905</u>	<u>190,267</u>	<u>792,829</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>229</u>	<u>3,363</u>	<u>10,714</u>
NET POSITION			
Net investment in capital assets	17,191	11,357	474,160
Restricted for:			
Bond reserve	--	--	7,269
Capital projects	657	--	24,608
Debt service	--	--	12,476
Operating reserve	--	--	4,706
Renewal and replacement	--	--	881
Unrestricted	(11,324)	(90,655)	(44,787)
Total net position	<u>6,524</u>	<u>(79,298)</u>	<u>479,313</u>
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	507	4,542	16,642
Total net position - Business-type activities	<u>7,031</u>	<u>(74,756)</u>	<u>495,955</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2018
(In thousands)

	Austin		
	Resource	Convention	
	Recovery	Center	Drainage
OPERATING REVENUES			
User fees and rentals	\$ 115,499	33,752	94,588
Total operating revenues	<u>115,499</u>	<u>33,752</u>	<u>94,588</u>
OPERATING EXPENSES			
Operating expenses before depreciation	103,978	67,889	68,154
Depreciation and amortization	8,863	9,026	6,182
Total operating expenses	<u>112,841</u>	<u>76,915</u>	<u>74,336</u>
Operating income (loss)	<u>2,658</u>	<u>(43,163)</u>	<u>20,252</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	283	2,015	1,814
Interest on revenue bonds and other debt	(433)	(4,837)	(1,107)
Other nonoperating revenue (expense)	85	(930)	(4,096)
Total nonoperating revenues (expenses)	<u>(65)</u>	<u>(3,752)</u>	<u>(3,389)</u>
Income (loss) before contributions and transfers	2,593	(46,915)	16,863
Capital contributions	177	--	5,411
Transfers in	--	79,458	22,171
Transfers out	(688)	(2,777)	(734)
Change in net position	2,082	29,766	43,711
Beginning net position, as restated	<u>(89,009)</u>	<u>170,437</u>	<u>395,100</u>
Ending net position	<u>\$ (86,927)</u>	<u>200,203</u>	<u>438,811</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	2,082	29,766	43,711
Adjustment to consolidate internal service activities	1,908	783	1,223
Change in net position - Business-type activities	<u>\$ 3,990</u>	<u>30,549</u>	<u>44,934</u>

	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
OPERATING REVENUES			
User fees and rentals	7,278	119,656	370,773
Total operating revenues	<u>7,278</u>	<u>119,656</u>	<u>370,773</u>
OPERATING EXPENSES			
Operating expenses before depreciation	8,371	117,842	366,234
Depreciation and amortization	716	4,350	29,137
Total operating expenses	<u>9,087</u>	<u>122,192</u>	<u>395,371</u>
Operating income (loss)	<u>(1,809)</u>	<u>(2,536)</u>	<u>(24,598)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	7	430	4,549
Interest on revenue bonds and other debt	(2)	(358)	(6,737)
Other nonoperating revenue (expense)	--	55	(4,886)
Total nonoperating revenues (expenses)	<u>5</u>	<u>127</u>	<u>(7,074)</u>
Income (loss) before contributions and transfers	(1,804)	(2,409)	(31,672)
Capital contributions	230	107	5,925
Transfers in	1,000	1,258	103,887
Transfers out	--	(2,394)	(6,593)
Change in net position	<u>(574)</u>	<u>(3,438)</u>	<u>71,547</u>
Beginning net position, as restated	<u>7,098</u>	<u>(75,860)</u>	<u>407,766</u>
Ending net position	<u><u>6,524</u></u>	<u><u>(79,298)</u></u>	<u><u>479,313</u></u>
Reconciliation to government-wide Statement of Activities			
Change in net position	(574)	(3,438)	71,547
Adjustment to consolidate internal service activities	80	1,754	5,748
Change in net position - Business-type activities	<u>(494)</u>	<u>(1,684)</u>	<u>77,295</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

	Austin		
	Resource Recovery	Convention Center	Drainage
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 114,467	33,719	91,053
Cash received from other funds	350	--	3,216
Cash payments to suppliers for goods and services	(17,738)	(26,054)	(15,980)
Cash payments to other funds	(25,251)	(6,874)	(12,381)
Cash payments to employees for services	(49,232)	(27,701)	(32,097)
Net cash provided (used) by operating activities	22,596	(26,910)	33,811
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	--	79,458	22,147
Transfers out	(688)	(2,777)	(734)
Loan repayments to other funds	--	--	(427)
Loan repayments from other funds	66	17	552
Collections from other governments	844	--	(505)
Net cash provided (used) by noncapital financing activities	222	76,698	21,033
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	2,805	--	--
Principal paid on long-term debt	(7,169)	(14,323)	(2,058)
Interest paid on revenue bonds and other debt	(867)	(5,361)	(1,782)
Acquisition and construction of capital assets	(6,746)	(3,828)	(23,151)
Contributions from state and federal governments	177	--	--
Contributions in aid of construction	--	--	3,056
Bond issuance costs	(22)	--	--
Bond premiums	237	--	--
Net cash provided (used) by capital and related financing activities	(11,585)	(23,512)	(23,935)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	(19,565)	--
Proceeds from sale and maturities of investment securities	--	21,459	--
Interest on investments	283	2,015	1,814
Net cash provided (used) by investing activities	283	3,909	1,814
Net increase (decrease) in cash and cash equivalents	11,516	30,185	32,723
Cash and cash equivalents, beginning	16,019	157,807	157,099
Cash and cash equivalents, ending	\$ 27,535	187,992	189,822

	Golf	Transportation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	7,280	119,243	365,762
Cash received from other funds	--	169	3,735
Cash payments to suppliers for goods and services	(1,938)	(24,434)	(86,144)
Cash payments to other funds	(1,236)	(20,454)	(66,196)
Cash payments to employees for services	(4,585)	(56,365)	(169,980)
Net cash provided (used) by operating activities	(479)	18,159	47,177
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	1,000	1,019	103,624
Transfers out	--	(2,309)	(6,508)
Loan repayments to other funds	(551)	(301)	(1,279)
Loan repayments from other funds	--	--	635
Collections from other governments	--	332	671
Net cash provided (used) by noncapital financing activities	449	(1,259)	97,143
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	2,270	5,075
Principal paid on long-term debt	(120)	(4,247)	(27,917)
Interest paid on revenue bonds and other debt	(10)	(577)	(8,597)
Acquisition and construction of capital assets	(242)	(1,627)	(35,594)
Contributions from state and federal governments	--	--	177
Contributions in aid of construction	230	--	3,286
Bond issuance costs	--	(21)	(43)
Bond premiums	--	192	429
Net cash provided (used) by capital and related financing activities	(142)	(4,010)	(63,184)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	--	(19,565)
Proceeds from sale and maturities of investment securities	--	--	21,459
Interest on investments	7	430	4,549
Net cash provided (used) by investing activities	7	430	6,443
Net increase (decrease) in cash and cash equivalents	(165)	13,320	87,579
Cash and cash equivalents, beginning	827	38,436	370,188
Cash and cash equivalents, ending	662	51,756	457,767

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,658	(43,163)	20,252
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	8,863	9,026	6,182
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(652)	(257)	(335)
Increase (decrease) in allowance for doubtful accounts	237	--	16
(Increase) decrease in inventory	--	12	--
(Increase) decrease in prepaid expenses and other assets	46	(120)	(71)
(Increase) decrease in deferred outflows	(10,137)	(5,390)	(2,741)
Increase (decrease) in accounts payable	611	672	(212)
Increase (decrease) in accrued payroll and compensated absences	281	198	80
Increase (decrease) in net pension liability	(7,569)	(2,056)	(3,469)
Increase (decrease) in other postemployment benefits liability	25,587	12,920	11,915
Increase (decrease) in customer deposits	(267)	224	--
Increase (decrease) in other liabilities	(203)	(585)	30
Increase (decrease) in deferred inflows	3,141	1,609	2,164
Total adjustments	19,938	16,253	13,559
Net cash provided (used) by operating activities	\$ 22,596	(26,910)	33,811
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets contributed from other funds	\$ --	--	2,355
Capital assets contributed to other funds	(189)	(909)	(4,146)
Amortization of bond (discounts) premiums	426	978	694
Amortization of deferred gain (loss) on refundings	(16)	(561)	(25)
Gain (loss) on disposal of assets	(192)	(21)	(14)
Transfers from other funds	--	--	24
Transfers to other funds	--	--	--

(Continued)

	Golf	Transportation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(1,809)	(2,536)	(24,598)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	716	4,350	29,137
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	2	(283)	(1,525)
Increase (decrease) in allowance for doubtful accounts	--	39	292
(Increase) decrease in inventory	--	(662)	(650)
(Increase) decrease in prepaid expenses and other assets	--	(65)	(210)
(Increase) decrease in deferred outflows	(440)	(11,125)	(29,833)
Increase (decrease) in accounts payable	12	2,064	3,147
Increase (decrease) in accrued payroll and compensated absences	19	659	1,237
Increase (decrease) in net pension liability	(477)	(3,382)	(16,953)
Increase (decrease) in other postemployment benefits liability	1,268	25,738	77,428
Increase (decrease) in customer deposits	--	--	(43)
Increase (decrease) in other liabilities	--	--	(758)
Increase (decrease) in deferred inflows	230	3,362	10,506
Total adjustments	<u>1,330</u>	<u>20,695</u>	<u>71,775</u>
Net cash provided (used) by operating activities	<u>(479)</u>	<u>18,159</u>	<u>47,177</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets contributed from other funds	--	107	2,462
Capital assets contributed to other funds	--	(27)	(5,271)
Amortization of bond (discounts) premiums	6	200	2,304
Amortization of deferred gain (loss) on refundings	--	--	(602)
Gain (loss) on disposal of assets	--	(7)	(234)
Transfers from other funds	--	239	263
Transfers to other funds	--	(85)	(85)





INTERNAL SERVICE FUNDS

Internal service funds account for and report the financing of goods or services provided by one department to other departments of the City and other agencies on a cost-reimbursement basis. The City reports the following internal service funds:

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

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

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

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

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

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

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

Wireless Communication Fund - Accounts for communication support activities.

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



Internal Service Funds
Combining Statement of Net Position
September 30, 2018
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
ASSETS					
Current assets:					
Cash	\$ --	--	--	--	--
Pooled investments and cash	3,120	2,197	67,551	13,422	12,127
Cash held by trustee - restricted	--	--	2,179	--	--
Accounts receivable, net of allowance	259	1,685	8,756	35	504
Receivables from other governments	--	--	556	2	39
Inventories, at cost	--	--	--	2,336	--
Prepaid expenses	37	364	--	--	1,436
Total current assets	3,416	4,246	79,042	15,795	14,106
Noncurrent assets:					
Pooled investments and cash - restricted	--	--	--	5,428	--
Advances to other funds	--	--	--	9	--
Depreciable capital assets, net	362	18,493	--	7,330	12,713
Nondepreciable capital assets	--	32	--	286	--
Total noncurrent assets	362	18,525	--	13,053	12,713
Total assets	3,778	22,771	79,042	28,848	26,819
DEFERRED OUTFLOWS OF RESOURCES					
	--	--	--	104	--
LIABILITIES					
Current liabilities:					
Accounts payable	244	735	577	4,457	1,352
Accrued payroll	777	230	--	672	1,109
Accrued compensated absences	1,117	309	--	880	1,761
Claims payable	--	--	16,525	--	--
Due to other governments	--	--	--	3	--
Accrued interest payable from restricted assets	--	--	--	8	--
Bonds payable	--	--	--	342	--
Capital lease obligations payable	--	--	--	--	--
payable from restricted assets	--	--	--	--	--
Other liabilities	--	--	2,073	--	--
Total current liabilities	2,138	1,274	19,175	6,362	4,222
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	130	--	--	--
Claims payable	--	--	--	--	--
Bonds payable, net of discount and inclusive of premium	--	--	--	2,261	--
Capital lease obligations payable	--	--	--	--	--
Total noncurrent liabilities	--	130	--	2,261	--
Total liabilities	2,138	1,404	19,175	8,623	4,222
DEFERRED INFLOWS OF RESOURCES					
	--	--	--	--	--
NET POSITION					
Net investment in capital assets	362	18,525	--	5,013	12,713
Restricted for:					
Capital projects	--	--	--	5,428	--
Unrestricted	1,278	2,842	59,867	9,888	9,884
Total net position	\$ 1,640	21,367	59,867	20,329	22,597

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
ASSETS					
Current assets:					
Cash	--	10	--	--	10
Pooled investments and cash	7,548	32,468	1,379	37,593	177,405
Cash held by trustee - restricted	--	--	--	--	2,179
Accounts receivable, net of allowance	--	11	787	--	12,037
Receivables from other governments	--	410	11	--	1,018
Inventories, at cost	--	--	617	--	2,953
Prepaid expenses	--	353	4	--	2,194
Total current assets	7,548	33,252	2,798	37,593	197,796
Noncurrent assets:					
Pooled investments and cash - restricted	--	--	--	--	5,428
Advances to other funds	--	3	--	--	12
Depreciable capital assets, net	--	3,139	29,282	--	71,319
Nondepreciable capital assets	--	21	262	--	601
Total noncurrent assets	--	3,163	29,544	--	77,360
Total assets	7,548	36,415	32,342	37,593	275,156
DEFERRED OUTFLOWS OF RESOURCES					
	--	1	--	--	105
LIABILITIES					
Current liabilities:					
Accounts payable	21	8,828	195	244	16,653
Accrued payroll	--	3,531	183	--	6,502
Accrued compensated absences	--	4,762	223	--	9,052
Claims payable	1,930	--	--	5,200	23,655
Due to other governments	--	--	--	--	3
Accrued interest payable from restricted assets	--	--	--	--	8
Bonds payable	--	13	--	--	355
Capital lease obligations payable	--	--	2,115	--	2,115
payable from restricted assets	--	174	--	--	174
Other liabilities	--	284	243	--	2,600
Total current liabilities	1,951	17,592	2,959	5,444	61,117
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	242	--	--	372
Claims payable	2,510	--	--	21,809	24,319
Bonds payable, net of discount and inclusive of premium	--	33	--	--	2,294
Capital lease obligations payable	--	--	7,765	--	7,765
Total noncurrent liabilities	2,510	275	7,765	21,809	34,750
Total liabilities	4,461	17,867	10,724	27,253	95,867
DEFERRED INFLOWS OF RESOURCES					
	--	1	--	--	1
NET POSITION					
Net investment in capital assets	--	3,114	19,664	--	59,391
Restricted for:					
Capital projects	--	--	--	--	5,428
Unrestricted	3,087	15,434	1,954	10,340	114,574
Total net position	3,087	18,548	21,618	10,340	179,393

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2018
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
OPERATING REVENUES					
Billings to departments	\$ 22,719	16,254	150,810	51,881	60,710
Employee contributions	--	--	44,372	--	--
Operating revenues from other governments	--	4,633	--	125	--
Other operating revenues	3,899	--	1,599	793	759
Total operating revenues	26,618	20,887	196,781	52,799	61,469
OPERATING EXPENSES					
Operating expenses before depreciation	24,329	16,164	179,201	51,316	51,644
Depreciation and amortization	149	2,180	--	854	2,874
Total operating expenses	24,478	18,344	179,201	52,170	54,518
Operating income (loss)	2,140	2,543	17,580	629	6,951
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	4	11	(255)	149	107
Interest on bonds and other debt	--	--	--	(10)	--
Other nonoperating revenues (expenses)	(2)	(400)	--	(56)	(485)
Total nonoperating revenues (expenses)	2	(389)	(255)	83	(378)
Income (loss) before contributions and transfers	2,142	2,154	17,325	712	6,573
Capital contributions	--	269	--	418	4,558
Transfers in	--	--	--	--	28
Transfers out	(155)	(2,754)	--	(2,262)	(6,905)
Change in net position	1,987	(331)	17,325	(1,132)	4,254
Beginning net position	(347)	21,698	42,542	21,461	18,343
Ending net position	\$ 1,640	21,367	59,867	20,329	22,597

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
OPERATING REVENUES					
Billings to departments	6,000	120,531	13,727	13,076	455,708
Employee contributions	--	--	--	--	44,372
Operating revenues from other governments	--	38	541	--	5,337
Other operating revenues	3	4,639	2,276	--	13,968
Total operating revenues	6,003	125,208	16,544	13,076	519,385
OPERATING EXPENSES					
Operating expenses before depreciation	4,258	116,245	10,413	12,053	465,623
Depreciation and amortization	--	521	3,310	--	9,888
Total operating expenses	4,258	116,766	13,723	12,053	475,511
Operating income (loss)	1,745	8,442	2,821	1,023	43,874
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	(29)	213	15	(136)	79
Interest on bonds and other debt	--	7	--	--	(3)
Other nonoperating revenues (expenses)	--	(2)	(5)	--	(950)
Total nonoperating revenues (expenses)	(29)	218	10	(136)	(874)
Income (loss) before contributions and transfers	1,716	8,660	2,831	887	43,000
Capital contributions	--	218	7,576	--	13,039
Transfers in	--	--	2,379	--	2,407
Transfers out	--	(3,317)	(6,729)	--	(22,122)
Change in net position	1,716	5,561	6,057	887	36,324
Beginning net position	1,371	12,987	15,561	9,453	143,069
Ending net position	3,087	18,548	21,618	10,340	179,393

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 3,901	5,094	44,293	920	452
Cash received from other funds	22,719	16,254	150,810	51,881	60,710
Cash payments to suppliers for goods and services	(1,264)	(9,466)	(19,950)	(24,612)	(24,343)
Cash payments to other funds	(2,197)	(964)	(2,444)	(6,437)	(472)
Cash payments to employees for services	(20,378)	(5,945)	--	(19,769)	(29,003)
Cash payments to claimants/beneficiaries	--	--	(161,001)	--	--
Net cash provided (used) by operating activities	2,781	4,973	11,708	1,983	7,344
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	--	--	--	--	--
Transfers out	--	(2,726)	--	(2,238)	(6,905)
Net cash provided (used) by noncapital financing activities	--	(2,726)	--	(2,238)	(6,905)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	--	--	(335)	--
Interest paid on revenue bonds and other debt	--	--	--	(125)	--
Acquisition and construction of capital assets	(239)	(565)	--	(351)	(62)
Net cash provided (used) by capital and related financing activities	(239)	(565)	--	(811)	(62)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	4	11	(255)	149	107
Net cash provided (used) by investing activities	4	11	(255)	149	107
Net increase (decrease) in cash and cash equivalents	2,546	1,693	11,453	(917)	484
Cash and cash equivalents, beginning	574	504	58,277	19,767	11,643
Cash and cash equivalents, ending	\$ 3,120	2,197	69,730	18,850	12,127

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	3	5,807	2,433	--	62,903
Cash received from other funds	6,000	120,531	13,727	13,076	455,708
Cash payments to suppliers for goods and services	(936)	(11,804)	(5,017)	(5,143)	(102,535)
Cash payments to other funds	(363)	(9,239)	(831)	(1,810)	(24,757)
Cash payments to employees for services	--	(96,697)	(4,687)	--	(176,479)
Cash payments to claimants/beneficiaries	(3,498)	--	--	(3,391)	(167,890)
Net cash provided (used) by operating activities	1,206	8,598	5,625	2,732	46,950
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	--	--	2,370	--	2,370
Transfers out	--	(3,317)	(6,729)	--	(21,915)
Net cash provided (used) by noncapital financing activities	--	(3,317)	(4,359)	--	(19,545)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	(39)	--	--	(374)
Interest paid on revenue bonds and other debt	--	(4)	--	--	(129)
Acquisition and construction of capital assets	--	--	(83)	--	(1,300)
Net cash provided (used) by capital and related financing activities	--	(43)	(83)	--	(1,803)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	(29)	213	15	(136)	79
Net cash provided (used) by investing activities	(29)	213	15	(136)	79
Net increase (decrease) in cash and cash equivalents	1,177	5,451	1,198	2,596	25,681
Cash and cash equivalents, beginning	6,371	27,027	181	34,997	159,341
Cash and cash equivalents, ending	7,548	32,478	1,379	37,593	185,022

(Continued)

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 2,140	2,543	17,580	629	6,951
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	149	2,180	--	854	2,874
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	461	(1,462)	1	(415)
(Increase) decrease in receivable from other governments	2	--	(216)	7	108
(Increase) decrease in inventory	--	--	--	(535)	--
(Increase) decrease in prepaid expenses and other assets	(13)	(364)	--	125	(1,302)
(Increase) decrease in advance to other funds	--	--	--	(6)	--
(Increase) decrease in deferred outflows	--	--	--	2	--
Increase (decrease) in accounts payable	237	17	(2,111)	920	(1,001)
Increase (decrease) in accrued payroll and compensated absences	266	136	--	(14)	129
Increase (decrease) in claims payable	--	--	(2,297)	--	--
Increase (decrease) in other liabilities	--	--	214	--	--
Increase (decrease) in customer deposits	--	--	--	--	--
Total adjustments	641	2,430	(5,872)	1,354	393
Net cash provided (used) by operating activities	\$ 2,781	4,973	11,708	1,983	7,344
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	\$ --	269	--	418	4,558
Amortization of bond discounts and premiums	--	--	--	113	--
Amortization of deferred gain (loss) on refundings	--	--	--	(13)	--
Gain (loss) on disposal of assets	(2)	(400)	--	(19)	(485)
Transfers from other funds	--	--	--	--	28
Transfers to other funds	(155)	(28)	--	(24)	--
Capital lease obligations	--	--	--	--	--

(Continued)

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	1,745	8,442	2,821	1,023	43,874
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	--	521	3,310	--	9,888
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	(9)	(413)	--	(1,837)
(Increase) decrease in receivable from other governments	--	1,139	29	--	1,069
(Increase) decrease in inventory	--	--	(122)	--	(657)
(Increase) decrease in prepaid expenses and other assets	--	(185)	--	--	(1,739)
(Increase) decrease in advance to other funds	--	1	--	--	(5)
(Increase) decrease in deferred outflows	--	--	--	--	2
Increase (decrease) in accounts payable	(4)	472	(84)	(1)	(1,555)
Increase (decrease) in accrued payroll and compensated absences	--	172	(3)	--	686
Increase (decrease) in claims payable	(535)	--	--	1,710	(1,122)
Increase (decrease) in other liabilities	--	(371)	87	--	(70)
Increase (decrease) in customer deposits	--	(1,584)	--	--	(1,584)
Total adjustments	(539)	156	2,804	1,709	3,076
Net cash provided (used) by operating activities	1,206	8,598	5,625	2,732	46,950
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	--	218	3,198	--	8,661
Amortization of bond discounts and premiums	--	10	--	--	123
Amortization of deferred gain (loss) on refundings	--	--	--	--	(13)
Gain (loss) on disposal of assets	--	(2)	(5)	--	(913)
Transfers from other funds	--	--	9	--	37
Transfers to other funds	--	--	--	--	(207)
Capital lease obligations	--	--	9,880	--	9,880





FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations, or governmental units. The City utilizes private-purpose trust funds and agency funds which are considered fiduciary funds.

Private-purpose trust funds account for and report trust arrangements under which principal and interest income benefits individuals, private organizations, or other governments. Agency funds are purely custodial and thus do not involve measurement of results of operations. The City reports the following private-purpose trust funds and agency funds:

Private-Purpose Trust Funds

General Government

Unclaimed Property Fund - Accounts for and reports unclaimed City of Austin checks.

Transportation, Planning, and Sustainability

Public School Energy Assistance Fund - Accounts for and reports contributions for the benefit of public schools energy bills. Contributions are received with electric bill payments.

Voluntary Utility Assistance Fund - Accounts for and reports contributions for the benefit of indigent utility customers. Contributions are received with electric bill payments.

Public Recreation and Culture

First Step - A Community Project Fund - Accounts for and reports programs and activities that improve community relations.

Science Fest Fund - Accounts for and reports all contributions, registration fees and other donations received for the Regional Science Festival.

Urban Growth Management

Leveraged Loan Pool Fund - Accounts for and reports funds that are held to leverage private capital and state or federal resources to stimulate business investments.

Telecommunity Partnership Fund - Accounts for and reports the training needs of the Austin community and creating opportunities for individuals through partnerships with local employers.

Agency Funds

Campaign Financing Fund - Accounts for and reports donations and fees for the Austin Fair Campaign Ordinance.
Estancia Hill Country Debt Management Fund – Accounts for debt service payments made by the Trustee for special assessment debt issued for the Estancia Hill Country Public Improvement District.

Indian Hills Debt Management Fund – Accounts for debt service payments made by the Trustee for special assessment debt issued for the Indian Hills Public Improvement District.

Municipal Courts Fund - Accounts for and reports service fees collected at Municipal Court that will be remitted to the State Comptroller of Public Accounts.

Neighborhood Revitalization Fund - Accounts for and reports escrow deposits and payments to loan recipients.

Whisper Valley Debt Management Fund – Accounts for debt service payments made by the Trustee for special assessment debt issued for the Whisper Valley Public Improvement District.

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit H-1

	Assets			Liabilities			Net Position Held in Trust
	Pooled Investments and Cash	Other Assets	Total Assets	Accounts Payable	Other Liabilities	Total Liabilities	
General government							
Unclaimed Property	\$ 1,686	--	1,686	--	1,548	1,548	138
Total general government	1,686	--	1,686	--	1,548	1,548	138
Transportation, planning, and sustainability							
Public School Energy Assistance	42	--	42	42	--	42	--
Voluntary Utility Assistance	--	--	--	--	--	--	--
Total transportation, planning, and sustainability	42	--	42	42	--	42	--
Public recreation and culture							
First Step - A Community Project	14	--	14	--	--	--	14
Science Fest	--	--	--	--	--	--	--
Total public recreation and culture	14	--	14	--	--	--	14
Urban growth management							
Leveraged Loan Pool	455	121	576	--	--	--	576
Telecommunity Partnership	16	--	16	--	--	--	16
Total urban growth management	471	121	592	--	--	--	592
Total	\$ 2,213	121	2,334	42	1,548	1,590	744

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit H-2

	<u>Additions</u>			<u>Deductions</u>		<u>Net Position at Beginning of Year</u>	<u>Net Position at End of Year</u>
	<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	\$ --	22	22	1	21	117	138
Total general government	--	22	22	1	21	117	138
Transportation, planning, and sustainability							
Public School Energy Assistance	21	1	22	42	(20)	20	--
Voluntary Utility Assistance	2,225	--	2,225	2,225	--	--	--
Total transportation, planning, and sustainability	2,246	1	2,247	2,267	(20)	20	--
Public recreation and culture							
First Step - A Community Project	--	--	--	--	--	14	14
Science Fest	5	--	5	84	(79)	79	--
Total public recreation and culture	5	--	5	84	(79)	93	14
Urban growth management							
Leveraged Loan Pool	--	6	6	--	6	570	576
Telecommunity Partnership	--	--	--	--	--	16	16
Total urban growth management	--	6	6	--	6	586	592
Total	\$ 2,251	29	2,280	2,352	(72)	816	744

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended September 30, 2018
(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	\$ 24	34	--	58
Total assets	24	34	--	58
Liabilities				
Deposits and other liabilities	24	34	--	58
Total liabilities	24	34	--	58
<u>Estancia Hill Country Debt Management</u>				
Assets				
Pooled investments and cash	--	153	68	85
Investments held by trustee	2,004	1,781	2,446	1,339
Total assets	2,004	1,934	2,514	1,424
Liabilities				
Deposits and other liabilities	2,004	1,934	2,514	1,424
Total liabilities	2,004	1,934	2,514	1,424
<u>Indian Hills Debt Management</u>				
Assets				
Investments held by trustee	276	340	339	277
Total assets	276	340	339	277
Liabilities				
Deposits and other liabilities	276	340	339	277
Total liabilities	276	340	339	277
<u>Municipal Courts</u>				
Assets				
Pooled investments and cash	1,838	7,062	7,723	1,177
Total assets	1,838	7,062	7,723	1,177
Liabilities				
Accounts payable	55	8,350	8,405	--
Due to other governments	1,469	13,390	13,898	961
Deposits and other liabilities	314	2,087	2,185	216
Total liabilities	1,838	23,827	24,488	1,177
<u>Neighborhood Revitalization</u>				
Assets				
Pooled investments and cash	236	--	--	236
Total assets	236	--	--	236
Liabilities				
Deposits and other liabilities	236	--	--	236
Total liabilities	236	--	--	236
<u>Whisper Valley Debt Management</u>				
Assets				
Investments held by trustee	1,583	1,834	1,932	1,485
Total assets	1,583	1,834	1,932	1,485
Liabilities				
Deposits and other liabilities	1,583	1,834	1,932	1,485
Total liabilities	1,583	1,834	1,932	1,485
<u>Total Agency Funds</u>				
Assets				
Pooled investments and cash	2,098	7,249	7,791	1,556
Investments held by trustee	3,863	3,955	4,717	3,101
Total assets	5,961	11,204	12,508	4,657
Liabilities				
Accounts payable	55	8,350	8,405	--
Due to other governments	1,469	13,390	13,898	961
Deposits and other liabilities	4,437	6,229	6,970	3,696
Total liabilities	\$ 5,961	27,969	29,273	4,657





DISCRETELY PRESENTED COMPONENT UNITS

The City reports the following discretely presented component units:

Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) – This legally separate entity issues revenue bonds to finance the cost of acquiring, improving, equipping a full-service hotel on the airport property.

Austin Convention Enterprises, Inc (ACE) – This legally separate entity owns, operates, and finances the Austin Convention Center Hotel.

Waller Creek Local Government Corporation (WCLGC) – This legally separate entity was created to finance, design, construct, maintain and operate certain public improvements located around the Waller Creek Redevelopment Project district. There is no financial activity to report related to this component unit.

Austin/Travis County Sobriety Center Local Government Corporation (SCLGC) – This legally separate entity was created to operate a sobriety center located within the City of Austin and Travis County.

**Discretely Presented Component Units
Combining Statement of Net Position
September 30, 2018
(In thousands)**

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

	Austin Bergstrom Landhost Enterprises, Inc. (1)	Austin Convention Enterprises, Inc. (1)	Austin Travis County Sobriety Center Local Government Corp.	Total
ASSETS				
Current Assets:				
Cash	\$ 1,193	4,637	125	5,955
Accounts receivable, net of allowance	347	3,045	--	3,392
Inventories, at cost	49	147	--	196
Prepaid expenses	145	661	54	860
Total current assets	<u>1,734</u>	<u>8,490</u>	<u>179</u>	<u>10,403</u>
Noncurrent assets:				
Cash - restricted	2,090	--	--	2,090
Investments- restricted	--	56,298	--	56,298
Investments held by trustee - restricted	20,788	--	--	20,788
Depreciable capital assets, net	20,946	162,300	175	183,421
Nondepreciable capital assets	1,483	12,025	--	13,508
Total noncurrent assets	<u>45,307</u>	<u>230,623</u>	<u>175</u>	<u>276,105</u>
Total assets	<u>47,041</u>	<u>239,113</u>	<u>354</u>	<u>286,508</u>
DEFERRED OUTFLOWS OF RESOURCES				
	--	15,605	--	15,605
LIABILITIES				
Current liabilities:				
Accounts payable	255	5,259	11	5,525
Accrued payroll	274	--	43	317
Accrued interest payable from restricted assets	380	4,866	--	5,246
Bonds payable	680	2,770	--	3,450
Other liabilities	3,129	2,718	--	5,847
Total current liabilities	<u>4,718</u>	<u>15,613</u>	<u>54</u>	<u>20,385</u>
Noncurrent liabilities, net of current portion:				
Bonds payable, net of discount and inclusive of premium	52,329	214,790	--	267,119
Total noncurrent liabilities	<u>52,329</u>	<u>214,790</u>	<u>--</u>	<u>267,119</u>
Total liabilities	<u>57,047</u>	<u>230,403</u>	<u>54</u>	<u>287,504</u>
DEFERRED INFLOWS OF RESOURCES				
	--	1,120	--	1,120
NET POSITION				
Net investment in capital assets	(10,481)	(967)	175	(11,273)
Restricted for:				
Capital projects	741	--	--	741
Debt service	2,948	23,650	--	26,598
Unrestricted (deficit)	(3,214)	512	125	(2,577)
Total net position	<u>\$ (10,006)</u>	<u>23,195</u>	<u>300</u>	<u>13,489</u>

(1) Data as of December 31, 2017, the fiscal year end for this component unit. See Note 1 for additional information about how to obtain the separately audited financial statements for this component unit.

**Discretely Presented Component Units
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the year ended September 30, 2018
(In thousands)**

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

	Austin Bergstrom Landhost Enterprises, Inc. (1)	Austin Convention Enterprises, Inc. (1)	Austin Travis County Sobriety Center Local Government Corp.	Total
OPERATING REVENUES				
User fees and rentals	\$ 15,012	82,286	--	97,298
Operating revenues from other governments	--	--	1,124	1,124
Total operating revenues	<u>15,012</u>	<u>82,286</u>	<u>1,124</u>	<u>98,422</u>
OPERATING EXPENSES				
Operating expenses before depreciation	10,761	47,221	1,132	59,114
Depreciation and amortization	1,155	10,088	2	11,245
Total operating expenses	<u>11,916</u>	<u>57,309</u>	<u>1,134</u>	<u>70,359</u>
Operating income (loss)	<u>3,096</u>	<u>24,977</u>	<u>(10)</u>	<u>28,063</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenues	82	216	--	298
Interest on revenue bonds and other debt	(5,489)	(14,548)	--	(20,037)
Other nonoperating revenue (expense)	--	(1,670)	--	(1,670)
Total nonoperating revenues (expenses)	<u>(5,407)</u>	<u>(16,002)</u>	<u>--</u>	<u>(21,409)</u>
Income (loss) before contributions and transfers	<u>(2,311)</u>	<u>8,975</u>	<u>(10)</u>	<u>6,654</u>
Special item - gain on debt restructure	32,729	--	--	32,729
Change in net position	<u>30,418</u>	<u>8,975</u>	<u>(10)</u>	<u>39,383</u>
Beginning net position	<u>(40,424)</u>	<u>14,220</u>	<u>310</u>	<u>(25,894)</u>
Ending net position	<u>\$ (10,006)</u>	<u>23,195</u>	<u>300</u>	<u>13,489</u>

(1) Data as of the year ended December 31, 2017, the fiscal year end for this component unit. See Note 1 for additional information about how to obtain the separately audited financial statements for this component unit.

**Discretely Presented Component Units
Combining Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)**

**City of Austin, Texas
Exhibit I-3**

	Austin Bergstrom Landhost Enterprises, Inc. (1)	Austin Convention Enterprises, Inc. (1)	Austin Travis County Sobriety Center Local Government Corp.	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 14,893	82,923	--	97,816
Cash payments to suppliers for goods and services	(6,906)	(28,130)	(639)	(35,675)
Cash payments to employees for services	(3,991)	(16,090)	(493)	(20,574)
Cash received from other governments	--	--	1,124	1,124
Net cash provided (used) by operating activities	3,996	38,703	(8)	42,691
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment to primary government	--	(1,669)	--	(1,669)
Proceeds from the sale of bonds	1,122	--	--	1,122
Net cash provided (used) by noncapital financing activities	1,122	(1,669)	--	(547)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt	(1,283)	(5,820)	--	(7,103)
Interest paid on revenue bonds and other debt	(3,805)	(12,522)	--	(16,327)
Acquisition and construction of capital assets	(1,084)	(11,096)	(178)	(12,358)
Payments on capital lease obligations	(7)	--	--	(7)
Payment from primary government	(3,000)	--	--	(3,000)
Bond issuance costs	(539)	(2,664)	--	(3,203)
Proceeds from the sale of bonds	51,778	217,893	--	269,671
Refunding of bonds	(29,000)	(229,758)	--	(258,758)
Net cash provided (used) by capital and related financing activities	13,060	(43,967)	(178)	(31,085)
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Purchase) Sale of investment securities	--	7,419	--	7,419
Interest on investments	82	216	--	298
Withdrawals from GIC held by trustee	353	--	--	353
Net cash provided (used) by investing activities	435	7,635	--	8,070
Net increase (decrease) in cash and cash equivalents	18,613	702	(186)	19,129
Cash and cash equivalents, beginning	5,458	3,935	311	9,704
Cash and cash equivalents, ending	\$ 24,071	4,637	125	28,833

(Continued)

(1) Data as of the year ended December 31, 2017, the fiscal year end for this component unit. See Note 1 for additional information about how to obtain the separately audited financial statements for this component unit.

Discretely Presented Component Units
Combining Statement of Cash Flows
For the year ended September 30, 2018
(In thousands)

City of Austin, Texas
Exhibit I-3

(Continued)

	Austin Bergstrom Landhost Enterprises, Inc. (1)	Austin Convention Enterprises, Inc. (1)	Austin Travis County Sobriety Center Local Government Corp.	Total
RECONCILIATION OF OPERATING INCOME TO NET				
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,096	24,977	(10)	28,063
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,155	10,088	2	11,245
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(119)	637	--	518
(Increase) decrease in inventory	5	(877)	--	(872)
(Increase) decrease in prepaid expenses and other assets	(41)	4,975	--	4,934
Increase (decrease) in accounts payable	(13)	(1,075)	--	(1,088)
Increase (decrease) in accrued payroll and compensated absences	6	--	--	6
Increase (decrease) in other liabilities	(93)	(746)	--	(839)
Increase (decrease) in customer deposits	--	(396)	--	(396)
Increase (decrease) in deferred inflows related to operations	--	1,120	--	1,120
Total adjustments	<u>900</u>	<u>13,726</u>	<u>2</u>	<u>14,628</u>
Net cash provided (used) by operating activities	<u>\$ 3,996</u>	<u>38,703</u>	<u>(8)</u>	<u>42,691</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Amortization of bond (discounts) premiums	\$ --	(531)	--	(531)
Amortization of deferred gain (loss) on refundings	--	1,017	--	1,017
Capital appreciation bonds interest accreted	2,057	--	--	2,057

(1) Data as of the year ended December 31, 2017, the fiscal year end for this component unit. See Note 1 for additional information about how to obtain the separately audited financial statements for this component unit.



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, 2018
(In thousands)**

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

The General Fund, as reported in the financial statements, is comprised of fourteen 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, Barton Springs Conservation, Community Development Incentives, Economic Development, Economic Incentives Reserve, Emergency Reserve, Long Center Capital Improvements, Music Venue Assistance Program, Neighborhood Housing-Housing Trust, Parks and Recreation Special Events, Pay for Success, Property Tax Reserve and Seaholm Parking Garage Revenue. RSI reflects the budgetary comparison for the consolidated General Fund. Below are the budgetary comparisons for each of the fourteen funds.

Budgetary General Fund	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Taxes	\$ 702,761	100	702,861	691,467	691,467	11,394
Franchise fees	35,738	(76)	35,662	36,936	36,936	(1,274)
Fines, forfeitures and penalties	10,330	--	10,330	14,075	14,075	(3,745)
Licenses, permits and inspections	54,103	(7)	54,096	59,943	59,943	(5,847)
Charges for services/goods	60,219	2,565	62,784	63,573	63,573	(789)
Interest and other	19,392	(10,581)	8,811	6,220	6,220	2,591
Total revenues	882,543	(7,999)	874,544	872,214	872,214	2,330
EXPENDITURES						
General government						
Municipal Court	21,927	697	22,624	22,455	22,455	(169)
Public safety						
Police	338,547	49,056	387,603	402,536	402,536	14,933
Fire	172,311	20,404	192,715	195,713	195,713	2,998
Emergency Medical Services	73,857	9,016	82,873	86,320	86,320	3,447
Public health						
Public Health	38,673	(861)	37,812	39,088	39,088	1,276
Animal Services	10,841	1,727	12,568	13,266	13,266	698
Social Services	34,822	(783)	34,039	33,965	33,965	(74)
Public recreation and culture						
Parks and Recreation	73,899	9,297	83,196	83,691	83,691	495
Austin Public Library	44,611	5,380	49,991	50,446	50,446	455
Urban growth management						
Development Services	41,125	6,286	47,411	53,342	53,342	5,931
Planning and Zoning	6,107	1,677	7,784	8,722	8,722	938
Other urban growth management	4,467	1,280	5,747	5,851	5,851	104
General city responsibilities (4)	113,056	(105,692)	7,364	7,622	7,622	258
Total expenditures	974,243	(2,516)	971,727	1,003,017	1,003,017	31,290
Excess (deficiency) of revenues over expenditures	(91,700)	(5,483)	(97,183)	(130,803)	(130,803)	33,620
OTHER FINANCING SOURCES (USES)						
Transfers in	154,914	--	154,914	154,914	154,914	--
Transfers out	(4,885)	(50,824)	(55,709)	(24,111)	(24,111)	(31,598)
Total other financing sources (uses)	150,029	(50,824)	99,205	130,803	130,803	(31,598)
Excess (deficiency) of revenues and other sources over expenditures and other uses	58,329	(56,307)	2,022	--	--	2,022
Fund balances at beginning of year	128,038	(99,380)	28,658	--	--	28,658
Fund balances at end of year	\$ 186,367	(155,687)	30,680	--	--	30,680

(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, 2018
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Budget Stabilization Reserve	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
General government						
Municipal Court	\$ 94	6	100	100	100	--
Public safety						
Fire	45	(48)	(3)	--	--	3
Public health						
Animal Services	74	(74)	--	--	--	--
Public recreation and culture						
Parks and Recreation	84	37	121	411	130	9
Urban growth management						
Planning and Zoning	41	(41)	--	--	--	--
Other urban growth management	340	40	380	544	544	164
General city responsibilities (4)	84	27	111	122	122	11
Total expenditures	762	(53)	709	1,177	896	187
Excess (deficiency) of revenues over expenditures	(762)	53	(709)	(1,177)	(896)	187
OTHER FINANCING SOURCES (USES)						
Transfers in	2,772	31,598	34,370	2,772	2,772	31,598
Transfers out	(5,247)	(5,017)	(10,264)	(9,983)	(10,264)	--
Total other financing sources (uses)	(2,475)	26,581	24,106	(7,211)	(7,492)	31,598
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,237)	26,634	23,397	(8,388)	(8,388)	31,785
Fund balances at beginning of year	75,337	677	76,014	69,722	69,722	6,292
Fund balances at end of year	\$ 72,100	27,311	99,411	61,334	61,334	38,077

(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, 2018
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Barton Springs Conservation

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 10	--	10	--	--	10
Total revenues	10	--	10	--	--	10
EXPENDITURES						
Urban growth management						
Other urban growth mangement	--	--	--	100	100	100
Total expenditures	--	--	--	100	100	100
Excess (deficiency) of revenues over expenditures	10	--	10	(100)	(100)	110
OTHER FINANCING SOURCES (USES)						
Transfers in	--	53	53	53	53	--
Transfers out	--	--	--	--	--	--
Total other financing sources (uses)	--	53	53	53	53	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	10	53	63	(47)	(47)	110
Fund balances at beginning of year	--	--	--	712	712	(712)
Fund balances at end of year	\$ 10	53	63	665	665	(602)

Community Development Incentives

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Public health						
Public health	\$ --	35	35	35	35	--
Public recreation and culture						
Parks and Recreation	40	--	40	40	40	--
Urban growth management						
Other urban growth mangement	116	25	141	150	150	9
Total expenditures	156	60	216	225	225	9
Excess (deficiency) of revenues over expenditures	(156)	(60)	(216)	(225)	(225)	9
Fund balances at beginning of year	(374)	874	500	450	450	50
Fund balances at end of year	\$ (530)	814	284	225	225	59

(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, 2018
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Economic Development

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 147	--	147	130	130	17
Total revenues	147	--	147	130	130	17
EXPENDITURES						
Urban growth management						
Other urban growth management	15,749	(1,345)	14,404	14,707	14,707	303
Total expenditures	15,749	(1,345)	14,404	14,707	14,707	303
Excess (deficiency) of revenues over expenditures	(15,602)	1,345	(14,257)	(14,577)	(14,577)	320
OTHER FINANCING SOURCES (USES)						
Transfers in	10,591	5,560	16,151	16,151	16,151	--
Transfers out	(93)	(1,976)	(2,069)	(2,069)	(2,069)	--
Total other financing sources (uses)	10,498	3,584	14,082	14,082	14,082	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,104)	4,929	(175)	(495)	(495)	320
Fund balances at beginning of year	(8,512)	7,469	(1,043)	495	495	(1,538)
Fund balances at end of year	\$ (13,616)	12,398	(1,218)	--	--	(1,218)

Economic Incentives Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 138	--	138	20	20	118
Total revenues	138	--	138	20	20	118
EXPENDITURES						
Urban growth management						
Other urban growth management	12,523	3,169	15,692	14,204	14,204	(1,488)
Total expenditures	12,523	3,169	15,692	14,204	14,204	(1,488)
Excess (deficiency) of revenues over expenditures	(12,385)	(3,169)	(15,554)	(14,184)	(14,184)	(1,370)
OTHER FINANCING SOURCES (USES)						
Transfers in	--	11,388	11,388	11,388	11,388	--
Transfers out	(979)	--	(979)	(979)	(979)	--
Total other financing sources (uses)	(979)	11,388	10,409	10,409	10,409	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(13,364)	8,219	(5,145)	(3,775)	(3,775)	(1,370)
Fund balances at beginning of year	(84,696)	92,440	7,744	14,321	14,321	(6,577)
Fund balances at end of year	\$ (98,060)	100,659	2,599	10,546	10,546	(7,947)

(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, 2018
 (In thousands)**

(Continued)

Emergency Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ --	3,817	3,817	3,817	3,817	--
Total other financing sources (uses)	--	3,817	3,817	3,817	3,817	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	3,817	3,817	3,817	3,817	--
Fund balances at beginning of year	58,217	--	58,217	58,217	58,217	--
Fund balances at end of year	\$ 58,217	3,817	62,034	62,034	62,034	--

Long Center Capital Improvements

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Urban growth management						
Other urban growth management	\$ 335	(35)	300	300	300	--
Total expenditures	335	(35)	300	300	300	--
Excess (deficiency) of revenues over expenditures	(335)	35	(300)	(300)	(300)	--
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	(335)	335	--	--	--	--
Fund balances at beginning of year	(749)	749	--	--	--	--
Fund balances at end of year	\$ (1,084)	1,084	--	--	--	--

(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, 2018
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Music Venue Assistance Program

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 5	13	18	12	12	6
Total revenues	5	13	18	12	12	6
EXPENDITURES						
Urban growth management						
Other urban growth management	269	(69)	200	340	340	140
Total expenditures	269	(69)	200	340	340	140
Excess (deficiency) of revenues over expenditures	(264)	82	(182)	(328)	(328)	146
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	(264)	182	(82)	(228)	(228)	146
Fund balances at beginning of year	53	229	282	312	312	(30)
Fund balances at end of year	\$ (211)	411	200	84	84	116

Neighborhood Housing-Housing Trust

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 755	--	755	--	868	(113)
Total revenues	755	--	755	--	868	(113)
EXPENDITURES						
Urban growth management						
Other urban growth management	1,221	357	1,578	3,650	4,668	(3,090)
Total expenditures	1,221	357	1,578	3,650	4,668	3,090
Excess (deficiency) of revenues over expenditures	(466)	(357)	(823)	(3,650)	(3,800)	2,977
OTHER FINANCING SOURCES (USES)						
Transfers in	4,520	(2,373)	2,147	1,997	2,147	--
Total other financing sources (uses)	4,520	(2,373)	2,147	1,997	2,147	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,054	(2,730)	1,324	(1,653)	(1,653)	2,977
Fund balances at beginning of year	--	3,940	3,940	1,653	1,653	2,287
Fund balances at end of year	\$ 4,054	1,210	5,264	--	--	5,264

(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, 2018
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Parks and Recreation Special Events

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Charges for services/goods	\$ 1,486	--	1,486	1,884	1,884	(398)
Total revenues	1,486	--	1,486	1,884	1,884	(398)
EXPENDITURES						
Public recreation and culture						
Parks and Recreation	1,486	--	1,486	1,884	1,884	(398)
Total expenditures	1,486	--	1,486	1,884	1,884	398
Excess (deficiency) of revenues over expenditures	--	--	--	--	--	--
Fund balances at beginning of year	--	--	--	--	--	--
Fund balances at end of year	\$ --	--	--	--	--	--

Pay for Success

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ --	1,200	1,200	1,200	1,200	--
Total other financing sources (uses)	--	1,200	1,200	1,200	1,200	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	1,200	1,200	1,200	1,200	--
Fund balance at beginning of year	--	--	--	--	--	--
Fund balances at end of year	\$ --	1,200	1,200	1,200	1,200	--

Property Tax Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
Fund balances at beginning of year	\$ 4,500	--	4,500	4,500	4,500	--
Fund balances at end of year	\$ 4,500	--	4,500	4,500	4,500	--

(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, 2018
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Seaholm Parking Garage Revenue	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 942	--	942	600	600	342
Total revenues	942	--	942	600	600	342
Excess (deficiency) of revenues over expenditures	942	--	942	600	600	342
OTHER FINANCING SOURCES (USES)						
Transfers in	817	(817)	--	--	--	--
Transfers out	(572)	--	(572)	(572)	(572)	--
Total other financing sources (uses)	245	(817)	(572)	(572)	(572)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,187	(817)	370	28	28	342
Fund balances at beginning of year	--	817	817	798	798	19
Fund balances at end of year	\$ 1,187	--	1,187	826	826	361

- (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, 2018
(In thousands)

	Liabilities and Fund Balances					
	Receivables from Other Governments	Total Assets	Other Liabilities	Total Liabilities	Total Fund Balances	Total Liabilities and Fund Balances
AUSTIN ENERGY RELATED						
U.S. Department of Energy	\$ 1,275	1,275	1,275	1,275	--	1,275
Texas Commission on Environmental Quality	--	--	--	--	--	--
American Public Power Association	4	4	4	4	--	4
The Schmidt Family Foundation	--	--	--	--	--	--
Total Austin Energy	1,279	1,279	1,279	1,279	--	1,279
AIRPORT RELATED						
U.S. Department of Homeland Security	251	251	251	251	--	251
U.S. Department of Transportation	1,725	1,725	1,725	1,725	--	1,725
Total Airport	1,976	1,976	1,976	1,976	--	1,976
DRAINAGE RELATED						
U.S. Department of Homeland Security	--	--	--	--	--	--
Texas Water Development Board	81	81	81	81	--	81
Total Drainage	81	81	81	81	--	81
AUSTIN RESOURCE RECOVERY RELATED						
U.S. Environmental Protection Agency	30	30	30	30	--	30
Total Austin Resource Recovery	30	30	30	30	--	30
Total grants, enterprise related	\$ 3,366	3,366	3,366	3,366	--	3,366

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

Enterprise Related Grants
Combining Schedule of Expenditures
From Inception to September 30, 2018
(In thousands)

	Total Expenditures at Beginning of Year			Current Year			Total Expenditures at End of Year			Budget		
	In-Kind		Total	In-Kind		Total	In-Kind		Total	In-Kind		Total
	Grant	Match		Grant	Match		Grant	Match		Grant	Match	
AUSTIN ENERGY RELATED												
U.S. Department of Energy	\$ 30,761	2,359	33,120	2,064	2,814	32,825	5,173	37,998	34,053	5,708	39,761	
Texas Commission on Environmental Quality	--	1,533	1,533	1,000	583	1,000	2,116	3,116	1,000	2,304	3,304	
American Public Power Association	80	--	80	4	--	4	--	84	87	--	87	
The Schmidt Family Foundation	--	--	--	100	--	100	--	100	100	--	100	
Total Austin Energy	30,841	3,892	34,733	3,168	3,397	34,009	7,289	41,298	35,240	8,012	43,252	
AIRPORT RELATED												
U.S. Department of Homeland Security	15,847	--	15,847	1,232	--	17,079	--	17,079	17,733	--	17,733	
U.S. Department of Transportation	88,348	27,178	115,526	6,977	2,326	95,325	29,504	124,829	129,677	38,919	168,596	
Total Airport	104,195	27,178	131,373	8,209	2,326	112,404	29,504	141,908	147,410	38,919	186,329	
DRAINAGE RELATED												
U.S. Department of Homeland Security	8,393	3,619	12,012	505	168	8,898	3,787	12,685	18,935	7,133	26,068	
Texas Water Development Board	99	90	189	64	13	163	103	266	498	301	799	
Total Drainage	8,492	3,709	12,201	569	181	9,061	3,890	12,951	19,433	7,434	26,867	
AUSTIN RESOURCE RECOVERY RELATED												
U.S. Environmental Protection Agency	401	--	401	92	2	493	2	495	1,520	164	1,684	
Total Austin Resource Recovery	401	--	401	92	2	493	2	495	1,520	164	1,684	
Total grants, enterprise related	\$ 143,929	34,779	178,708	12,038	5,906	155,967	40,685	196,652	203,603	54,529	258,132	

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

**Schedule of General Obligation Bonds
Authorized and Unissued
Year ended September 30, 2018
(In thousands)**

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

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2018
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	Public safety facility	58,100	53,100	--	5,000
11-06-12	Transportation and Mobility	143,299	113,520	--	29,779
11-06-12	Park and Recreation improvements	77,680	43,890	15,300	18,490
11-06-12	Public safety facility improvements	31,079	17,465	10,600	3,014
11-06-12	Health and Human Service facility improvements	11,148	6,350	3,200	1,598
11-06-12	Library, museum, and cultural arts facility improvements	13,442	7,940	1,900	3,602
11-05-13	Affordable housing	65,000	30,000	25,000	10,000
11-08-16	Mobility Transportation	720,000	--	43,000	677,000
		<u>\$ 1,231,508</u>	<u>365,088</u>	<u>99,000</u>	<u>767,420</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, 2018
(In thousands)**

**City of Austin, Texas
Exhibit J-5**

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2018
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, 2018
(In thousands)**

**City of Austin, Texas
Exhibit J-5**

(Continued)

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2018
AUSTIN WATER UTILITY (Wastewater)						
11-20-76	Sewer system improvements	\$ 46,920	--	38,920	--	8,000
09-11-82	Govalle sewage treatment plant, sewer lines and improvements to Canterbury lift station	28,300	--	24,658	--	3,642
09-11-82	Onion Creek sewage treatment plant and sewer lines	57,000	--	49,345	--	7,655
09-11-82	Sewer lines for north central and northwest Austin	20,700	--	17,975	--	2,725
09-11-82	Walnut Creek sewage treatment plant additions	20,400	--	17,971	--	2,429
09-11-82	Sewer system rehabilitation and improvements	4,800	--	3,930	--	870
09-08-84	Sewer system rehabilitation and improvements	43,515	--	36,950	--	6,565
09-08-84	Onion Creek and Walnut Creek sewage treatment plant improvements	44,795	--	42,284	--	2,511
09-08-84	Sewer system rehabilitation and improvements	46,230	--	14,925	--	31,305
05-06-85	Sewer system improvements	54,000	--	33,106	--	20,894
12-14-85	Advanced wastewater treatment	34,500	--	--	--	34,500
12-14-85	Northeast area improvements	47,035	32,300	1,857	--	12,878
12-14-85	Southeast area improvements	9,200	4,200	757	--	4,243
12-14-85	Improvements/extensions	24,725	--	12,621	--	12,104
12-14-85	Walnut Creek WWTP expansion	46,000	--	13,717	--	32,283
12-14-85	Bear Creek interceptor	1,840	1,511	265	--	64
08-10-92	Improvement to Hornsby Bend beneficial re-use program	11,000	--	--	--	11,000
08-10-92	Replacement and rehabilitation of deteriorated wastewater facilities	3,000	--	--	--	3,000
11-03-98	Wastewater improvements, upgrades and replacements	77,000	--	--	--	77,000
11-03-98	Wastewater improvements and expansion	121,000	--	--	--	121,000
Total Austin Water Utility (Wastewater)		741,960	38,011	309,281	--	394,668
Total Utility		2,668,256	79,011	1,096,602	--	1,492,643
AIRPORT						
11-03-87	Relocation/construction of new airport	728,000	--	30,000	--	698,000
05-01-93	Construction of new municipal airport at Bergstrom AFB site	400,000	--	362,205	--	37,795
Total Airport		1,128,000	--	392,205	--	735,795
CONVENTION CENTER						
07-29-89	New convention center	69,000	--	68,240	--	760
Total Convention Center		69,000	--	68,240	--	760
Total revenue bonds		\$ 3,865,256	79,011	1,557,047	--	2,229,198

Source: Bond sale official statements

(1) This schedule displays only those previously issued bonds which relate to bond authorizations included herein. It does not display all debt previously issued and still outstanding, refunding bonds, or commercial paper.





STATISTICAL SECTION - UNAUDITED

This section of the City of Austin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial condition.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables 1 - 5)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Tables 6 - 12)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables 13 - 17)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. (Tables 18 - 19)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Tables 20 - 22)

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

Net Position by Component
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)

	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	1,545,216	1,544,834	1,562,046	1,666,653	1,649,431	1,621,208	1,645,359	1,719,704	1,709,146	1,735,481
Restricted	95,641	71,716	92,650	82,916	103,246	118,335	133,984	124,695	140,299	146,496
Unrestricted (deficit)	(56,971)	(58,002)	(164,152)	(334,332)	(397,244)	(431,349)	(1,117,293)	(1,211,495)	(1,394,092)	(2,135,186)
Total governmental activities net position	1,583,886	1,558,548	1,490,544	1,415,237	1,355,433	1,308,194	662,050	632,904	455,353	(253,209)
Business-type activities										
Net investment in capital assets	1,902,398	1,998,753	2,048,964	2,104,623	2,195,358	2,216,347	2,223,964	2,250,698	2,358,240	2,375,219
Restricted	488,413	502,211	550,516	554,215	535,490	524,653	642,052	690,459	702,749	795,049
Unrestricted	495,318	403,346	438,240	392,904	466,167	587,362	560,321	737,150	915,825	789,217
Total business-type activities net position	2,886,129	2,904,310	3,037,720	3,051,742	3,197,015	3,328,362	3,426,337	3,678,307	3,976,814	3,959,485
Primary government										
Net investment in capital assets	3,447,614	3,543,587	3,611,010	3,771,276	3,844,789	3,837,555	3,869,323	3,970,402	4,067,386	4,110,700
Restricted	584,054	573,927	643,166	637,131	638,736	642,988	776,036	815,154	843,048	941,545
Unrestricted (deficit)	438,347	345,344	274,088	58,572	68,923	156,013	(556,972)	(474,345)	(478,267)	(1,345,969)
Total primary government net position	4,470,015	4,462,858	4,528,264	4,466,979	4,552,448	4,636,556	4,086,387	4,311,211	4,432,167	3,706,276

Note: The City implemented GASB Statement No. 68 in fiscal year 2015 and GASB Statement No. 75 in fiscal year 2018, both of which significantly impacted the net position of the governmental activities.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities:										
General government	80,819	89,315	99,780	124,735	97,675	118,074	131,993	177,302	192,231	200,125
Public safety	442,690	455,760	485,611	536,132	580,074	576,118	601,112	657,846	719,032	704,566
Transportation, planning, and sustainability	79,840	65,565	74,835	64,247	78,594	83,971	77,349	66,739	72,517	72,240
Public health	81,773	63,215	61,865	75,799	73,186	80,796	85,326	100,195	119,278	117,578
Public recreation and culture	90,307	91,732	106,488	104,026	104,951	117,441	134,567	147,191	161,226	173,333
Urban growth management	121,237	143,884	129,258	93,593	137,478	136,110	135,386	179,081	156,180	176,453
Interest on debt	42,435	44,889	45,154	46,417	48,400	49,617	55,855	61,500	61,879	65,147
Total governmental expenses	939,101	954,360	1,002,991	1,044,949	1,120,358	1,162,127	1,221,588	1,389,854	1,482,343	1,509,442
Business-type activities:										
Electric	1,089,632	1,086,470	1,136,850	1,133,951	1,132,476	1,251,599	1,203,729	1,226,585	1,277,623	1,268,610
Water	200,162	169,708	178,712	223,228	231,774	232,778	294,624	244,907	281,787	312,276
Wastewater	160,962	166,979	170,514	194,650	214,580	221,216	219,320	237,450	219,609	286,736
Airport	98,403	92,780	102,774	101,991	107,389	108,291	120,015	135,860	158,863	184,084
Convention	52,219	51,818	54,231	56,142	62,884	58,763	65,657	63,796	75,377	80,990
Environmental and health services	67,097	66,380	91,151	87,450	81,544	92,997	97,690	102,994	108,658	111,184
Public recreation	10,274	9,715	5,209	5,624	7,185	6,765	8,824	8,266	8,736	9,009
Urban growth management	89,306	106,618	110,996	114,270	129,583	125,983	135,360	173,360	183,532	196,817
Total business-type expenses	1,768,055	1,750,468	1,850,437	1,917,306	1,967,415	2,098,392	2,145,219	2,193,218	2,314,185	2,449,706
Total primary government expenses	2,707,156	2,704,828	2,853,428	2,962,255	3,087,773	3,260,519	3,366,807	3,583,072	3,796,528	3,959,148
Program Revenues										
Governmental activities:										
Charges for services:										
General government	11,319	7,902	8,126	17,285	15,223	17,890	15,434	15,915	21,345	27,276
Public safety	51,710	47,530	52,998	51,009	53,826	62,832	65,221	66,087	57,728	57,950
Transportation, planning, and sustainability	3,960	3,792	3,823	4,158	4,431	5,214	5,006	4,572	1,698	1,503
Public health	25,181	7,561	7,592	5,106	9,510	9,720	10,351	9,160	12,374	8,109
Public recreation and culture	3,819	3,456	7,891	7,576	8,753	8,205	8,330	8,781	11,251	12,401
Urban growth management	45,000	38,895	21,305	28,613	32,917	37,848	56,366	78,530	72,244	66,161
Operating grants and contributions	54,022	66,831	66,348	57,818	48,567	50,333	45,470	47,430	45,162	42,489
Capital grants and contributions	85,085	50,546	51,182	35,880	64,781	66,856	70,484	95,486	90,256	107,865
Total governmental program revenues	280,096	226,513	219,265	207,445	238,008	258,898	276,662	324,961	312,058	323,754
Business-type activities:										
Charges for services:										
Electric	1,162,286	1,147,676	1,249,139	1,179,872	1,288,259	1,367,155	1,351,436	1,370,228	1,362,132	1,400,523
Water	195,480	171,457	243,382	229,454	240,081	240,526	277,180	301,860	324,562	304,182
Wastewater	196,416	189,192	204,666	213,253	236,700	232,067	239,811	259,974	274,518	270,884

(Continued)

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

City of Austin, Texas
Table 2
(Continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airport	96,618	100,223	106,978	114,318	123,021	128,766	142,353	159,866	178,433	197,426
Convention	16,258	14,784	18,486	19,200	22,783	25,087	28,657	33,221	40,196	33,752
Environmental and health services	65,940	74,399	75,981	75,499	81,833	84,655	96,622	103,420	109,274	115,499
Public recreation	10,119	8,864	5,260	5,239	6,069	5,849	5,736	6,480	6,705	7,278
Urban growth management	90,739	108,312	115,850	123,477	131,561	141,755	154,337	176,163	204,439	214,244
Operating grants and contributions	--	--	--	10,950	3,749	1,489	1,039	739	861	876
Capital grants and contributions	71,819	31,703	47,850	50,064	64,124	65,550	110,580	144,139	137,464	122,396
Total business-type revenues	1,905,675	1,846,610	2,067,592	2,021,326	2,198,180	2,292,899	2,407,751	2,556,090	2,638,584	2,667,060
Total primary government revenues	2,185,771	2,073,123	2,286,857	2,228,771	2,436,188	2,551,797	2,684,413	2,881,051	2,950,642	2,990,814
Net (Expense)/Revenue										
Governmental activities	(659,005)	(727,847)	(783,726)	(837,504)	(882,350)	(903,229)	(944,926)	(1,064,893)	(1,170,285)	(1,185,688)
Business-type activities	137,620	96,142	217,155	104,020	230,765	194,507	262,532	362,872	324,399	217,354
Total primary government net expense	(521,385)	(631,705)	(566,571)	(733,484)	(651,585)	(708,722)	(682,394)	(702,021)	(845,886)	(968,334)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	309,888	341,812	355,185	381,582	420,000	448,083	476,439	507,485	554,631	616,745
Sales tax	139,795	144,710	151,125	164,193	176,198	189,464	204,029	212,634	218,790	232,319
Franchise fees and gross receipts tax	85,183	87,996	95,029	99,011	114,147	128,032	141,368	147,773	151,670	159,754
Interest and other	20,827	31,960	19,364	15,884	23,888	21,275	21,951	41,708	26,950	34,333
Special items	--	--	--	--	--	15,830	11,983	4,309	--	--
Transfers	82,686	96,031	97,100	101,527	87,761	62,215	70,865	121,838	40,693	73,664
Total general revenues and transfers	638,379	702,509	717,803	762,197	821,994	864,899	926,635	1,035,747	992,734	1,116,815
Business-type activities:										
Interest and other	27,938	13,935	11,274	11,529	2,269	5,717	10,498	10,936	14,801	27,730
Transfers	(82,686)	(96,031)	(97,100)	(101,527)	(87,761)	(62,215)	(70,865)	(121,838)	(40,693)	(73,664)
Total business-type activities	(54,748)	(82,096)	(85,826)	(89,998)	(85,492)	(56,498)	(60,367)	(110,902)	(25,892)	(45,934)
Total primary government	583,631	620,413	631,977	672,199	736,502	808,401	866,268	924,845	966,842	1,070,881
Change in Net Position										
Governmental activities	(20,626)	(25,338)	(65,923)	(75,307)	(60,356)	(38,330)	(18,291)	(29,146)	(177,551)	(68,873)
Business-type activities	82,872	14,046	131,329	14,022	145,273	138,009	202,165	251,970	298,507	171,420
Total primary government	62,246	(11,292)	65,406	(61,285)	84,917	99,679	183,874	222,824	120,956	102,547

**Program Revenues by Function/Program
Last Ten Fiscal Years (In thousands)
(Accrual basis of accounting)**

**City of Austin, Texas
Table 3**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Function/Program										
Governmental activities:										
General government	15,524	11,831	17,491	31,179	29,603	29,150	24,715	29,665	29,022	44,526
Public safety	64,997	57,135	63,617	59,997	60,221	74,805	71,035	71,526	64,937	67,314
Transportation, planning, and sustainability	57,178	17,928	42,282	24,942	51,095	55,324	61,405	80,375	75,165	83,068
Public health	42,750	34,369	31,185	28,122	30,307	29,390	29,524	28,822	33,034	29,742
Public recreation and culture	7,846	9,536	11,544	13,145	14,343	17,233	15,390	17,685	23,050	24,840
Urban growth management	91,801	95,714	53,146	50,060	52,439	52,996	74,593	96,788	86,850	74,264
Subtotal governmental activities	<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>	<u>312,058</u>	<u>323,754</u>
Business-type activities:										
Electric	1,168,242	1,152,532	1,259,400	1,201,722	1,303,299	1,381,040	1,374,895	1,411,135	1,406,147	1,435,613
Water	225,881	180,918	257,346	241,205	262,212	264,265	312,102	349,195	369,506	351,089
Wastewater	211,080	190,625	213,339	221,561	249,564	246,569	261,680	290,717	304,260	297,869
Airport	112,804	108,022	112,457	124,042	128,301	134,208	151,368	163,432	193,769	205,635
Convention	16,258	14,784	18,499	19,234	23,149	25,138	28,657	33,221	40,196	33,752
Environmental and health services	66,592	75,033	77,008	78,694	83,080	84,807	96,674	103,538	109,546	115,768
Public recreation	11,268	12,809	5,410	5,404	6,776	6,626	6,206	6,701	6,995	7,508
Urban growth management	93,550	111,887	124,133	129,464	141,799	150,246	176,169	198,151	208,165	219,826
Subtotal business-type activities	<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>	<u>2,638,584</u>	<u>2,667,060</u>
Total primary government	<u>2,185,771</u>	<u>2,073,123</u>	<u>2,286,857</u>	<u>2,228,771</u>	<u>2,436,188</u>	<u>2,551,797</u>	<u>2,684,413</u>	<u>2,881,051</u>	<u>2,950,642</u>	<u>2,990,814</u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund										
Reserved	4,510	4,135	N/A							
Unreserved	87,651	104,575	N/A							
Nonspendable	N/A	N/A	1,109	862	774	950	949	546	727	2,064
Assigned	N/A	N/A	14,109	16,255	18,459	25,887	26,123	28,700	29,618	37,561
Unassigned	N/A	N/A	119,035	113,046	127,859	156,659	150,091	131,743	141,469	173,309
Total general fund	<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>	<u>171,814</u>	<u>212,934</u>
All Other Governmental Funds										
Reserved	134,194	174,820	N/A							
Unreserved, reported in:										
Special revenue funds	56,385	57,694	N/A							
Capital projects funds	168,328	28,447	N/A							
Permanent funds	819	764	N/A							
Nonspendable	N/A	N/A	1,040	1,040	1,040	1,052	1,070	1,070	1,070	1,070
Restricted	N/A	N/A	175,522	174,773	160,483	162,000	175,977	186,395	214,582	223,062
Committed	N/A	N/A	18,139	19,716	22,921	27,486	40,196	42,508	40,652	45,169
Assigned	N/A	N/A	76,956	82,511	80,219	64,142	75,821	107,833	109,692	108,333
Unassigned	N/A	N/A	(36,582)	(38,012)	(47,512)	(70,581)	(51,622)	(14,876)	(25,369)	(11,113)
Total all other governmental funds	<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>	<u>340,627</u>	<u>366,521</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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Property taxes	308,292	340,804	355,262	381,611	419,965	446,876	474,704	509,104	554,411	616,424
Sales taxes	139,795	144,710	151,125	164,193	176,198	189,464	204,029	212,634	218,790	232,319
Franchise fees and other taxes	85,183	88,321	94,920	98,903	114,039	128,032	141,368	147,773	151,670	159,754
Fine, forfeitures, and penalties	25,380	24,571	24,077	20,251	21,128	22,520	22,884	20,079	17,628	15,764
Licenses, permits, and inspections	20,531	15,716	18,653	22,664	28,669	33,719	39,805	50,186	61,450	54,424
Charges for services/goods	84,905	64,594	55,170	56,397	63,568	72,924	86,576	98,911	81,368	84,315
Intergovernmental	62,802	86,557	78,250	76,233	76,085	79,407	62,622	56,746	59,572	65,632
Property owners' participation and contributions	12,161	6,937	6,624	6,624	10,167	12,718	12,763	14,554	14,659	16,355
Interest and other	31,187	35,563	19,270	15,932	24,345	21,393	21,517	38,334	27,050	34,254
Total revenues	770,236	807,773	803,351	842,808	934,164	1,007,053	1,066,268	1,148,321	1,186,598	1,279,241
Expenditures										
General government	53,000	66,287	69,024	74,846	84,504	91,668	102,222	118,773	128,708	138,011
Public safety	409,579	421,958	449,355	483,458	497,371	528,670	565,070	576,461	593,406	597,085
Transportation, planning, and sustainability	7,675	10,634	9,983	7,556	16,007	14,053	7,032	7,039	5,125	5,162
Public health	70,762	53,229	55,508	65,861	69,418	74,310	80,630	92,076	101,025	106,016
Public recreation and culture	74,477	74,089	86,595	80,818	92,282	99,780	110,745	116,531	126,599	134,575
Urban growth management	106,149	100,218	75,865	80,021	97,840	106,715	116,912	155,459	127,982	150,635
Debt service:										
Principal	69,809	70,424	78,568	71,906	69,625	69,768	71,532	80,859	87,367	99,572
Interest	42,170	44,590	44,892	46,188	48,199	49,367	55,794	61,388	61,862	64,674
Fees and commissions	8	17	13	16	17	6	9	13	13	27
Capital outlay	96,342	166,491	160,682	178,380	214,294	257,420	186,870	142,822	130,783	139,324
Total expenditures	929,971	1,007,937	1,030,485	1,089,050	1,189,557	1,291,757	1,296,816	1,351,421	1,362,870	1,435,081
Excess (deficiency) of revenues over expenditures	(159,735)	(200,164)	(227,134)	(246,242)	(255,393)	(284,704)	(230,548)	(203,100)	(176,272)	(155,840)
Other financing sources (uses)										
Issuance of tax supported debt	191,310	15,000	118,778	145,175	131,499	154,444	159,939	142,775	130,665	118,216
Issuance of refunding bonds	--	--	79,342	58,347	--	107,923	--	139,690	54,970	--
Bond premiums	1,897	--	14,929	8,207	8,452	16,212	20,093	33,305	35,430	17,237
Payment to escrow agent	--	--	(94,271)	(66,554)	--	(113,836)	--	(159,589)	(68,744)	--
Transfers in	175,250	197,669	179,476	178,768	209,161	221,868	239,666	248,331	222,540	242,856
Transfers out	(86,245)	(93,957)	(70,146)	(76,838)	(99,667)	(114,385)	(150,123)	(140,407)	(170,067)	(155,455)
Total other financing sources (uses)	282,212	118,712	228,108	247,105	249,445	272,226	269,575	264,105	204,794	222,854
Special item	--	--	--	--	--	15,830	11,983	4,309	--	--
Net change in fund balances	122,477	(81,452)	974	863	(5,948)	3,352	51,010	65,314	28,522	67,014
Debt service as a percentage of noncapital expenditures	13.6%	13.8%	13.6%	12.9%	11.5%	11.2%	11.3%	11.5%	11.9%	12.5%

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

Fiscal Year Ended Sept. 30	Franchise Fees and Other Taxes							Total
	Property Tax	Sales Tax	Franchise Fees	Hotel-Motel Occupancy Tax	Mixed Drink Tax	Vehicle Rental Tax		
2009	\$ 308,292	\$ 139,795	\$ 34,102	\$ 39,691	\$ 5,651	\$ 5,739	\$ 533,270	
2010	340,804	144,710	35,672	40,600	6,049	6,000	573,835	
2011	355,262	151,125	33,689	47,962	6,367	6,902	601,307	
2012	381,611	164,193	34,348	51,434	5,964	7,157	644,707	
2013	419,965	176,198	37,001	61,753	6,941	8,344	710,202	
2014	446,876	189,464	39,366	70,683	9,355	8,628	764,372	
2015	474,704	204,029	39,984	82,361	10,352	8,671	820,101	
2016	509,104	212,634	38,858	88,661	11,177	9,077	869,511	
2017	554,411	218,790	38,177	92,545	11,588	9,360	924,871	
2018	616,424	232,319	37,888	99,218	12,653	9,995	1,008,497	
Change 2009-2018	99.95%	66.19%	11.10%	149.98%	123.91%	74.16%		

Property Appraised Value, Taxable Value, Tax Rates,
Tax Levies, and Tax Collections
Last Ten Fiscal Years

Fiscal Year Ended	Valuation Date	Ratio of Taxable Value to Appraised Value (%)	Total Appraised Value at January 1	Less Exemptions (October 1)	Total Taxable Value (October 1)	Percent of Growth in Taxable Value	Tax Rate (per \$100 Valuation)			Total Tax Rate	Percentage Change in Tax Rate
							General Fund	Debt Service Fund	Total		
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	2016	79.97	\$ 156,764,185,067	\$ 31,392,530,411	\$ 125,371,654,656	13.43	\$ 0.3399	\$ 0.1019	\$ 0.4418	(3.73)	
2018	2017	80.44	\$ 172,067,755,668	\$ 33,649,108,408	\$ 138,418,647,260	10.41	\$ 0.3393	\$ 0.1055	\$ 0.4448	0.68	
2019	2018	80.63	\$ 188,226,378,612	\$ 36,451,477,796	\$ 151,774,900,816	9.65	\$ 0.3308	\$ 0.1095	\$ 0.4403	(1.01)	

Fiscal Year Ended	Valuation Date	Total Tax Levy (October 1)	Collected within the Fiscal Year of the Levy		Net Collections in Subsequent Years	Total Collections to Date		Total Outstanding Delinquencies (2)	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2009	2008	\$ 307,929,055	\$ 304,956,471	99.03	\$ 1,699,195	\$ 306,726,563	\$ 9,626,876	3.13	
2010	2009	\$ 340,762,916	\$ 337,288,213	98.97	\$ 1,859,993	\$ 338,346,496	\$ 10,591,712	3.11	
2011	2010	\$ 354,798,046	\$ 351,707,776	99.13	\$ 1,248,328	\$ 353,091,464	\$ 11,589,297	3.27	
2012	2011	\$ 381,126,366	\$ 378,351,758	99.27	\$ 1,627,632	\$ 379,214,593	\$ 12,177,159	3.20	
2013	2012	\$ 418,888,224	\$ 416,202,468	99.36	\$ 1,078,999	\$ 416,866,326	\$ 12,662,032	3.02	
2014	2013	\$ 446,227,175	\$ 442,872,352	99.25	\$ 1,146,328	\$ 442,872,352	\$ 13,037,334	2.92	
2015	2014	\$ 474,418,331	\$ 470,959,014	99.27	\$ 477,052	\$ 470,959,014	\$ 14,469,523	3.05	
2016	2015	\$ 507,203,935	\$ 504,891,858	99.54	\$ (1,253,102)	\$ 503,937,920	\$ 13,711,114	2.70	
2017	2016	\$ 553,891,970	\$ 551,107,380	99.50	\$ (719,718)	\$ 550,387,662	\$ 13,903,694	2.51	
2018	2017	\$ 615,686,143	\$ 612,423,673	99.47	--	\$ 612,423,673	\$ 14,403,647	2.34	
2019	2018	\$ 668,264,888	**	**	**	**	**	**	

** Information not yet available for fiscal year 2019.

Note: Appraisal district appraises property at market value.

(1) Appraised value at January 1, 2018, 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)

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)
	\$	\$	\$	\$	\$	\$	\$
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
2017	56,088,650	21,991,357	2,005,473	35,465,401	10,227,269	125,778,150	0.4418
2018	61,853,216	24,882,015	2,220,397	39,794,515	10,139,354	138,889,497	0.4448

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

Tax Rates (per \$100 Assessed Value) for Fiscal Year Ended September 30

Government	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Austin	\$ 0.4012	\$ 0.4209	\$ 0.4571	\$ 0.4811	\$ 0.5029	\$ 0.5027	\$ 0.4809	\$ 0.4589	\$ 0.4418	\$ 0.4448
Austin Community College	0.0954	0.0946	0.0951	0.0948	0.0951	0.0949	0.0942	0.1005	0.1020	0.1048
Austin Independent School District	1.2020	1.2020	1.2270	1.2420	1.2420	1.2420	1.2220	1.2020	1.1920	1.1920
Del Valle Independent School District	1.4800	1.4800	1.5300	1.5300	1.5300	1.4700	1.4700	1.5300	1.5200	1.3900
Eanes Independent School District	1.2025	1.2025	1.2025	1.2125	1.2125	1.2125	1.2125	1.2125	1.2125	1.2000
Leander Independent School District	1.3792	1.4223	1.4548	1.4998	1.5119	1.5119	1.5119	1.5119	1.5119	1.5119
Manor Independent School District	1.5350	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150
North Austin MUD #1	0.4050	0.3801	0.3819	0.3719	0.3450	0.3450	0.3399	0.3170	0.2890	0.2830
Northwest Austin MUD #1 (1)	0.2525	0.2427	--	--	--	--	--	--	--	--
Northwest Travis County RD #3 (2)	0.1100	0.1250	0.1450	0.1550	0.1300	0.1223	--	--	--	--
Pflugerville Independent School District	1.4600	1.4600	1.4600	1.4800	1.5400	1.5400	1.5400	1.5400	1.5400	1.5200
Round Rock Independent School District	1.3324	1.3800	1.3800	1.3350	1.3800	1.3674	1.3375	1.3325	1.3325	1.3325
Travis County (3)	0.4122	0.4215	0.4658	0.4855	0.5001	0.4946	0.4563	0.4169	0.3838	0.3542
Travis County Healthcare District	0.0679	0.0674	0.0719	0.0789	0.0789	0.1290	0.1264	0.1178	0.1105	0.1052

Tax Levies (in 000's) for Fiscal Year Ended September 30

Government	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Austin	\$ 307,929	\$ 340,763	\$ 354,798	\$ 381,126	\$ 418,888	\$ 446,227	\$ 474,418	\$ 507,204	\$ 553,892	\$ 615,686
Austin Community College	79,189	82,756	79,524	80,596	84,766	90,079	99,308	121,203	140,069	176,161
Austin Independent School District	704,839	735,582	730,909	746,896	775,231	834,029	918,306	1,030,642	1,174,333	1,448,359
Del Valle Independent School District	47,600	46,563	43,736	44,867	46,004	51,559	53,414	60,093	67,076	86,276
Eanes Independent School District	111,930	115,036	110,042	111,792	116,443	123,749	135,138	148,545	164,250	184,415
Leander Independent School District	173,078	185,502	185,883	195,248	204,896	219,988	248,089	273,849	305,591	336,487
Manor Independent School District	37,916	43,116	38,829	40,609	48,860	47,605	63,098	58,687	70,423	81,305
North Austin MUD #1	2,859	2,859	2,750	2,713	2,660	2,661	2,968	3,131	293	329
Northwest Austin MUD #1 (1)	1,216	1,173	--	--	--	--	--	--	--	--
Northwest Travis County RD #3 (2)	546	582	576	607	565	568	--	--	--	--
Pflugerville Independent School District	104,552	108,097	104,112	105,197	111,719	118,412	133,432	147,355	166,578	215,566
Round Rock Independent School District	272,758	284,082	273,120	268,675	287,687	288,217	332,436	360,251	360,251	401,198
Travis County (3)	391,696	417,426	441,859	466,691	503,068	529,149	543,863	568,520	592,824	671,334
Travis County Healthcare District	64,629	66,842	68,303	75,928	79,480	138,132	150,765	160,701	170,812	199,366

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 Road

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Property	Fiscal Year Ended September 30					
		2018			2009		
		January 1, 2017 Assessed Valuation \$	Rank	Percent of Total Assessed Valuation of 138,418,647,260 %	January 1, 2008 Assessed Valuation \$	Rank	Percent of Total Assessed Valuation of 76,752,007,737 %
Samsung Austin Semiconductor LLC	Manufacturing	1,667,794,283	1	1.20	1,389,941,494	1	1.81
Columbia/St. Davids Health Care	Hospital/Medical	545,682,695	2	0.39	228,928,926	7	0.30
Apple	Manufacturing	418,759,426	3	0.30			
Finley Company	Commercial	410,400,014	4	0.30			
CSHV-401 Congress LLC	Commercial	359,707,203	5	0.26			
Domain Retail Property Owner LP	Commercial	343,763,509	6	0.25			
Riata Holdings LP	Commercial	325,076,136	7	0.23	198,567,361	10	0.26
HEB Grocery Company LP	Retail	310,105,250	8	0.22			
GW Block 23 Office LLC	Commercial	307,578,287	9	0.22			
Brandywine Acquisition Partners LP	Commercial	305,000,000	10	0.22			
TPG-300 West 6th Street LLC	Commercial				202,117,918	9	0.26
Freescale Semiconductor, Inc.	Manufacturing				530,752,756	2	0.69
Spansion LLC	Manufacturing				341,325,166	3	0.44
IBM Corporation	Manufacturing				237,133,802	6	0.31
Advanced Micro Devices, Inc.	Manufacturing				253,136,376	5	0.33
Shopping Center at Gateway LP	Commercial				281,357,924	4	0.37
Total assessed valuation		4,993,866,803		3.61	3,874,422,070		5.05

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) %
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
2017	1.00	1.00	6.25
2018	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)

	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing, hunting	6,929	5,914	4,680	4,212	4,804	5,510	7,214	4,915	4,242	3,636 (1)
Mining	4,034	2,854	2,264	6,549	15,455	52,267	30,534	2,988	3,512	135,107
Construction	352,053	368,296	389,154	471,658	551,199	628,533	685,990	749,637	849,007	930,670
Manufacturing	936,799	1,041,686	1,433,983	1,644,016	1,755,428	1,747,367	1,931,586	2,061,629	2,473,108	2,954,874
Transportation, warehousing, utilities	447,710	345,173	328,250	512,542	565,999	439,136	414,567	400,019	422,652	478,478
Wholesale trade	787,300	827,894	845,952	804,224	854,964	993,560	1,047,647	1,104,659	1,143,260	1,184,020
Retail trade	5,592,033	5,557,165	5,804,678	6,225,353	6,413,528	6,632,916	7,015,660	7,247,199	7,179,902	7,431,893
Finance, insurance, real estate	223,759	204,472	190,633	237,753	260,982	273,513	305,481	439,690	411,078	411,579
Services	1,233,310	1,189,812	1,257,576	1,395,058	1,510,025	1,555,087	1,657,323	1,821,462	2,014,309	2,083,221
Public administration	442,422	443,604	446,197	472,311	504,887	519,273	544,881	542,879	514,568	511,197
Other	2,128,184	2,150,840	2,361,381	2,659,739	2,987,068	3,299,444	3,608,679	3,855,509	4,051,993	4,351,069
Total taxable sales by category	12,154,533	12,137,710	13,064,748	14,433,415	15,424,339	16,146,606	17,249,562	18,230,586	19,067,631	20,475,744 (2)

Source: State of Texas Comptroller of Public Accounts

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

(1) For Agriculture, forestry, fishing, data not available for fourth quarter of fiscal year 2017 and first and second quarter of fiscal year 2018. Figures are estimates.

(2) Data not available for third quarter of fiscal year 2018.

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

Fiscal Year Ended Sept. 30	Governmental Activities					Business-type Activities									
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capital Lease Obligations	Total Governmental Activities	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
2009	\$ 845,741	\$ 78,525	\$ 28,456	\$ 468	\$ 953,190	\$ 21,510	\$ 42,877	\$ 60,195	\$ 6,650	\$ 339,999	\$ 28,000	\$ 3,442,342	\$ 914	\$ 1,981	\$ 3,944,468
2010	789,619	71,586	38,295	716	900,216	16,233	40,169	50,064	18,178	299,797	28,000	3,643,111	--	1,628	4,097,180
2011	842,708	62,426	32,994	433	938,561	25,398	40,903	54,854	11,274	359,792	28,000	3,694,277	--	1,258	4,215,756
2012	877,811	95,426	44,570	159	1,017,966	34,661	34,456	52,298	10,605	305,026	--	3,944,795	--	1,218	4,383,059
2013	902,750	114,798	67,788	--	1,085,336	31,381	33,658	55,508	9,915	193,991	--	4,204,201	--	1,176	4,529,830
2014	974,855	135,829	85,036	--	1,195,720	33,701	27,232	65,854	9,195	241,456	--	4,298,643	--	1,135	4,677,216
2015	1,030,680	165,350	102,396	--	1,298,426	28,852	40,695	54,686	8,450	200,581	--	4,600,817	--	1,089	4,935,170
2016	1,108,558	166,201	101,012	--	1,375,771	24,073	58,814	45,537	7,655	129,916	--	4,578,492	--	1,040	4,845,527
2017	1,109,766	214,394	111,868	--	1,436,028	20,303	55,242	32,895	7,116	146,097	--	4,881,202	--	989	5,143,844
2018	1,123,455	239,446	94,064	--	1,456,965	16,217	52,277	26,518	6,905	254,767	--	4,701,801	--	934	5,059,419
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	Debt Per Capita (1)				
2009	\$ 4,897,658	0.13	\$ 6,358								\$ 6.358				
2010	4,997,396	0.14	6,419								6.419				
2011	5,154,317	0.13	6,398								6.398				
2012	5,401,025	0.14	6,578								6.578				
2013	5,615,166	0.12	6,672								6.672				
2014	5,872,936	0.12	6,689								6.689				
2015	6,233,596	0.13	6,933								6.933				
2016	6,221,298	0.11	6,722								6.722				
2017	6,579,872	0.12	6,955								6.955				
2018	6,516,384	0.11	6,761								6.761				

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)

Fiscal Year Ended Sept. 30	General Bonded Debt Outstanding				Resources Restricted for Repayment of Outstanding Debt Principal	Net General Bonded Debt	Percentage of	
	General Obligation Bonds	Other Tax Supported Debt	Total	Total			Actual Taxable Value of Property (1)	Net General Bonded Debt Per Capita (2)
	\$	\$	\$	\$	\$	\$	%	\$
2009	867,251	216,703	1,083,954	18,389	1,065,565	1,383.32	1.39	1,383.32
2010	805,852	218,292	1,024,144	21,958	1,002,186	1,287.23	1.24	1,287.23
2011	868,106	202,451	1,070,557	20,806	1,049,751	1,302.97	1.35	1,302.97
2012	912,472	237,356	1,149,828	17,627	1,132,201	1,379.03	1.43	1,379.03
2013	934,131	281,667	1,215,798	17,068	1,198,730	1,424.26	1.44	1,424.26
2014	1,008,556	323,146	1,331,702	18,368	1,313,334	1,495.82	1.48	1,495.82
2015	1,059,532	371,577	1,431,109	21,725	1,409,384	1,567.52	1.43	1,567.52
2016	1,132,631	379,219	1,511,850	21,629	1,490,221	1,610.20	1.35	1,610.20
2017	1,130,069	421,515	1,551,584	24,587	1,526,997	1,614.03	1.22	1,614.03
2018	1,139,672	419,210	1,558,882	29,283	1,529,599	1,587.06	1.11	1,587.06

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, 2018**

**City of Austin, Texas
Table 15**

Name of Governmental Unit	Net Debt Outstanding as of September 30, 2018 (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	1,123,455		
Certificates of obligation	239,446		
Contractual obligations	94,064		
Total direct debt	<u>1,456,965</u> (1)	100.00	<u>1,456,965</u>
Overlapping debt			
Greater than 10%:			
Austin Community College	418,335	70.35	294,299
Austin Independent School District	916,012	95.53	875,066
Avery Ranch Road District #1	6,740	99.39	6,699
Del Valle Independent School District	197,290	73.19	144,397
Eanes Independent School District	110,400	36.95	40,793
Leander Independent School District	1,001,402	12.07	120,869
Manor Independent School District	303,788	69.10	209,918
Northtown MUD	19,350	17.52	3,390
Northwoods Road District	8,205	100.00	8,205
Pearson Place Road District	5,245	100.00	5,245
Pflugerville Independent School District	417,770	35.00	146,220
Round Rock Independent School District	683,391	35.26	240,964
Travis County	685,851	73.68	505,335
Travis County Healthcare	9,380	73.68	6,911
Williamson County	812,550	12.28	99,781
Subtotal greater than 10%	<u>5,595,709</u>		<u>2,708,092</u>
Less than 10%:			
Hays County	420,887	0.31	1,305
Travis County Mud #8	7,317	1.07	78
Travis County WC & ID #10	44,585	4.01	1,788
Subtotal less than 10%	<u>472,789</u>		<u>3,171</u>
Total overlapping debt	<u>6,068,498</u>		<u>2,711,263</u>
Total direct and overlapping debt	<u>7,525,463</u>		<u>4,168,228</u>

Ratio of total direct and overlapping debt to assessed valuation (2)
Per capita of total direct and overlapping debt (3) \$ 4,324.80

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 business-type activities. See Note 6.

(2) Based on assessed valuation of \$138,418,647,260 provided by the Travis, Williamson, and Hays Central Appraisal Districts.

(3) Based on 2018 population of 963,797.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed taxable value (1)				\$ 137,034,461						
Debt limit (2)				20,181,369						
Debt application to limit:				1,432,315						
General obligation debt										
Less: Amount set aside for repayment of general obligation debt				(29,283)						
Total net debt applicable to limit				1,403,032						
Legal debt margin				\$ 18,778,337						

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 11,190,400	\$ 11,804,005	\$ 11,316,858	\$ 11,550,204	\$ 12,144,302	\$ 12,942,046	\$ 14,383,428	\$ 16,114,633	\$ 18,279,122	\$ 20,181,369
Total net debt applicable to limit	1,043,671	971,250	1,020,759	1,102,536	1,163,822	1,253,012	1,332,360	1,387,051	1,401,193	1,403,032
Legal debt margin	10,146,729	10,832,755	10,296,099	10,447,668	10,980,480	11,689,034	13,051,068	14,727,582	16,877,929	18,778,337
Total net debt applicable to the limit as a percentage of debt limit	9.33%	8.23%	9.02%	9.55%	9.58%	9.68%	9.26%	8.61%	7.67%	6.95%

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, 2017, of \$138,418,647,260 at a 99% collection rate.
(2) Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2017, for collections on \$137,034,461 results in tax revenues of \$2,055,517.
This revenue could service the debt on \$20,181,369 issued as 8% 20-year serial bonds with level debt service payments.

Pledged-Revenue Coverage
Last Ten Fiscal Years (In thousands)

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) Principal	Debt Service (3) Interest	Coverage (4)	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3) Principal	Debt Service (3) Interest	Coverage (4)
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
2017	1,373,020	1,018,604	354,416	44,278	60,692	3.38	601,928	233,592	368,336	85,927	141,455	1.62
2018	1,417,232	1,083,928	333,304	34,971	58,657	3.56	581,324	250,223	331,101	57,712	152,572	1.57

Fiscal Year Ended Sept. 30	Airport Revenue Bonds						Convention Center Revenue Bonds						
	Service Charges (1)	Other Available Funds (5)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3) Principal	Debt Service (3) Interest	Coverage (4)	User Fees and Transfers (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3) Principal	Debt Service (3) Interest	Coverage (4)
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
2017	154,570	4,830	94,139	65,261	13,003	6,316	3.38	118,013	54,533	63,480	12,150	5,653	3.57
2018	176,235	5,469	108,045	73,659	15,906	5,969	3.37	115,934	60,807	55,127	12,955	4,713	3.12

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.

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)
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	1,834,319	84,319,550	46,818	45,968	5.7
2013	841,649	321	1,883,528	89,014,800	46,436	47,260	5.2
2014	878,002	321	1,942,255	97,444,500	49,227	50,171	4.2
2015	899,119	323	2,000,784	103,473,800	52,519	51,717	3.4
2016	925,491	326	2,060,558	109,057,100	56,163	52,926	3.3
2017	946,080	325	2,115,827	115,982,300	56,849	54,817	3.1
2018	963,797	326	2,130,664 (6)	122,793,898 (5)	63,191 (6)	57,600 (5)	2.9
2009-2018 Change	25.12%	7.98%	26.65%	91.00%	32.98%	50.73%	

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 2018 which will not be available until first quarter 2019.

(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 2018. Figures are estimated.

(6) Source: Nielsen SiteReports.

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

**City of Austin, Texas
Table 19**

10 Largest Employers	Fiscal Year Ended September 30					
	2018			2009		
	Rank	Employees	Percent of MSA Total (%)	Rank	Employees	Percent of MSA Total (%)
State Government	1	37,890 (2)	3.52	1	37,754	4.87
The University of Texas at Austin	2	23,925 (4)	2.22	2	25,313	3.27
City of Austin	3	14,038 (5)	1.30	4	12,406	1.60
HEB	4	13,756 (4)	1.28	7	10,904	1.41
Dell Computer Corporation	5	13,000 (4)	1.21	3	16,000	2.07
Federal Government	6	13,000 (6)	1.21	5	11,991	1.55
Austin Independent School District	7	11,379 (3)	1.06	6	11,322	1.46
St. David's Healthcare Partnership	8	10,309 (4)	0.96	10	6,043	0.78
Seton Healthcare Network	9	9,947 (4)	0.92	8	9,793	1.26
Samsung Austin Semiconductor	10	8,935 (4)	0.83			
IBM Corporation				9	6,200 (7)	0.80
		156,179	14.51		147,726	19.07

Notes:

- (1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 1,076,900 for 2018 and 770,800 for 2009.
- (2) Texas State Auditor's Office: Regular and Part Time State Employees for 2018 in Bastrop, Caldwell, Hays, Travis and Williamson Counties.
- (3) Texas Education Agency 2017-2018 Texas Academic Performance Report for AISD Page 23.
- (4) Austin Chamber of Commerce - Top Employers for Austin MSA - Fall 2018.
- (5) 2018-19 City of Austin Approved Budget, page 483 (Personnel Summary: 2017-18 Amended column).
- (6) Bureau of Labor Statistics Federal Government employees in Austin MSA in September 2018.
- (7) 2009 and 2000 Principal Employers - Current Year and Nine Years Ago, IBM Corporation Rank 9 in 2009.

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

Function/Program	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
General government	169	169	169	173	177	232	235	238	239	240
Public safety	3,938	3,938	4,046	4,117	4,219	4,281	4,401	4,523	4,664	4,676
Transportation, planning, and sustainability	5	4	4	4	7	9	14	14	14	14
Public health	484	517	517	520	513	513	532	575	592	598
Public recreation and culture	865	846	890	887	917	985	1,009	1,075	1,088	1,096
Urban growth management	373	378	387	378	386	411	417	449	472	474
Total governmental employees	5,834	5,852	6,013	6,079	6,219	6,431	6,608	6,874	7,069	7,098
Business-type activities										
Electric	1,719	1,738	1,737	1,722	1,719	1,682	1,676	1,674	1,718	1,749
Water	521	530	535	535	553	592	587	590	604	611
Wastewater	536	540	535	534	541	566	560	558	566	574
Airport	352	345	345	347	351	362	379	415	456	489
Convention	241	244	239	239	239	251	250	266	277	296
Environmental and health services	463	461	461	467	499	523	522	546	573	608
Public recreation	88	88	41	33	33	38	41	41	41	41
Urban growth management	659	632	649	681	693	767	775	809	881	923
Total business-type employees	4,579	4,578	4,542	4,558	4,628	4,781	4,790	4,899	5,116	5,291
Internal Services (1)	1,502	1,450	1,482	1,487	1,524	1,570	1,579	1,598	1,640	1,649
Total full-time equivalent employees	11,915	11,880	12,037	12,124	12,371	12,782	12,977	13,371	13,825	14,038

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
General government										
Municipal court cases filed	446,777	369,053	341,036	323,513	364,930	369,906	351,757	323,504	306,689	239,367
Central booking cases magisterated/arraigned	101,649	114,334	106,974	96,898	89,162	88,887	84,868	83,270	84,277	78,557
Number of cases docketed (excluding jail)	159,038	158,597	140,820	115,939	115,545	116,025	109,628	97,116	85,436	76,945
Number of warrants prepared	140,668	138,379	134,038	89,969	88,401	88,400	82,311	71,159	66,391	51,271
Jail cases prepared	125,406	134,018	122,279	103,126	93,949	96,744	92,765	92,946	95,145	85,949
Public safety										
Number of incidents responded to by patrol officers	N/A	N/A	N/A	638,006	623,768	595,292	572,623	572,303	570,707	600,053
Number of arrests made	N/A	N/A	N/A	62,841	56,628	52,870	50,072	47,078	47,617	46,820
Number of citation violations issued by APD officers	N/A	N/A	N/A	152,971	187,033	184,254	156,088	143,173	128,925	89,149
Fire emergency responses	74,211	75,676	81,982	84,473	86,641	89,538	89,563	81,973	86,665	87,994
Fire responses	2,816	2,172	3,208	2,086	2,404	2,129	2,066	2,120	2,508	2,510
Fire inspections	25,523	25,622	25,368	23,837	29,602	32,619	35,154	36,259	36,393	31,660
EMS response units dispatched (1)	113,410	115,637	122,701	128,334	133,160	138,881	157,827	159,992	145,489	131,207
EMS 911 calls received	106,477	110,703	114,625	117,310	127,772	126,638	140,212	143,804	146,448	143,353
EMS ground patient transports	56,127	61,267	71,577	75,510	75,123	76,791	82,987	78,725	78,164	74,924
Transportation, planning, and sustainability										
Number of school zone signals that rec'd preventative maintenance	N/A	N/A	N/A	218	723	61	316	238	219	283
Number of children receiving safety training	44,480	44,582	44,468	46,790	52,862	49,627	50,165	49,531	48,483	48,430
Injuries to children in school zones	--	--	--	--	--	--	--	--	--	--
Public health										
Number of animals sheltered	22,150	24,026	19,752	19,392	19,760	19,137	18,630	17,431	17,284	16,406
Birth and death certificates	96,421	84,017	63,979	57,841	61,918	69,678	71,293	74,946	75,565	71,054
STD patient clinic visits	13,248	13,869	14,187	13,033	12,927	12,956	13,722	13,860	12,740	9,236
Number of Shots for Tots Clinics vaccine visits (ages 0-18)	12,380	17,084	9,934	7,960	6,994	7,583	7,541	8,156	8,373	7,322
Number of food benefits to WIC participants (2)	433,675	458,032	439,316	421,637	406,774	389,071	365,230	344,296	287,562	276,748
Participants receiving basic needs services	7,592	7,635	9,016	7,531	10,320	11,037	10,536	18,545	18,747	22,357
Food establishment permits issued	5,783	5,909	9,452	10,137	13,968	12,445	12,779	13,227	14,485	13,561
Number of HIV/STD tests provided in outreach settings (3)	N/A	N/A	4,428	3,396	2,221	2,374	2,151	2,558	1,613	2,430
Public recreation and culture										
Volumes in library collection	1,455,793	1,465,765	1,454,103	1,480,479	1,464,512	1,425,914	1,725,535	1,869,385	1,919,511	2,031,770
Library volumes borrowed	4,197,963	4,316,785	4,663,483	4,845,067	5,129,759	5,392,446	5,572,268	5,921,193	5,762,874	6,562,604
Registered library borrowers	561,112	483,099	519,788	494,015	497,527	508,397	542,358	570,446	597,545	640,104
Meals served to senior citizens	64,821	64,032	63,299	65,965	62,053	63,718	78,147	79,183	81,452	90,185
Visits to educational and cultural facilities	N/A	N/A	N/A	388,650	302,778	329,734	256,526	307,136	356,389	395,917
Pool visits	N/A	N/A	N/A	1,098,545	1,312,941	1,202,587	1,253,624	1,115,800	1,403,260	1,603,818

(Continued)

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

	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Urban growth management										
One-stop shop customers served by development assistance	26,531	26,597	28,983	32,362	31,477	33,116	32,273	36,036	35,237	31,969
Number of neighborhood plan amendments submitted per year	N/A	N/A	N/A	N/A	N/A	21	26	22	22	23
Zoning applications processed	101	145	137	129	140	149	169	139	144	149
Building inspections performed-development and regulation	177,854	150,228	161,519	186,737	220,881	228,576	240,632	277,246	312,830	331,393
One-stop shop building permits issued	92,396	91,996	96,205	108,494	109,492	101,012	70,432	74,902	67,504	68,778
Repair services provided to homeowners	N/A	N/A	N/A	708	533	692	622	708	603	421
Housing related services provided	N/A	N/A	N/A	1,411	861	931	934	1,185	1,011	956
Svcs provided through housing/community development activities	N/A	N/A	N/A	3,337	2,438	2,613	2,590	2,896	2,740	2,408
Business-type activities										
Electric										
Electric sales (in millions of KWH)	12,103	11,976	12,779	12,534	12,305	12,572	12,674	12,874	12,983	13,410
Number of metered customers	407,926	413,870	417,865	422,375	430,582	439,403	450,479	461,345	472,701	485,204
Water										
Actual water pumpage (millions of gallons)	53,331	43,827	52,824	47,094	45,902	43,239	43,481	44,687	47,312	48,521
Average daily consumption (thousands of gallons)	129,600	108,600	135,576	117,182	115,555	105,994	103,261	108,887	112,791	113,545
Average daily consumption per capita	167	135	162	142	136	125	122	122	126	124
Peak daily capacity (thousands of gallons)	286,000	286,000	286,000	285,000	285,000	285,000	285,000	335,000	335,000	335,000
Wastewater										
Average daily sewage treatment (millions of gallons)	82	99	84	104	95	102	105	109	104	99
Combined daily capacity (thousands of gallons)	135,000	135,000	135,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Airport										
Enplanements	4,150,710	4,257,715	4,524,641	4,662,738	4,928,979	5,275,464	5,792,387	6,180,464	6,729,108	7,739,811
Deplanements	4,111,620	4,240,086	4,510,247	4,654,823	4,928,279	5,244,569	5,769,778	6,161,240	6,676,658	7,711,086
Cargo (in millions of pounds)	161	156	152	155	157	156	158	168	189	183
Convention										
Convention contracts executed	281	251	307	303	306	353	292	279	240	260
Vehicles parked	539,098	429,993	467,908	509,313	548,221	648,970	726,759	730,279	761,756	708,815
Environmental and health services										
Tons of trash collected	128,519	130,851	126,497	129,653	124,183	127,924	130,784	129,266	131,815	128,829
Tons of recyclables collected	49,811	52,479	52,236	54,009	53,702	55,494	57,324	58,879	58,705	58,723
Tons of brush collected	7,683	7,350	6,853	7,720	7,359	6,692	7,776	8,460	7,367	6,292
Tons of bulk items collected	8,219	7,710	7,503	7,844	8,681	9,068	9,672	12,144	11,334	10,262
Tons of yard trimmings collected	19,497	22,456	24,777	21,712	25,898	27,357	28,680	32,605	34,316	32,244
Public recreation										
Golf rounds played	230,852	200,446	216,789	195,000	201,086	190,244	181,285	196,972	208,118	202,600
Youth sports participants	N/A	N/A	N/A	N/A	18,475	23,769	26,165	22,196	14,581	18,690

(Continued)

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

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Urban growth management										
Storm water discharge permits issued to businesses	1,183	1,087	1,083	1,086	1,068	1,032	1,008	998	997	960
Litter and debris collection on Lady Bird Lake (in tons)	270	374	230	234	144	121	148	33	32	17
Feet of pipeline cleaned	74,164	51,627	70,235	61,099	72,669	69,380	83,716	79,606	78,106	82,819
Lane miles of preventative street maintenance completed	690	954	706	701	857	803	607	659	637	721
Signs installed/maintained	N/A	N/A	N/A	17,012	11,484	11,404	11,807	16,942	23,093	22,810
Traffic sign installations	23,144	31,754	1,812	3,834	4,308	2,037	2,025	3,673	3,143	2,250
Traffic counts performed	N/A	N/A	N/A	223	704	535	605	1,227	662	1,405
Internal services activities (4)										
Internal services										
Units auctioned off	306	473	247	340	319	379	491	361	307	335
Fleet work orders completed	N/A	N/A	N/A	N/A	N/A	N/A	48,968	49,878	51,087	50,310
Payment transactions processed	216,340	218,778	200,605	158,413	170,450	185,463	187,938	174,116	180,556	172,735
Payroll payments	435,034	425,679	444,255	432,216	438,945	453,686	466,928	474,170	487,292	492,045
Units of mail processed	1,939,554	1,849,811	1,838,809	1,840,326	1,891,966	1,965,527	2,027,927	2,957,604	2,765,905	1,818,040
Employees enrolled in medical benefit plans	7,693	10,770	10,916	11,049	11,219	11,551	11,873	11,991	12,365	12,580
Requests for council action processed	2,025	2,024	2,133	2,284	2,476	2,284	2,135	2,533	2,278	2,166
Active construction projects managed in-house	312	366	418	380	387	357	336	336	355	348
Land parcels acquired	218	244	169	104	135	160	264	250	122	112

Source: Various City departments; budget documents and performance reports
N/A: Information not available

- (1) 2018 data based on the new Computer Aided Dispatch (CAD) system methodology.
- (2) Name changed from previous year. Prior year wording was "Women and children service encounters".
- (3) Newly implemented performance measure.
- (4) Internal service activities are allocated to other programs and functions on a government-wide basis.

Function/Program	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Public safety										
Police stations	8	5	5	5	5	5	5	5	5	5
Police zones	9	9	9	9	9	9	9	9	9	9
Patrol units	355	359	349	349	345	372	360	365	360	364
Fire stations	44	45	45	45	45	45	45	45	45	45
EMS stations	33	35	35	35	37	37	37	37	37	42
Public health										
Health facilities (sq. ft.)	331,726	400,426	404,059	381,806	383,306	383,306	383,306	389,221	389,221	389,221
Program vehicles	76	76	76	82	83	90	85	109	111	116
Public recreation and culture										
Libraries	22	23	23	23	23	22	22	22	22	22
District parks	13	13	13	14	15	15	15	15	14	14
Metropolitan parks	12	11	12	11	11	11	11	11	11	11
Natural preserves	13	15	15	15	15	15	15	14	14	15
Greenbelts	29	40	40	39	39	40	43	44	48	50
Neighborhood parks	96	96	79	79	82	84	85	86	90	91
Special parks (museums, etc.)	28	39	39	38	40	40	42	41	37	35
Youth entertainment complexes	1	1	1	1	1	1	1	1	1	1
Recreation centers	20	20	20	20	20	22	23	23	23	23
Open fields	89	93	103	105	100	101	101	101	78	78
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	193	199	199	185	203	208	227	234	230
Tennis courts	114	110	110	115	116	124	124	124	124	122
Swimming pools	50	51	52	52	52	51	51	51	51	51
Business-type activities										
Electric										
Overhead distribution (miles)	5,493	5,475	5,450	5,403	5,361	5,263	5,104	5,017	4,961	4,916
Underground distribution (miles)	5,786	5,844	5,912	5,995	6,068	6,167	6,338	6,500	6,630	6,735
Water										
Treatment plants	2	2	2	2	2	2	3	3	3	3
Water mains (miles)	3,626	3,634	3,657	3,682	3,711	3,713	3,807	3,845	3,884	3,929
Booster pumps	45	46	45	41	41	39	40	44	44	47
Fire hydrants	32,232	32,576	33,533	33,839	34,041	36,217	37,518	38,265	39,445	40,154
Wastewater										
Sanitary sewers (miles)	2,634	2,650	2,650	2,664	2,692	2,692	2,776	2,806	2,848	2,890
Connections	196,842	198,116	199,005	202,444	202,690	204,378	212,760	214,373	215,879	216,699

(Continued)

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years, continued

Function/Program	Fiscal Year Ended September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	2,361,831	2,361,831	2,361,831	2,361,831
Facility (terminal) maintained (sq. ft.)	1,016,000	1,016,000	1,016,000	687,940	687,940	687,940	743,641	743,641	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	62	89	67	69	66	64	66	67	67	69
Recycle collection trucks	31	38	36	36	38	41	43	45	46	46
Public recreation										
Golf courses	5	5	5	5	5	6	6	5	6	6
Athletic fields	185	174	174	176	169	172	172	172	172	172
Softball fields	35	37	32	32	34	35	35	35	35	35
Urban growth management										
Residential ponds	710	803	820	840	860	865	873	894	994	1,040
Street (miles)	7,626	7,348	7,550	7,435	7,498	7,618	7,582	7,663	7,825	7,851
Bridges	424	427	438	438	438	447	450	450	436	449
Traffic signals	865	902	925	954	975	1,000	1,016	1,029	1,057	1,080
Metered parking spaces	4,017	5,026	5,076	5508	6015	6,072	7,300	7,600	8,217	8,394
Internal Services (1)										
Fleet facilities (sq. ft.)	123,117	127,916	127,916	127,916	127,916	127,916	127,916	127,916	127,916	127,916
City facilities insured	1,129	1,193	1,040	1,052	1,060	1,134	1,134	1,253	1,241	1,283
Facilities maintained (sq. ft.)	1,539,244	1,539,244	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

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

(2) For Fiscal Year 2009, amended budget estimate is used where final statistic is unavailable.

Austin's new Central Library

In 1999, the Austin Libraries for the Future Taskforce was formed by Mayor Kirk Watson, who asked its members to research the long-term development needs of a new Central Library for the City of Austin. The taskforce created a vision for a new Central Library that would be seen as an iconic building for our city. That vision was 18 years in the making. After much planning, voter approval of \$90 million in 2006 and \$35 million in subsequent funding authorized by the Austin City Council, that vision came to fruition on October 28, 2017 with the grand opening of Austin's new Central Library. Designed as the Library of the Future, it truly is an iconic building for Austin.

The Central Library is 200,000 square feet of dynamic space that provides community gathering areas to support the free flow of resources, ideas, and culture. Shared learning rooms, a special events center, a rooftop garden, an art gallery, and a demonstration kitchen are just a few of the common areas enjoyed by guests. For those customers seeking information and resources, over 500,000 physical items and 140 public use computers can be found throughout the building.

Austin Public Library's award-winning Central Library honors our city's commitment to knowledge, community, and the movement of information. In its first year as the jewel of downtown Austin, the library circulated over 900,000 items, presented over 400 programs, and hosted over 1 million visitors.

Austinites aren't the only people taking notice of our unique library. The building has received numerous awards and recognition. In July 2018, Austin's Central Library was awarded LEED® Platinum status by the U.S. Green Building Council, USGBC. The LEED® rating system, developed by the USGBC, is the foremost program for buildings, homes, and communities that are designed, constructed, maintained, and operated for improved environmental and human health performance. The Platinum designation is the highest level of recognition awarded. The Central Library achieved LEED® Platinum certification for implementing practical and measurable strategies and solutions aimed at achieving high performance in sustainable site development, water efficiency, energy efficiency, materials and resources use, indoor environmental quality, and innovation in design.

Announced in August 2018, the Austin Central Library was selected as one of TIME Magazine's 2018 World's Greatest Places! Culled from over 1,200 nominations from around the world, the list highlights 100 destinations that are breaking new ground, leading industry trends, and offering visitors an extraordinary experience. Evaluation was based on key factors including quality, originality, innovation, sustainability, and influence. Austin Central Library is the only library listed from the United States and one of only three featured in the world.

The Austin Central Library was one of six recipients of the 2018 AIA/ALA Library Building Awards in architectural design, co-sponsored by the American Institute of Architects and the American Library Association. This prestigious award was developed to encourage and recognize excellence in the architectural design of libraries, while reflecting the evolving role of the library as a community space. Of note, was the Central Library's dominant civic presence and its evolution into a prominent community gathering space.

In October of 2018, the Austin Central Library received the 2018 Excellence in Structural Engineering Award by the National Council of Structural Engineers Associations. This program highlights some of the best examples of structural engineering ingenuity throughout the world. Projects are judged on innovative design, engineering achievement, and creativity.

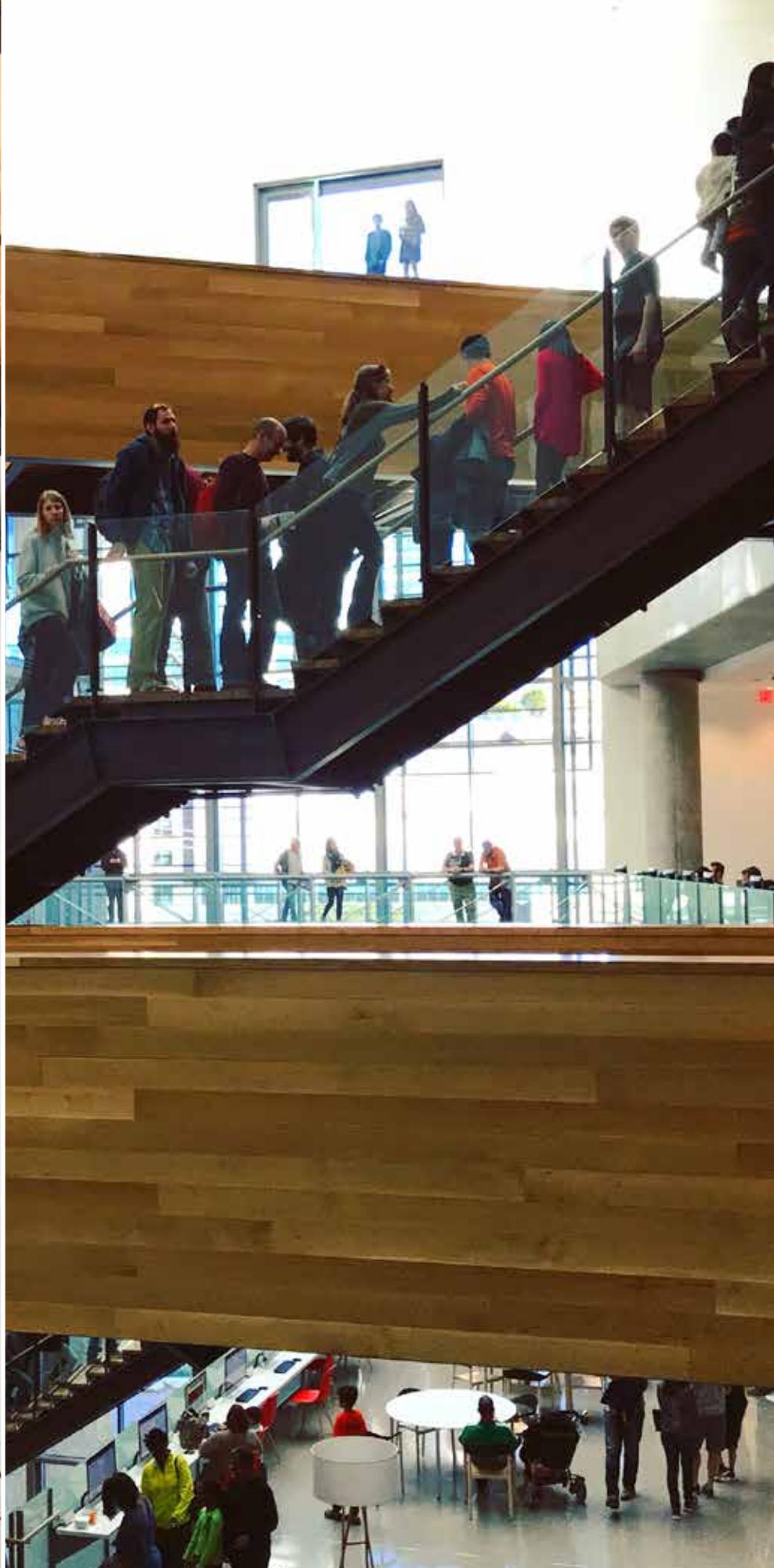
The Austin Central Library also received the 2018 Austin Green Awards Project of the Year. The Austin Green Awards is Austin's first recognition program to specifically highlight outstanding accomplishments in the broad arena of sustainable design and innovation, recognizing forward facing design strategies that respond to rapidly evolving environmental, social and health imperatives.

In recognition of the opening of the new Central Library in fiscal year 2018, the covers of this year's CAFR are dedicated to our beautiful new resource!

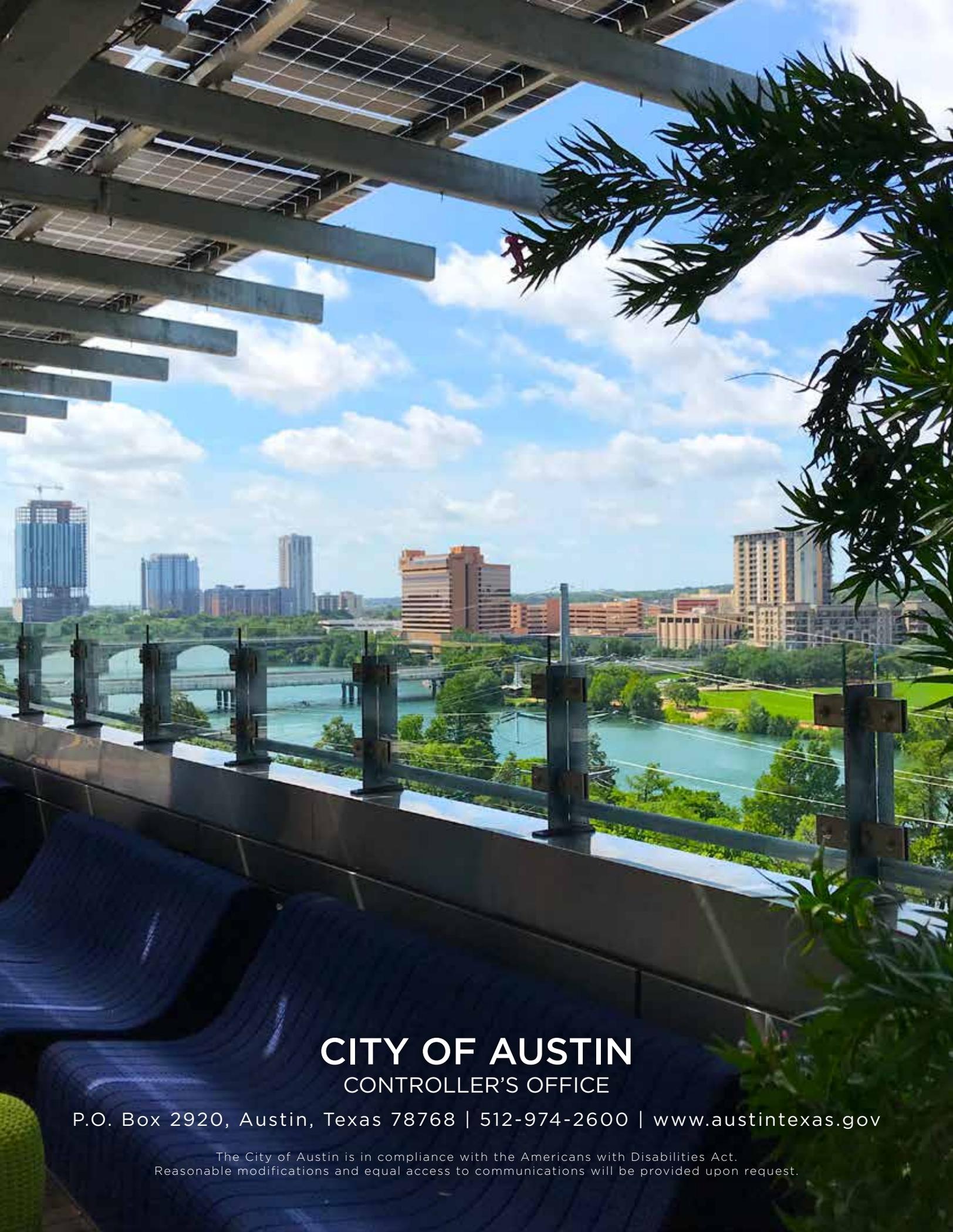


Located at 710 W. Cesar Chavez Street, Austin's Central Library is open 7 days a week. For information, visit online at <http://library.austintexas.gov/central-library>

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CITY OF AUSTIN

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