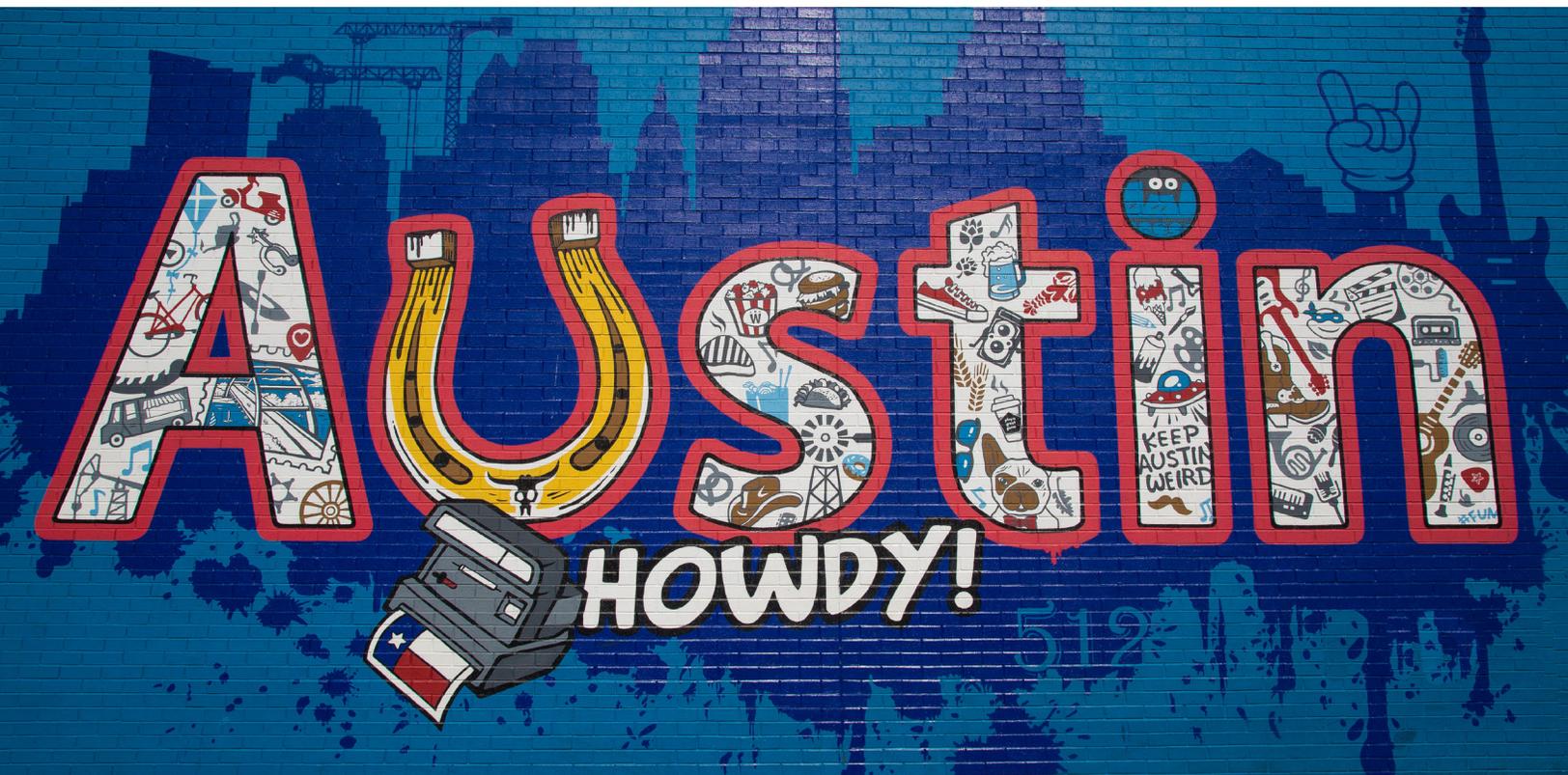




COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF AUSTIN, TEXAS
For the Fiscal Year ended September 30, 2019



Photographs:

Above: "Austin Howdy" previously located, Nueces St. & W. 6th St.

Front Cover: "Greetings From Austin", S. 1st St. & Annie St. | "Texas", 3700 Guadalupe St.

Comprehensive Annual Financial Report



*City of Austin,
Texas*

*For the year ended
September 30, 2019*

*Prepared by:
Controller's Office*

*Elaine Hart, CPA
Chief Financial Officer*

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Controller*

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



City Council

Steve Adler

Mayor

Term expires January 2023

Delia Garza

Mayor Pro Tem (District 2)

Term expires January 2021

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, 2019**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTION (Unaudited)		
Letter of Transmittal	--	i
City Organization Chart	--	xi
Certificate of Achievement	--	xii
FINANCIAL SECTION		
Independent Auditors' Report	--	1
Management's Discussion and Analysis (Unaudited)	--	4
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	18
Statement of Activities	A-2	20
Fund Financial Statements:		
Governmental Funds Balance Sheet	B-1	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	B-1.1	23
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	B-2.1	25
Proprietary Funds Statement of Net Position	C-1	26
Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position	C-2	32
Proprietary Funds Statement of Cash Flows	C-3	34
Fiduciary Funds Statement of Fiduciary Net Position	D-1	38
Fiduciary Funds Statement of Changes in Fiduciary Net Position	D-2	39
Notes to Basic Financial Statements:		
Note 1 Summary of Significant Accounting Policies	--	40
Note 2 Pooled Investments and Cash	--	55
Note 3 Investments and Deposits	--	55
Note 4 Property Taxes	--	61
Note 5 Capital Assets and Infrastructure	--	62
Note 6 Debt and Non-Debt Liabilities	--	69
Note 7 Retirement Plans	--	87
Note 8 Other Postemployment Benefits	--	94
Note 9 Derivative Instruments	--	98
Note 10 Deficits in Fund Balances and Net Position	--	103
Note 11 Interfund Balances and Transfers	--	104
Note 12 Selected Revenues	--	105
Note 13 Tax Abatements	--	106
Note 14 Commitments and Contingencies	--	106
Note 15 Litigation	--	113
Note 16 Conduit Debt	--	113
Note 17 Segment Information - Convention Center	--	114
Note 18 Restatement	--	115
Note 19 Subsequent Events	--	115
Required Supplementary Information (RSI) (Unaudited)		
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual-Budget Basis	RSI	118
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual-Budget Basis	RSI	119
Retirement Plans-Trend Information	RSI	120
Other Postemployment Benefits-Trend Information	RSI	124

**CITY OF AUSTIN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019**

TABLE OF CONTENTS (continued)

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, Continued		
Combining and Individual Fund Financial Statements and Schedules		
General Fund		
Schedule of Revenues - Budget and Actual-Budget Basis	E-1	127
Schedule of Expenditures - Budget and Actual-Budget Basis	E-2	128
Schedule of Transfers - Budget and Actual-Budget Basis	E-3	130
Nonmajor Governmental Funds		
Combining Balance Sheet	E-4	132
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-5	133
Special Revenue Funds		
Combining Balance Sheet	E-6	135
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-7	136
Combining Balance Sheet - All Special Revenue Grants	E-8	137
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Special Revenue Grants	E-9	138
Combining Schedule of Expenditures - All Special Revenue Grants	E-10	139
Other - Combining Balance Sheet	E-11	140
Other - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-12	146
Other - Combining Schedule of Revenues, Expenditures, and Transfers - Budget and Actual-Budget Basis	E-13	152
Debt Service Funds		
Combining Balance Sheet	E-14	158
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-15	159
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual-Budget Basis	E-16	160
Capital Projects Funds		
Combining Balance Sheet	E-17	162
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-18	168
Permanent Funds		
Combining Balance Sheet	E-19	176
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-20	177
Nonmajor Enterprise Funds		
Combining Statement of Net Position	F-1	180
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	F-2	184
Combining Statement of Cash Flows	F-3	186
Internal Service Funds		
Combining Statement of Net Position	G-1	192
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	G-2	194
Combining Statement of Cash Flows	G-3	196
Fiduciary Funds		
Private-purpose Trust Funds		
Combining Statement of Fiduciary Net Position	H-1	201
Combining Statement of Changes in Fiduciary Net Position	H-2	202
Agency Funds		
Combining Statement of Changes in Assets and Liabilities	H-3	203

**CITY OF AUSTIN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019**

TABLE OF CONTENTS (continued)

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION, Continued		
Discretely Presented Component Units		
Combining Statement of Net Position	I-1	205
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	I-2	206
Combining Statement of Cash Flows	I-3	207
Supplemental Schedules		
Budgetary General Fund - Supplementary Schedule of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual-Budget Basis	J-1	209
Enterprise Related Grants - Combining Balance Sheet	J-2	216
Enterprise Related Grants - Combining Schedule of Expenditures	J-3	217
Schedule of General Obligation Bonds Authorized and Unissued	J-4	218
Schedule of Revenue Bonds Authorized, Deauthorized and Unissued	J-5	219
 STATISTICAL SECTION (Unaudited)		
	<u>Table</u>	<u>Page</u>
Financial Trends		
Net Position by Component - Last Ten Fiscal Years	1	221
Changes in Net Position - Last Ten Fiscal Years	2	222
Program Revenues by Function/Program - Last Ten Fiscal Years	3	224
Fund Balances, Governmental Funds - Last Ten Fiscal Years	4	225
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	5	226
Revenue Capacity		
Tax Revenues By Source, Governmental Funds - Last Ten Fiscal Years	6	227
Property Appraised Value, Taxable Value, Tax Rates, Tax Levies, and Tax Collections - Last Ten Fiscal Years	7	228
Assessed Taxable Property Value by Class - Last Ten Fiscal Years	8	229
Property Taxes and Tax Levies for Direct and Overlapping Governments With Applicable Percentages Over 10% - Last Ten Fiscal Years	9	230
Principal Property Taxpayers - Current Year and Nine Years Ago	10	231
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	11	232
Taxable Sales by Category - Last Ten Fiscal Years	12	233
Debt Capacity		
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	13	234
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	14	235
Direct and Overlapping Governmental Activities Debt	15	236
Legal Debt Margin Information - Last Ten Fiscal Years	16	237
Pledged-Revenue Coverage - Last Ten Fiscal Years	17	238
Demographic and Economic Information		
Demographic and Economic Statistics - Last Ten Fiscal Years	18	239
Principal Employers - Current Year and Nine Years Ago	19	240
Operating Information		
Full-time Equivalent Employees by Function/Program - Last Ten Fiscal Years	20	241
Operating Indicators by Function/Program - Last Ten Fiscal Years	21	242
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	22	245

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INTRODUCTION



City of Austin

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

March 6, 2020

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 (the City) for the fiscal year ended September 30, 2019. 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 most populous city in the state (behind Houston, San Antonio, and Dallas) and the eleventh largest in the nation with a September 2019 population of 980,886 according to the City's estimates. Over the past ten years, Austin's population increased by an astonishing 26% or 202,326 residents. The City's demographer predicts that Austin will surpass the one million mark by mid-year. Recent data released by the U.S. Census Bureau identified the Austin-Round Rock MSA as the fastest growing in the country. Geographically, Austin consists of approximately 327 square miles. The current estimated median household income for Austin residents is \$65,950 according to Nielsen Site Reports and Austin's per capita personal income is estimated to be \$63,400, a 7.9% increase over 2018.

What Austin's near-million residents know is that Austin is a very special place to live with more parks, activities and non-profits to meet most any interest. Austin's special character in part derives from its diverse population as well as its unique position in the Texas hill country affording bountiful hiking trails, bike paths, and waterways for paddle boarding, rowing and even kayak basketball. Austin exists as a physical and cultural oasis where talented, entrepreneurial, hard-working people are drawn from all over the world to call this city home. The quality of life that Austin offers has become its biggest economic development engine, and the City's increasingly diverse demographics serves to support and enrich it further.

Additionally, Austinites have no shortage of educational opportunities at their disposal. Austin is a highly educated city, with 50% of adults twenty-five years or older holding a bachelor's or advanced degree, compared to 29% for Texas and 32% 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 2019 *U.S. News & World Report* Best Colleges survey, the university rose to 14th among public universities and its business programs were ranked 5th 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: the Austin Housing Finance Corporation, 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. Nacogdoches LLC, a business-type activities component unit, is blended with Austin Energy. Additionally, the financial statements include Austin-Bergstrom Landhost Enterprises, Inc., Austin Convention Enterprises, Inc., Austin Travis County Sobriety Center Local Government Corporation, and Waller Creek Local Government Corporation. These separate legal entities are reported as discrete component units on the government-wide statements.

THE ECONOMIC OUTLOOK AND MAJOR INITIATIVES

Local Economy

The Austin metropolitan area is consistently recognized among the most inventive, creative, wired, educated, fit, and loved cities in which to live and work. The overall economic activity of the Austin-Round Rock MSA continues to grow at a brisk 7.6% rate in 2019 per the Business Cycle Index by the Federal Reserve Bank of Dallas. Austin was ranked first in the 2018 Top Metro areas for Startup Ecosystems by *Business Facilities* and the Austin-Round Rock MSA maintained its third place in Milken Institute's *Best Performing Cities 2020* report. Business Facilities recognized that "Austin is home to a creative and innovative ecosystem that has many different layers."

Real gross domestic product (GDP) increased in Travis County by 6.0% compared to the U.S. average of 2.9%, per the Bureau of Economic Analysis based on 2018 data. For the coming year, an economist with Wells Fargo predicts that Austin's GDP will increase 5% in 2020, which is lower than previously predicted but still substantially higher than the national forecast of just below 2%. Rising housing costs and an increasingly tight labor market hampering job growth are main culprits in the anticipated decrease and are considered "natural byproducts of the region's prolonged boom." This strength can be explained in part by expansion of Austin's tech economy over the last decade. However, businesses in other industries have been relocating and/or expanding in the Austin area. Just a few examples include Charles Schwab, Allergan, BAE Systems, Insurance Zebra, GM, and PIMCO.

These companies are building their own offices and signing leases on new structures in all parts of the city from the Domain in north Austin, to downtown, as well as the east and south sides of town. In fact, the last year of the decade brought an additional 3.1 million square feet of office space. According to *Emerging Trends in Real Estate 2020*



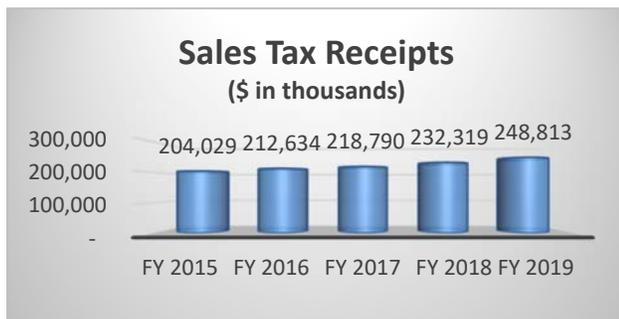
Downtown view from the Boardwalk at Lady Bird Lake

published by PricewaterhouseCoopers U.S. and the Urban Land Institute, Austin rose back to the top of the list for markets 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. Austin's strengths cited in the report include the deep pool of talent and ambitious commitment to business and real estate expansion while noting pressures for housing affordability and traffic. Nationally, the report cites general optimism that real estate prospects remain positive for 2020 and the new decade, while acknowledging a slight softening in housing starts and the yield curve inversion in the first half of 2019 as warning signs to monitor.

Texas Economy –The Texas economy remained robust in 2019 with a rise in energy prices seeing oil above the break-even price of \$50 per barrel. Texas was the fastest growing state for jobs in the nation in the third quarter, with large gains in nondurable goods manufacturing, retail trade, energy-related activities, and professional/scientific/technical services. This economic expansion helped the statewide unemployment rate fall to a record low of 3.4% in mid-2019 with total new nonfarm jobs reaching 342,800. The state added 7.4% more jobs in construction and 4.9% more in other services. Although unemployment levels have decreased to an all-time low, employee compensation has seemingly not responded as private hourly earnings declined year over year each month in 2019.

With a gross state product of almost \$1.9 trillion, the Texas economy is the second largest in the nation, behind California. The long-term outlook for the State remains positive with strong employment, income and economic forecasts rated among the top four in the nation. According to the Real Estate Center at Texas A&M University, the Dallas Fed's Texas Business-Cycle Index was up 4.6% in November which was a high for the year and reflective of the solid economic conditions in the state. The Texas Consumer Confidence Index dipped slightly over the year amid trade uncertainty. But Texas still remained #1 on Forbes' list for Growth Prospects and upped its rank to #2 for Best States for Business.

Employment – Austin area employment growth continued to be solid in 2019 with overall nonfarm jobs up 3.5%. In December 2019, Austin's unemployment rate reached a near 20-year low of 2.4%. It continued to run below the state and national unemployment rate of 3.5%. The highest job growth sector for the Austin area in 2019 was construction with an 8.2% increase. Due to the demand for skilled labor, wages across the metro area increased for a sixth straight year. Job growth in the Austin-Round Rock MSA was ranked second only to the Raleigh MSA when comparing activity in the top 51 metro areas per the U.S. Bureau of Labor statistics. The Austin area added just under 38,000 net new jobs from December 2018 through December 2019.

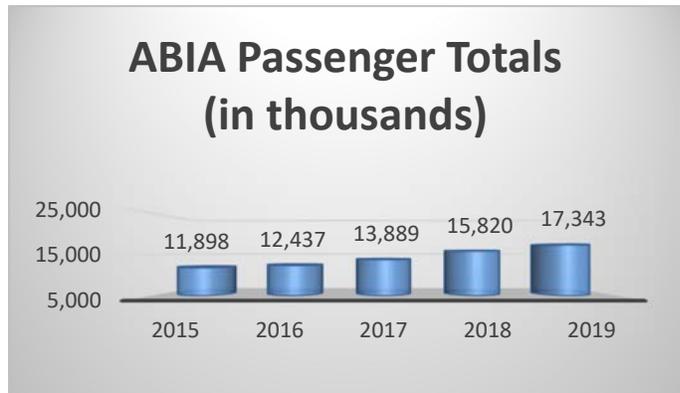


Sales Taxes – Consumer spending growth (as measured by sales tax collections) reflects Austin's population and economic growth. Sales tax collections in fiscal year 2019 experienced a 7.1% increase over fiscal year 2018. Since 2010, sales tax revenues have steadily increased and have grown by nearly 72% to \$248.8 million in 2019. Another tax collected by the State and remitted to the City that has increased significantly over 10 years is the mixed drink tax, increasing 128% since 2010 with total revenue of \$13.8 million in 2019.

Tourism - Austin continues to be a destination for both business and recreational activities. While Austin is known as the "Live Music Capital of the World" with over 250 live music venues, as well as multiple festivals each year, there are plenty of other events drawing visitors from all over including the F1 races at the Circuit of the Americas track and the Trail of Lights at Zilker Park. Soon sports fans will also be descending on the city to watch the newest major league soccer team in the U.S. in a 21,000-seat stadium that broke ground in September 2019. The Downtown Austin Alliance has estimated that Austin is approaching 30 million visitors a year with a substantial annual economic impact in the billions from visitor spending. Ratings such as *Travel and Leisure's* Best Cities put Austin 9th in the United States for tourism.

Austin Bergstrom International Airport (ABIA) set new annual passenger traffic records in each of the last ten years. From January-December 2019, passenger traffic reached 17.3 million, a 9.7% increase compared to 2018. With its live music, many local shopping and dining options, and vibrant art curation, it's no surprise that ABIA was rated among Fodor's Best Airports in the world in 2019, calling it "a delightful extension of the city."

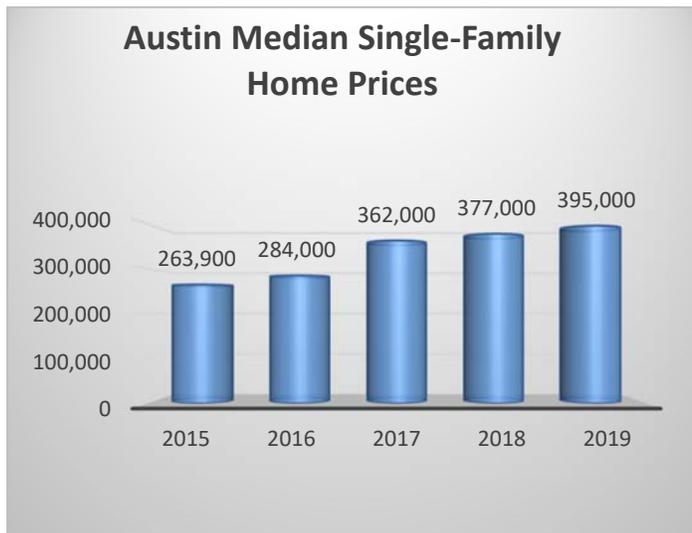
As a result of increased business and tourism travel, ABIA is seeing tremendous growth in international enplanements. As of the end of 2019, ABIA had eleven active non-stop international flights. Continued growth is driving the facility's 40-year master plan which calls for 32 additional gates in a new terminal by 2040. When fully expanded, ABIA should be able to handle 31 million passengers annually – approximately double its current capacity.



Hotel occupancy tax revenues surpassed \$111 million in fiscal year 2019 reflecting the pace of hotel development in downtown and central Austin as well as the increasing strength of Austin's appeal to travelers. Source Strategies, a hotel consulting firm, sees even more room in the market, with Austin-Round Rock MSA hotel revenues 13% higher year over year in the first quarter and average occupancy rates of 73%, above the state average of 65%. One hospitality executive says they love Austin because they consider it "a seven-day-a-week market." In addition to many associations coming into town for conventions, Austin has become a larger wedding destination, bringing in many more event planners. The average room rate is higher in Austin than in any other Texas metro area, further bolstering the argument for additional hotels.

Medical School – Since the opening of the new medical school in 2016, development activity is underway in the area – notably the redevelopment of the old Brackenridge Hospital into a 17-story office building. A new study by the Downtown Austin Alliance and Capital City Innovation finds that creation of an innovation district could, in the next 10 years, generate \$800 million in economic output, create 2,800 new permanent jobs, and foster more of the startup culture within the city's health sector. This study is beginning to generate discussion on how best to direct growth to this portion of downtown.

Army Futures Command (AFC)– In July 2018, Austin was selected as the home of the Army Futures Command – which will work with technology companies to modernize the Army's operations. The new command now employs 400 staff housed at the UT System building downtown and many more across 25 other states. They are collaborating with universities and technology start-ups to develop solutions that range from battery storage to battlefield technologies.



Real Estate - All sectors of the real estate market in Austin and surrounding areas are performing well. The Austin residential market remains strong with an increase in sales of 1.8% in 2019 over 2018. As of December 2019, the median price of an Austin home increased to an all-time high of \$395,000, a 5.3% increase from the previous year of \$377,000. In the Austin-Round Rock MSA, the total number of home sales in 2019 (33,084) came in 7% higher than 2018. These trends are expected to continue as inventory across the region decreases even as housing starts increase due to employment growth and low interest rates. Real estate website Zillow predicts that Austin will have the hottest housing market in 2020. There were more than 18,000 single-family home starts in 2019 and it is anticipated that 18,000-20,000 lots will need to be delivered to meet demand next year.

Housing in Downtown Austin continues to grow in popularity as the skyline continues to change. In 2019, there were three projects adding nearly 700 units with another four properties on tap to add nearly 1,100 units in 2020. Given the constraints on available property downtown it is no surprise that Austin's second downtown, the Domain in north Austin, now has a luxury residential tower under construction with 340 units planned.

The U.S. Housing and Urban Development department again 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, but all unit types have seen increases in 2019. Despite aggressive construction of new apartment units in the area in recent years, apartment rents increased on average 5% in 2019 compared to the national average of 3.2%. This outpacing of the national average is predicted to continue over the next five years as large employers continue to expand or relocate to the area.

Many of those apartment dwellers were commuting to new office buildings in 2019. Commercial real estate demand continues to grow in Austin and developers responded in kind adding nearly 3.1 million square feet of rentable space in 2019. The Austin metro area saw a slight increase to the overall commercial vacancy rate in 2019 (10.7%) in comparison to 2018 (9.6%). However, this has not impacted rental rates or new construction. City wide Class A office space rent averaged \$44.71 per square foot in 2019, up from \$42.25 per square foot in 2018, according to CBRE Research. At the end of 2019, there was another 6.7 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 has been particularly high as more companies, primarily in the technology sector, are expanding their presence in the downtown area. Rents for Class A space in this area averaged over \$58 per square foot at the end of 2019, up over 10% from the same time last year, despite an additional 500,000 square feet of additional capacity.

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 Growth of Million-Dollar Businesses <i>Lendingtree.com</i> July 2019	#1 Most Sustainable Large City <i>Green Builder Media</i> January 2020	#1 Best Places to Live 2019 <i>U.S. News & World Report</i> April 2019
#1 Best Cities for People who Love Live Music <i>move.org</i> September 2019	#1 Best Metros for Startups <i>ListwithClever.com</i> September 2019	#6 Affordable City for Tech Workers <i>realtor.com</i> September 2019
#6 World's Most Dynamic Global Real Estate Markets <i>JLL City Momentum Index 2020</i> January 2020	#2 Highest Percentage of Women-Owned Startups <i>Seek Business Capital</i> April 2019	#1 Expected Growth in Home Values <i>Zillow</i> January 2020

Major Initiatives

The City has a long-term vision of being the most livable community in the country. The City has a highly dedicated and exceptional workforce to support the achievement of this vision as well as City Council's policies and initiatives. City staff are committed to creating a work environment that fosters sustainable and equitable solutions, 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 public service to our community.

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 approved by City Council in June 2012, sets a context to guide decision-makers for the next 30 years. The plan adheres to six 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.

Strategic Plan

In the spring of 2018, the City Council adopted a strategic plan, Strategic Direction 2023, to provide a shared vision for the City for the next three to five years. Strategic Direction 2023 is inspired by Imagine Austin, which laid out a 30-year vision for our community. Six priority strategic outcomes were identified to help develop and guide City policies, initiatives, and budget development. The six 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 and Environment* - enjoying a sustainable environment and a healthy life, physically and mentally;
- ❖ *Culture and Lifelong Learning* - being enriched by Austin's unique civic, cultural, ethnic, and learning opportunities; and
- ❖ *Government that Works for All* - believing that city government works effectively and collaboratively for all of us - that is equitable, ethical and innovative.

As a result of the Strategic Direction 2023 effort, the annual budget underwent significant modification to present departmental expenditure plans and measures affecting these six 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. In August 2019 the Guadalupe and Lavaca corridor transit improvements were completed, the first 2016 Mobility Bond Corridor Construction project to complete construction.

The capital spending plan for 2020 includes \$312.3 million for mobility, the bulk of which is related to Aviation property improvements including a new parking structure, consolidated maintenance facility and information technology facility. Other capital mobility projects include continued corridor improvements, sidewalk repairs and increasing miles of new and improved bike lanes. Operational highlights for the fiscal year 2020 budget include enhanced staffing for design, engineering and project management to maximize existing transportation infrastructure for efficiency and effectiveness, continuation of Vision Zero and additional right-of-way staff to help reduce backlogs to ensure safety on roadways and sidewalks alike.

Economic Opportunity and Affordability – Affordability remains a prime consideration as the City makes decisions that impact citizens who live here and businesses that operate here. For 2020 there were no base rate increases for four of the City's six rate assessing enterprise departments. The overall anticipated annual dollar change for the two rate increases is less than \$25 per year, and one of the rate increases only affects residential customers using the large 64-gallon trash cart.

Ending homelessness continues to be the highest priority of the City Council. For fiscal year 2020 the budget includes \$64.4 million to address this crisis, an increase of \$18.7 million over the prior year. Funding is provided for a full range of services including housing displacement prevention, crisis mitigation while experiencing homelessness, re-empowerment by providing safe and sustainable housing solutions, and related support. In addition, \$42 million in capital spending on affordable housing is planned for 2020, with major project expenditures related to mixed-income, multi-family rental units and construction of new units for permanent supportive housing.

In the arena of economic opportunity, the Economic Development Department budgeted \$2.6 million for redevelopment initiatives on City-owned properties that will result in additional taxable property value as well as affordable rental units. The department also collaborates with several area partners on the Master Community Workforce Plan with a goal of training 10,000 residents in workforce development programs in order to move them out of poverty and into family-sustaining careers.

Safety – In addition to the traditional public safety departments, other major departments in the safety outcome include Austin Energy, Austin Water and Watershed Protection. The fiscal year 2020 budget includes funding for

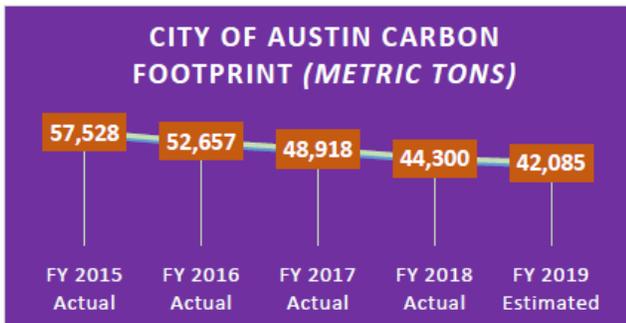
30 new police officers as called for in the department’s staffing plan. In addition, 32 fire fighter and 12 new paramedic positions are included to staff the new Moore’s Crossing Fire/EMS station. The Austin area has been ranked as the fifth highest for risk of wildfire in the western U.S. In response, the Austin Fire Department’s Wildfire Division expects to conduct 44 “Firewise” community presentations every year and treat over 200 acres annually for wildfire prevention.

Almost half of the planned capital spending for the Safety outcome is generated by Austin Water for water and wastewater upgrades and Watershed Protection for drainage, erosion and flood control, and water quality protection. In support of this strategic outcome, over \$33 million is included for flood risk reduction buyouts in the Onion Creek area. For fiscal year 2020, the Austin Fire Department’s planned capital spending is \$46 million which is focused on the planning and construction of two fire and EMS stations, one in Travis Country (southwest of downtown) and another in the Del Valle/Moore’s Crossing area (southeast of downtown).

Health and Environment – The Parks and Recreation Department’s fiscal year 2020 operating budget accounts for the largest portion of the Health and Environment outcome at \$85.6 million, with \$30 million of spending planned for capital improvement projects. Funding for fiscal year 2020 includes completion of the Alliance Children’s Garden in Town Lake Metro Park and Waterloo Park in the Waller Creek District, which includes a performing arts amphitheater. Completion of the park will move the city closer to its goal of maintaining 24 acres of parkland for every 1,000 citizens.



Model of Waterloo Park on Waller Creek



Part of the City’s goal toward being environmentally resilient and responsible is achieving carbon neutrality. The Office of Sustainability is one of many city departments that works to consistently help reduce the City’s carbon footprint. Also notable, Austin Energy’s Climate Protection Plan goal of reaching 800 megawatts (MW) of peak demand savings and demand response by 2020 are expected to be achieved as a result of a mix of energy efficiency products and services.

On the health side of this strategic priority, there are a number of initiatives spanning departments and disciplines. A total of \$1.2 million and seven positions were added to the Emergency Medical Services department for the fiscal year 2020 budget to increase support for first responder mental health service calls. An initial investment of \$2.5 million in the Dove Springs Neighborhood Health Services Center in fiscal year 2020 will fund preliminary and design phases of this long-awaited neighborhood facility that will provide preventative health services and other offerings to residents of the area.

Culture and Lifelong Learning - A majority of the fiscal year 2020 budget for this strategic outcome lies with the Austin Public Library for continued support of the Central Library as well as library branches across the City. In the Economic Development Department \$750 thousand is available to assist nonprofit arts and music groups with maintaining work and performance space as these entities face displacement or lease increases in the current real estate market. In addition, in August Council voted to dedicate \$3 million of Hotel Occupancy Tax revenue to live music initiatives. With respect to capital spending, the 2018 voter approved public improvement bonds included funding for improvements to the Emma S. Barrientos Mexican American Cultural Center, which will begin preliminary planning in fiscal year 2020. Funding is also included to begin renovation of the Faulk Central Library to meet minimal archival storage standards for the Austin History Center, which will begin using the space upon completion.

Government that Works for All – New operating initiatives for this strategic outcome include funding a study to develop fiscal sustainability plans for the Retirement Systems for Police Officers and civilian employees, and the creation of an Office of Cybersecurity within Communications and Technology Management to position the city to meet growing cybersecurity risk. On the CIP side of this strategic outcome, \$253.6 million has been allocated in Austin Energy's budget to include infrastructure maintenance and upgrades, a new headquarters at the Mueller development, a new downtown substation, and another district cooling plant. As City operations expand to serve a growing population, the city faces similar constraints in identifying office space for its staff. The new Planning and Development Center to be completed in fiscal year 2020 will consolidate several City departments into a one-stop shop for development-related functions.



New Planning and Development Center

In November 2018, Austin voters approved \$925 million in public improvement bonds which support five of the six strategic outcomes as follows:

- Economic Opportunity and Affordability - \$250 million for affordable housing;
- Mobility - \$160 million for transportation infrastructure;
- Safety - \$38 million for public safety projects;
- Health and Environment - \$184 million for flood mitigation, open space, and water quality protection, \$149 million for parks and recreation improvements, and \$16 million for health and human services facilities; and
- Culture and Lifelong Learning - \$128 million for libraries, museums, and cultural art facilities.

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 City.

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.

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.

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. In one of the largest transactions in its history, the City purchased the Nacogdoches Generating Facility for \$460 million. As the plant's only customer, the City considered the purchase as more of a refinancing, ultimately saving electric customers about \$275 million.

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 2019 CAFR, the City continues to meet its responsibility for sound financial management.

Budgetary Information

The fiscal year 2020 Budget was developed in a manner true to the City's unwavering commitment to openness, transparency, and public engagement. The budget development process integrates a collaborative approach to the City's finances with business planning, performance measurement, and resident input. By organizing around Council identified strategic outcomes, the document focuses more on the bigger picture and less on the details 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 is a budget built around the ideals of livability, affordability, equity, and inclusivity that dictate the operations of Austin's city government.

The structurally balanced fiscal year 2020 Approved Budget totals \$4.2 billion and includes \$1.1 billion for the General Fund, providing for the continuation of high-quality public safety, health, library, parks, water, energy, infrastructure, development, and other services for the citizens of Austin and visitors. Budgeted revenue comes from utility charges (47%), various taxes (including property) (27%), charges for services and goods (14%), and other revenue such as interest, fees, and transfers (12%). The fiscal year 2020 budget was approved with a \$0.0028 increase to the property tax rate, from 44.03 to 44.31 cents per \$100 of taxable value. This 2020 budget is the last under the 8% tax cap, which was reduced to 3.5% in the 2019 Texas legislative session.

The City's largest enterprise department, Austin Energy, is the seventh largest city-owned electric utility in the U.S. in terms of customers served. Austin Energy serves more than 485,000 customers within a service territory of approximately 437 square miles in the Greater Austin area. Its approved fiscal year 2020 budget 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 Austin Water, 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 2020 budget projects revenues and transfers in of \$625 million. There are no planned changes to water and wastewater rates for fiscal year 2020.

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 2018 CAFR. The City has received this award for 12 consecutive years. The certificate is valid for a period of one year only. City management believes that this 2019 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 2019 budget, the 2018 Certificate of Excellence in Performance Measurement from the ICMA, and the Achievement of Excellence in Procurement from the National Procurement Institute in 2019.

ACKNOWLEDGMENTS

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

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

Finally, we acknowledge the Mayor and Councilmembers 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.



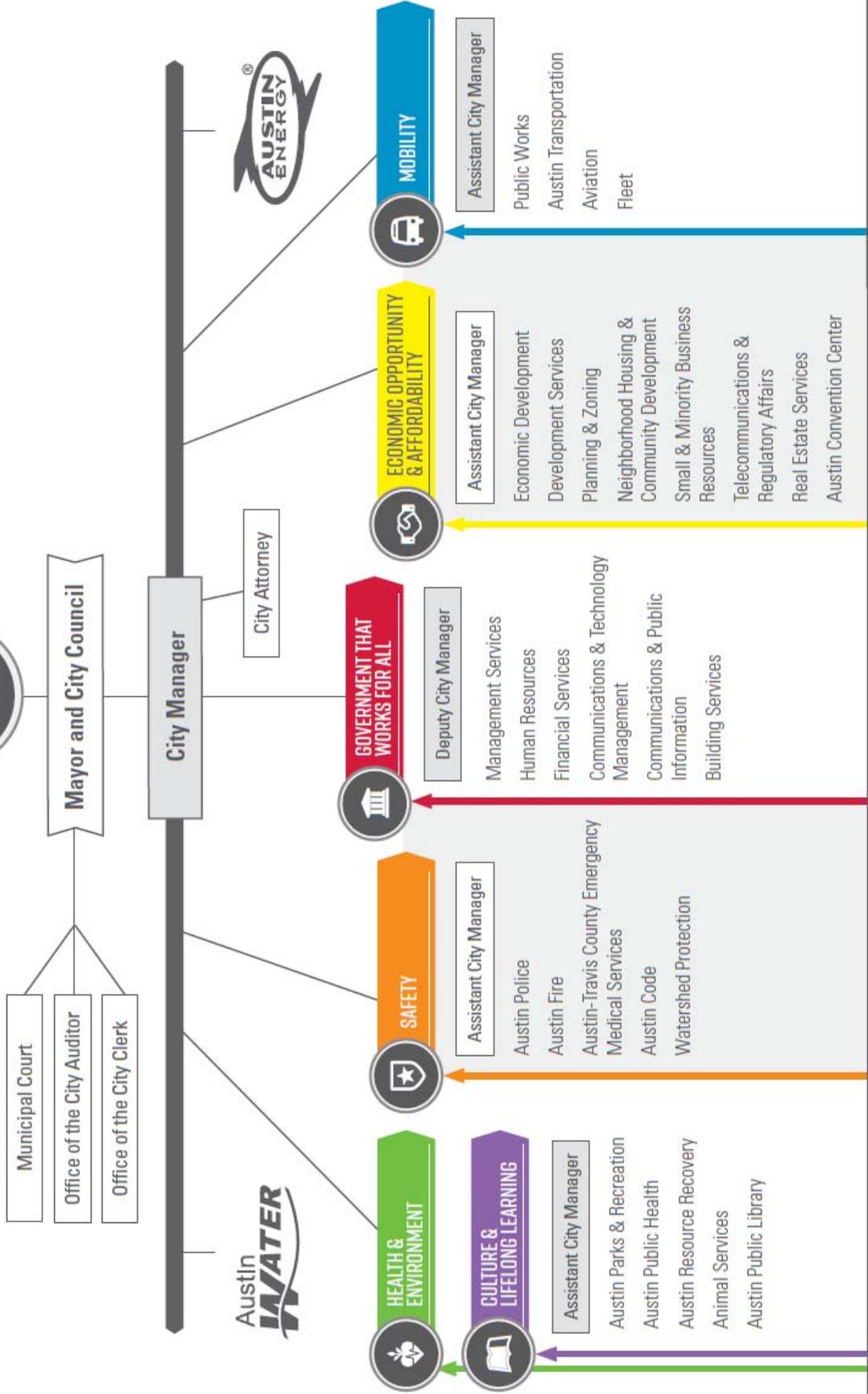
Elaine Hart, CPA
Chief Financial Officer



Diana Thomas, CPA
Controller



CITY OF AUSTIN RESIDENTS



CITY OF AUSTIN STRATEGIC DIRECTION

OUR VISION: Austin is a beacon of sustainability, social equity, and economic opportunity, where diversity and creativity are celebrated; where community needs and values are recognized; where leadership comes from its community members; and where the necessities of life are affordable and accessible to all.



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, 2018.

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 2019 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, 2018

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, 2019, 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 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental schedules and the introductory and statistical 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

March 6, 2020

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, 2019.

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. 83, No. 85 through No. 86, and No. 88 through No. 89.

FINANCIAL HIGHLIGHTS

Government-wide financial statements

The City's assets and deferred outflows exceeded its liabilities and deferred inflows in fiscal year 2019, resulting in \$3.8 billion of net position. Net position associated with governmental activities is a deficit of approximately \$276.9 million, while the net position associated with business-type activities is approximately \$4.0 billion, or 107.4% of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is \$4.2 billion, or 112.3% of total net position.

The City's unrestricted net position is a deficit of \$1.7 billion. Unrestricted net position for governmental activities is a deficit of \$2.3 billion, while unrestricted net position for business-type activities is approximately \$646.0 million, or 16.0% of total business-type net position. The deficit in governmental unrestricted net position is largely due to the net pension liability of \$2.1 billion and other postemployment benefits payable of \$1.4 billion.

During fiscal year 2019, total net position for the City of Austin increased \$45.3 million or 1.2%. Of this amount, governmental activities decreased \$23.3 million, or 9.2% from the previous year and business-type activities increased \$68.5 million, or 1.7%.

Total revenues for the City increased \$279.4 million; revenues for governmental activities increased \$69.4 million; revenues for business-type activities increased \$210.0 million. Total expenses for the City increased \$336.7 million; expenses for governmental activities increased \$84.0 million; expenses for business-type activities increased \$252.7 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 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

a -- Government-wide 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), Austin-Bergstrom International Airport (ABIA) Development Corporation, and Nacogdoches Power, LLC (NP). The operations of AHFC, URA, AIDC, MLGC, and ABIA are included within the governmental activities of the government-wide financial statements. The operations of NP are reported in the business-type activities of the government-wide financial statements. 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), Austin Travis County Sobriety Center Local Government Corporation (SCLGC), and Waller Creek Local Government Corporation (WCLGC). These entities are legally separate entities that do not meet the GASB reporting requirements for inclusion as part of the City's operations; therefore, data from these units are shown separately from data of the City. More information on these entities can be found in Note 1, including how to get a copy of separately audited financial statements for ACE, ABLE, and SCLGC. 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 2019.

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

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

b -- Fund financial statements, continued

The nonmajor enterprise funds and the internal service funds are combined into separately aggregated presentations in the proprietary fund financial statements. Individual fund data for the funds are provided in the form of combining statements following the Required Supplementary Information 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	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 thirteen 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			
	2019	2018	2019	2018	2019	2018
Current assets	\$ 821,260	738,058	1,824,305	1,775,185	2,645,565	2,513,243
Capital assets	3,095,777	3,028,885	8,820,371	8,157,304	11,916,148	11,186,189
Other noncurrent assets	161,930	172,731	2,695,494	2,263,075	2,857,424	2,435,806
Total assets	<u>4,078,967</u>	<u>3,939,674</u>	<u>13,340,170</u>	<u>12,195,564</u>	<u>17,419,137</u>	<u>16,135,238</u>
Deferred outflows of resources	<u>1,145,454</u>	<u>419,677</u>	<u>721,356</u>	<u>361,090</u>	<u>1,866,810</u>	<u>780,767</u>
Current liabilities	433,069	419,484	557,460	512,245	990,529	931,729
Noncurrent liabilities	4,883,819	4,106,759	7,952,238	6,737,881	12,836,057	10,844,640
Total liabilities	<u>5,316,888</u>	<u>4,526,243</u>	<u>8,509,698</u>	<u>7,250,126</u>	<u>13,826,586</u>	<u>11,776,369</u>
Deferred inflows of resources	<u>184,387</u>	<u>86,679</u>	<u>1,523,806</u>	<u>1,347,043</u>	<u>1,708,193</u>	<u>1,433,722</u>
Net position:						
Net investment in capital assets	1,844,751	1,735,481	2,366,162	2,375,219	4,210,913	4,110,700
Restricted	215,091	146,496	1,015,860	795,049	1,230,951	941,545
Unrestricted (deficit)	<u>(2,336,696)</u>	<u>(2,135,548)</u>	<u>646,000</u>	<u>789,217</u>	<u>(1,690,696)</u>	<u>(1,346,331)</u>
Total net position	<u>\$ (276,854)</u>	<u>(253,571)</u>	<u>4,028,022</u>	<u>3,959,485</u>	<u>3,751,168</u>	<u>3,705,914</u>

In the current fiscal year, total assets increased \$1.3 billion and deferred outflows of the City increased by \$1.1 billion. Total liabilities increased \$2.1 billion and deferred inflows increased by \$274.5 million. Governmental-type total assets increased by \$139.3 million and business-type increased by \$1.1 billion, while governmental-type liabilities increased by \$790.6 million and business-type increased by \$1.3 billion.

The most significant increase in governmental total assets resulted from an increase in capital assets of \$66.9 million as the City continues to build out projects from the 2012, 2016, and 2018 bond programs. Factors in the increase of governmental-type liabilities include an increase in the net pension liability of \$992.7 million due primarily to net investment losses in all three pension funds as well as the use of a lower single blended discount rate for the police retirement system offset by decreases in bonds payable of \$45.6 million and in other postemployment benefits payable of \$150.1 million.

The most significant factor in the increase of business-type total assets is related to growth in capital assets of \$663.1 million or 57.9% of the increase in business-type total assets, of which approximately \$394.4 million is related to the purchase of the Nacogdoches biomass powerplant and \$94.6 million is for the construction of a new Airport parking garage. The primary factors in the increase in business-type total liabilities of \$1.3 billion include an increase in bonds payable of \$913.2 million and an increase in net pension liability of \$253.5 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 \$3.8 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 \$4.2 billion, or 112.3% 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, \$1.2 billion 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 \$1.7 billion of unrestricted net position. Unrestricted net position decreased \$344.7 million in the current fiscal year.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for business-type activities. However, governmental activities as well as the government as a whole report a deficit of \$2.3 billion and \$1.7 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	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 131,879	173,400	2,667,766	2,543,788	2,799,645	2,717,188
Operating grants and contributions	66,439	42,489	785	876	67,224	43,365
Capital grants and contributions	78,826	107,865	164,700	122,396	243,526	230,261
General revenues:						
Property tax	671,614	616,745	--	--	671,614	616,745
Sales tax	248,813	232,319	--	--	248,813	232,319
Franchise fees and gross receipts tax	175,182	159,754	--	--	175,182	159,754
Interest and other	53,330	34,333	71,569	27,730	124,899	62,063
Special item - land sale	10,201	--	--	--	10,201	--
Total revenues	<u>1,436,284</u>	<u>1,366,905</u>	<u>2,904,820</u>	<u>2,694,790</u>	<u>4,341,104</u>	<u>4,061,695</u>
Program expenses:						
General government	201,747	200,125	--	--	201,747	200,125
Public safety	810,140	704,566	--	--	810,140	704,566
Transportation, planning, and sustainability	83,967	72,240	--	--	83,967	72,240
Public health	123,304	117,578	--	--	123,304	117,578
Public recreation and culture	175,567	173,333	--	--	175,567	173,333
Urban growth management	133,763	176,453	--	--	133,763	176,453
Interest on debt	64,986	65,147	--	--	64,986	65,147
Electric	--	--	1,397,591	1,268,610	1,397,591	1,268,610
Water	--	--	314,899	312,276	314,899	312,276
Wastewater	--	--	263,362	286,736	263,362	286,736
Airport	--	--	202,366	184,084	202,366	184,084
Convention	--	--	84,673	80,990	84,673	80,990
Environmental and health services	--	--	121,987	111,184	121,987	111,184
Public recreation	--	--	9,195	9,009	9,195	9,009
Urban growth management	--	--	308,303	196,817	308,303	196,817
Total expenses	<u>1,593,474</u>	<u>1,509,442</u>	<u>2,702,376</u>	<u>2,449,706</u>	<u>4,295,850</u>	<u>3,959,148</u>
Excess (deficiency) before transfers	(157,190)	(142,537)	202,444	245,084	45,254	102,547
Transfers	133,907	73,664	(133,907)	(73,664)	--	--
Increase (decrease) in net position	<u>(23,283)</u>	<u>(68,873)</u>	<u>68,537</u>	<u>171,420</u>	<u>45,254</u>	<u>102,547</u>
Beginning net position, as previously reported	(253,209)	455,353	3,959,485	3,976,814	3,706,276	4,432,167
Restatement adjustment	(362)	(639,689)	--	(188,749)	(362)	(828,438)
Beginning net position, as restated (see Note 18)	<u>(253,571)</u>	<u>(184,336)</u>	<u>3,959,485</u>	<u>3,788,065</u>	<u>3,705,914</u>	<u>3,603,729</u>
Ending net position	<u>\$ (276,854)</u>	<u>(253,209)</u>	<u>4,028,022</u>	<u>3,959,485</u>	<u>3,751,168</u>	<u>3,706,276</u>

Total net position of the City increased by \$45.3 million in the current fiscal year. Governmental net position decreased by \$23.3 million. The decrease is attributable to expenses exceeding revenues by \$157.2 million before transfers from other funds of \$133.9 million. Business-type net position increased by \$68.5 million due to revenues exceeding expenses by \$202.4 million before transfers to other funds of \$133.9 million.

In addition, the City restated beginning net position for governmental activities as a result of the implementation of GASB Statement No. 83, "Certain Asset Retirement Obligations." For more information, see Note 18.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

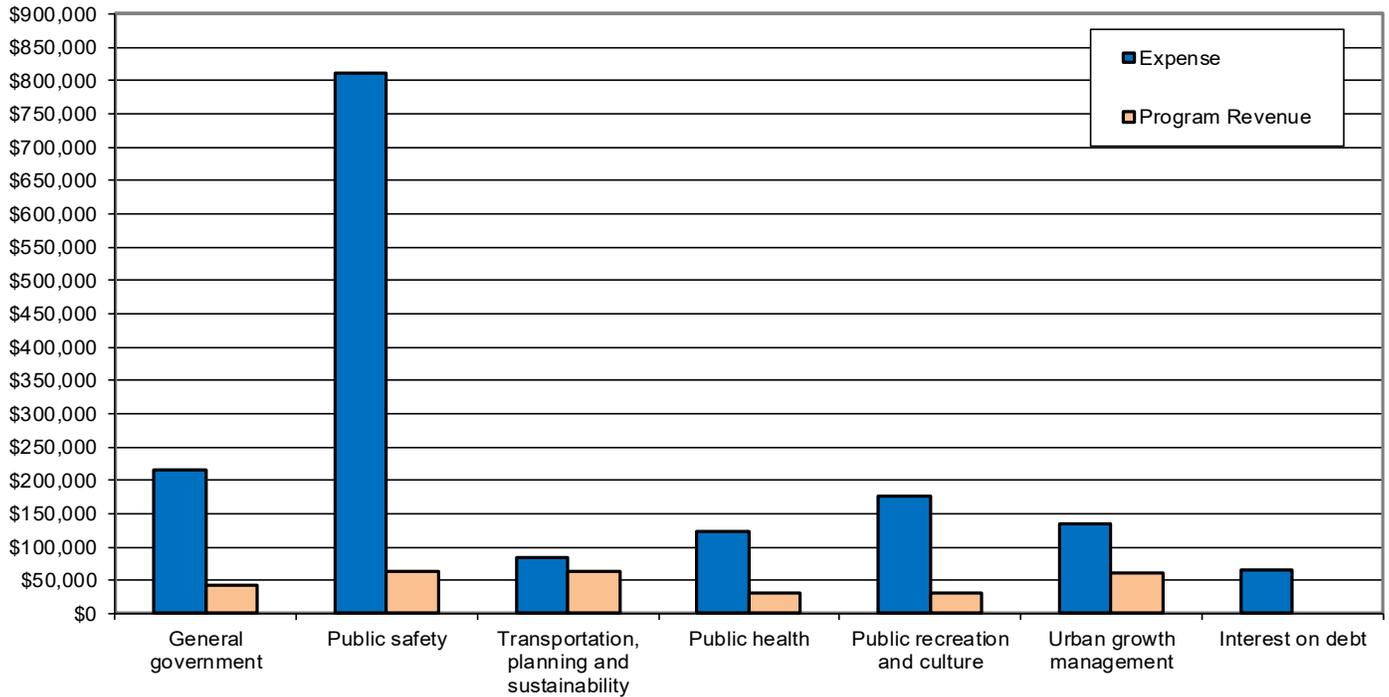
c -- Program revenues and expenses -- governmental activities

Governmental activities decreased the City's net position by \$23.3 million in fiscal year 2019, a 9.2% decrease of governmental net position from the previous year. Key factors for the change from fiscal year 2018 to 2019 are as follows:

- Public safety expenses increased by \$105.6 million due to pension expense. A new experience study resulted in updated assumptions causing the discount rate to go from a discount rate of 7.7% to a blended discount rate of 4.7%.
- Transportation, planning and sustainability program revenues decreased \$19.8 million due to a decrease in developer infrastructure contributions from 2018.
- Urban growth management expenses decreased \$42.7 million and revenue decreased \$13.5 million from the prior year as the result of Development Services moving from a General Fund department to an enterprise fund.

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)**

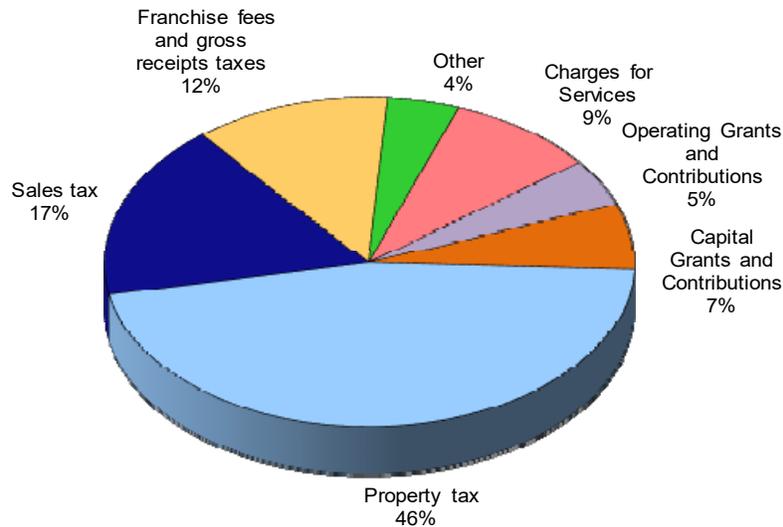


FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

c -- Program revenues and expenses -- governmental activities, 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 franchise fees and gross receipt taxes.

Government-wide Revenues by Source -- Governmental Activities



The City's property tax revenue increased by \$54.9 million from the previous year due to an increase in assessed property values of \$13.8 billion, while the property tax rate per \$100 of valuation decreased from 0.4448 to 0.4403. Sales tax collections and franchise fees for the year were \$16.5 million and \$15.4 million more than the prior year, respectively, as result of continued improvement in the Austin economy.

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

Business-type activities increased the City's net position by approximately \$68.5 million, accounting for a 1.7% increase in the City's total net position. Key factors include:

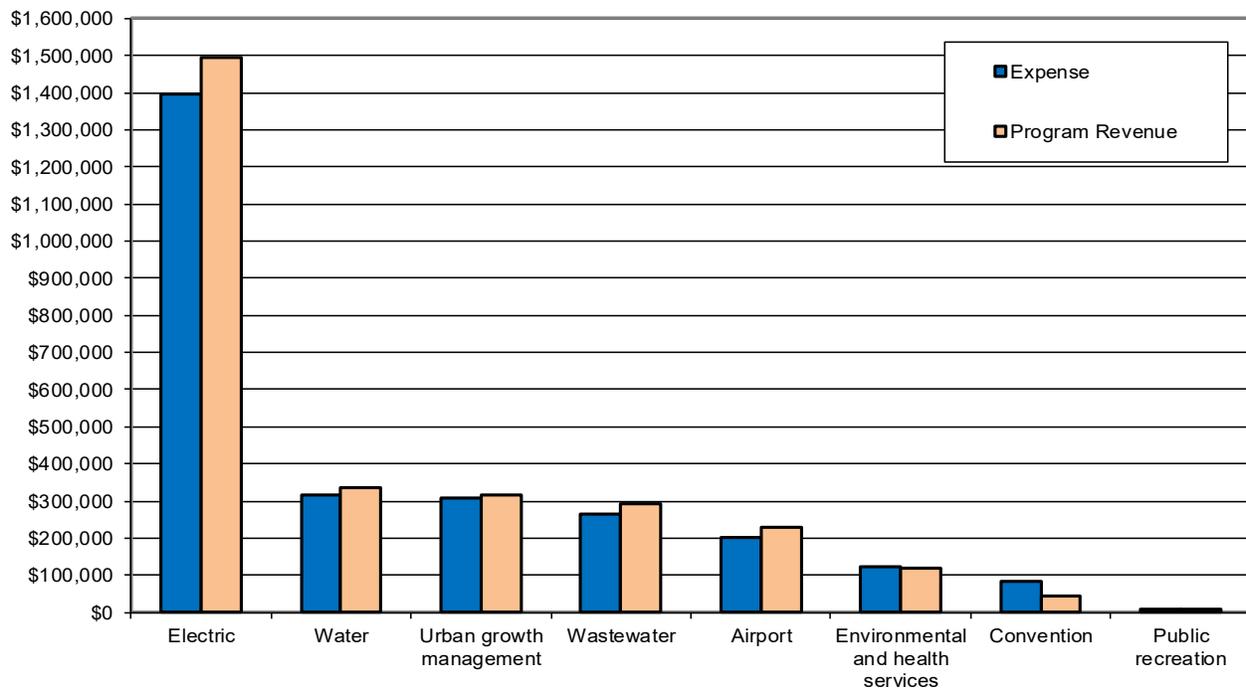
- Austin Energy net position increased \$9.9 million. Operating revenues increased primarily due to transmission revenue and interest income offset by an increase in power production expenses.
- Austin Water net position increased approximately \$7.9 million. Revenues decreased 3.2% largely due to the full year impact of rate reductions, that took effect in May 2018. In addition, in October 2018, heavy rainfall caused significant flooding; Austin Water experienced challenges maintaining water production capacity and issued a boil water notice during this flooding event. Expenses decreased by 3.5% due to a decline in expenses resulting from accounting for regulated operations and a reduction in debt service payments.
- Airport net position increased approximately \$39.0 million. Revenue increased 10.6% due to an increase in passenger traffic as a result of the opening of nine additional gates in the spring of 2019. Expenses increased 9.9%, primarily due to increased operating expenses allocated to the airline cost centers, which is in line with the fiscal year 2019 budgeted increase for cost per enplaned passenger.
- Convention Center net position increased approximately \$52.4 million. Revenues increased 29.2% due to an increase in the number of large events that occurred in fiscal year 2019. As a result of the increase in events, revenue from food concessions increased by 47%. Expenses increased 4.5%, due to an increase in catering expenses and the addition of 4 new positions.
- Environmental and health services is comprised of the Austin Resource Recovery nonmajor enterprise fund. Net position decreased approximately \$3.4 million. Revenues increase 2.2% due mainly to an increase in the Clean Community Fee and base fee for residential and commercial accounts. Expenses increased by 9.7% due mainly to an increase in operations and support services costs.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued
d -- Program revenues and expenses -- business-type activities, continued

- Urban growth management activities are comprised of the following nonmajor enterprise funds: Development Services, Drainage and Transportation. Net position for the urban growth management activities decreased by approximately \$36.4 million.
 - Development Services, previously reported in the General Fund, is reported as an enterprise fund for the first time in fiscal year 2019.
 - Drainage expenses increased 6.0% due to the addition of 28 new positions as well as an increase in support services and maintenance costs.
 - Transportation revenues increased 11.9%, primarily as a result of a 11.0% increase in the Transportation User Fee plus an increase in the total number of customers paying the fee. Expenditures increased 14.9% overall with the primary driver being the addition of 37 staff and associated costs including office leases.

As shown in the following chart, Austin Energy (electric), with expenses of \$1.4 billion is the City’s largest business-type activity, followed by water with \$314.9 million, urban growth management with \$308.3 million, wastewater with \$263.4 million, airport with \$202.4 million, environmental and health services with \$122.0 million, convention with \$84.7 million, and public recreation with \$9.2 million. For the fiscal year, operating revenues exceeded operating expenses for all business-type activities except convention, environmental and health services, and public recreation.

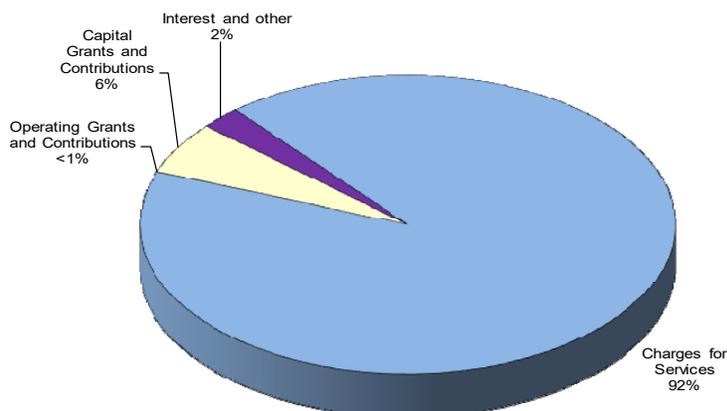
Government-wide Expenses and Program Revenues -- Business-type Activities
(Excludes General Revenues and Transfers)
(in thousands)



FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued
d -- Program revenues and expenses -- business-type activities, continued

For all business-type activities, charges for services provide the largest percentage of revenues, followed by capital grants and contributions, interest and other revenues, and operating grants and contributions.

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 \$613.2 million, an increase of \$33.7 million from the previous year. Approximately \$2.8 million is nonspendable, \$243.7 million is restricted, \$41.9 million is committed, \$184.2 million is assigned, and \$140.5 million is unassigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund reported nonspendable fund balance of \$1.8 million, assigned fund balance of \$53.4 million, and unassigned fund balance of \$180.4 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 17.8% of total General Fund expenditures of \$1.0 billion, and total fund balance represents 23.2% 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 \$105.5 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 \$22.7 million during the fiscal year. Significant differences from the previous year include:

- Property tax revenues increased \$32.0 million due to an increase in assessed property values.
- Sales tax revenues increased by \$16.5 million and interest and other increased by \$2.1 million.
- Licenses, permits and inspections decreased \$37.5 million due to Development Services moving from a General Fund department to an enterprise fund.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS

a -- Governmental funds, continued

General Fund expenditures increased \$7.1 million, due primarily to increases in the following areas: public safety (\$26.1 million), public recreation and culture (\$9.8 million), general government (\$8.9 million), and public health (\$2.4 million) along with a decrease in urban growth management (\$40.0 million) due to Development Services moving from a General Fund department to an enterprise fund. The increases in expenditures are primarily due to a 2.5% general wage increase for non-sworn employees, the addition of 107 FTE's, and increases in commodities 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 \$45.9 million before consolidation of the internal service funds activities.

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

OTHER INFORMATION

a -- General Fund budgetary highlights

During fiscal year 2019, an amendment to the revenue budget related to licenses, permits, and inspection fees of \$35,500 was established for the new Planning and Zoning Technology fund. Additionally, Parks and Recreation Department amended their budget in both revenue and expenditures for \$175,000 due to an increase in interment services at City cemeteries. The expenditure budget for homeless services was amended and reallocated from Austin Public Health (\$694,733) to Municipal Court (\$313,643) for one full time case manager, Emergency Medical Services (\$193,602) for one full time case sworn clinical specialist, and Austin Police Department (\$187,488). The expenditure budget for Pay for Success Fund in general city responsibilities was increased by \$1.2 million for a project delivering permanent supportive housing.

During the year, actual budget basis revenues were \$22.9 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 \$12.7 million more than budgeted due to continued improvement in the economy. Interest was \$4.1 million higher than budgeted due to a better than expected market and improvement in the economy. These increases were offset by \$1.5 million in lower than expected traffic fines.

Actual budget-basis expenditures were \$17.5 million less than budgeted. The Fire Department was over budget \$905 thousand. All other departments were under budget. Municipal Court was under budget \$2.6 million due to a planned facility move that was postponed to fiscal year 2020. Police was under budget by \$5.4 million due primarily to higher than expected overtime reimbursements for special events. Neighborhood Housing and Community Development was under budget \$1.9 million due to lower than budgeted contractual expenses as a result of projects not completed in fiscal year 2019. The total budget-basis fund balance at year-end was \$213.8 million.

OTHER INFORMATION, continued

b -- Capital assets

The City's capital assets for governmental and business-type activities as of September 30, 2019, total \$11.9 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 \$730.0 million, with an increase of 2.2% for governmental activities and an increase of 8.1% 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	
	2019	2018	2019	2018	2019	2018
	Building and improvements	\$ 658	657	2,140	1,978	2,798
Plant and equipment	79	75	2,424	2,377	2,503	2,452
Vehicles	56	54	82	74	138	128
Electric plant	--	--	2,507	2,124	2,507	2,124
Non-electric plant	--	--	167	147	167	147
Nuclear fuel	--	--	49	48	49	48
Water rights	--	--	80	81	80	81
Infrastructure	1,735	1,739	--	--	1,735	1,739
Land and improvements	401	383	744	694	1,145	1,077
Construction in progress	138	92	600	607	738	699
Plant held for future use	--	--	23	23	23	23
Other assets not depreciated	29	29	4	4	33	33
Total net capital assets	\$ 3,096	3,029	8,820	8,157	11,916	11,186

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

- Governmental capital assets increased \$66.9 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, and cycling facility improvements, and street reconstructions across the City. During the fiscal year, construction was completed on the joint use Onion Creek Fire & EMS Station.
- Business-type activities purchased, constructed or received capital asset contributions of \$663.1 million. Asset additions included completion of a six-level parking garage at the Airport, and acquisition of the Nacogdoches biomass power plant by Austin Energy. 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 \$7.3 billion in outstanding debt. The table below reflects the outstanding debt at September 30. Additional information can be found in Note 6.

Outstanding Debt General Obligation and Revenue Debt (in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds and other tax supported debt, net	\$ 1,411	1,457	90	102	1,501	1,559
Commercial paper notes, net	--	--	129	254	129	254
Revenue bonds, net	--	--	5,627	4,702	5,627	4,702
Capital lease obligations	10	10	1	1	11	11
Total	\$ 1,421	1,467	5,847	5,059	7,268	6,526

During fiscal year 2019, the City's total outstanding debt increased by \$742.1 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 decreased by \$45.6 million. The resulting net decrease is a combination of the issuance of \$100.9 million in new debt to be used primarily for facility improvements, streets and mobility, watershed home buyouts, parks and recreation, capital equipment, and affordable housing, offset by debt payments during the year.
- Outstanding debt for business-type functions increased by \$787.6 million. The City issued \$464.5 million of Electric Utility System separate lien revenue bonds to acquire the Nacogdoches biomass facility, \$274.6 million of Electric Utility System separate lien revenue refunding bonds to refund commercial paper, \$3.0 million in Water and Wastewater System revenue bonds, \$151.7 million in Airport System revenue refunding bonds to refund variable rate debt, and \$265.1 million in Airport System revenue bonds. These issuances were offset by debt payments during the year and the cash defeasance of \$43.1 million in Water and Wastewater separate lien revenue bonds.

During the year, the City's Austin Energy separate lien received a favorable rating upgrade from Fitch Ratings, Inc. from AA- to AA. 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, 2019 and 2018 were as follows:

Debt	Moody's Investors Service, Inc.		Standard & Poor's		Fitch Ratings, Inc.	
	2019	2018	2019	2018	2019	2018
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 - 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

OTHER INFORMATION, continued

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

Austin's diverse economic base and national reputation as a great place to work and live continues to attract new employers and talented individuals to the area. The Austin metro area continued to grow and is the fastest growing metro in the US for its size. Over the past 10 years, Austin's population has increased approximately by 26% or 202,326 residents, with projections of the City surpassing the one 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-Round Rock MSA was ranked second when comparing activity in the top 51 metro areas per the US Bureau of Labor Statistics. The Austin area gained 38,000 new jobs from December 2018 through December 2019. As of September 2019, the unemployment rate for the Austin-Round Rock MSA was a low 2.6%, while the state unemployment rate fell to 3.4%; the national unemployment rate was 3.5%.

Despite diversification of economic drivers over the past few years, the City continues to consolidate its position as a tech hub with the announcement of Apple's plans to add a second facility on a 133-acre tract with an estimated cost of \$1 billion. The tech giant initially expects to employ about 5,000 employees when the new facility opens and will eventually grow to 15,000 employees. This should attract new talent to the Austin metro area and enable overall growth of the Austin area economy. All sectors of the real estate market continue to perform well. In 2019 through October, the Austin metro residential market experienced a 5.6% increase in sales compared with the same period in 2018, with housing in the downtown area continuing to grow in popularity. In 2019, sales tax revenue increased 7.1% over the previous year, compared to a 6.2% increase in 2018 and 2.9% increase in 2017, an indicator that the local economy continues to exhibit steady growth. In 2020, 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.

On March 6, 2020, in response to the increasing concerns regarding the Novel Coronavirus or COVID-19 across the nation, City of Austin and Travis County officials declared a "local state of disaster" in advance of the City's spring festival season following recommendations from local health authorities. Local officials announced the declaration to proactively increase preventative measures and put in place mitigation plans for events in the region. This declaration prohibits events with 2,500 or more people unless organizers can assure Austin Public Health that the organizers have mitigations plans to help prevent the spread of infectious diseases in place. Although no positive test results have been identified in the Austin area, the City and its staff are focused on mitigation strategies to protect our community. It is too early to identify the full impact of this virus on the Austin economy or the city's financial position.

The City's fiscal year 2020 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 with the City's Quality of Life Commissions. The overriding goal of the 2020 budget process was to limit budget increases and increase efforts at improving operational efficiencies in anticipation of the newly adopted cap on local property tax revenue growth. 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 Austin Energy separate lien debt in 2019. 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 2019 for fiscal year 2020. The property tax rate for fiscal year 2020 is 44.31 cents per \$100 valuation, up from 44.03 cents per \$100 valuation in 2019. The tax rate consists of 33.37 cents for the General Fund and 10.94 cents for debt service. Each 1 cent of the 2019 (fiscal year 2020) property tax rate is equivalent to \$16,684,523 of tax levy, as compared to \$15,214,751 in the previous year. Austin Energy's fiscal year 2020 base rates remain unchanged from the prior fiscal year. In fiscal year 2018, Austin Water completed an 18-month cost-of-service process, which included significant stakeholder participation in the review of Austin Water's cost-of-service methodologies. As a result, City Council approved a 4.8% system-wide retail customer rate reduction mid-year in fiscal year 2018. Austin Water has maintained these rates throughout fiscal year 2019 and will continue to do so through the end of fiscal year 2020.

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, 2019
(In thousands)

City of Austin, Texas
Exhibit A-1

	Governmental Activities	Business-type Activities	Total (†)	Component Units
ASSETS				
Current assets:				
Cash	\$ 55	65	120	7,326
Pooled investments and cash	633,784	998,386	1,632,170	--
Pooled investments and cash - restricted	--	124,703	124,703	--
Total pooled investments and cash	633,784	1,123,089	1,756,873	--
Investments - restricted	31,224	184,671	215,895	--
Cash held by trustee	--	2,441	2,441	--
Cash held by trustee - restricted	9,564	1,745	11,309	--
Working capital advances	--	2,398	2,398	--
Property taxes receivable, net of allowance \$6,326	12,410	--	12,410	--
Accounts receivable, net of allowance \$355,595	106,958	248,334	355,292	2,709
Interest receivable	2,248	3,911	6,159	--
Receivables from other governments	19,020	59	19,079	--
Receivables from other governments - restricted	--	16,060	16,060	--
Notes receivable, net of allowance \$25,563	38,501	--	38,501	--
Internal balances	(85,390)	85,390	--	--
Inventories, at cost	2,402	86,742	89,144	192
Real property held for resale	5,479	--	5,479	--
Regulatory assets, net of accumulated amortization	--	24,742	24,742	--
Prepaid expenses	6,049	18,444	24,493	902
Other receivables - restricted	--	4,959	4,959	--
Other assets	38,956	21,255	60,211	--
Total current assets	821,260	1,824,305	2,645,565	11,129
Noncurrent assets:				
Cash - restricted	--	4,875	4,875	3
Pooled investments and cash - restricted	157,339	852,940	1,010,279	--
Investments - restricted	--	411,762	411,762	67,029
Investments held by trustee - restricted	2,420	238,260	240,680	--
Cash held by trustee - restricted	921	--	921	19,804
Interest receivable - restricted	--	2,284	2,284	--
Depreciable capital assets, net	2,528,338	7,448,725	9,977,063	186,699
Nondepreciable capital assets	567,439	1,371,646	1,939,085	10,333
Derivative instruments - energy risk management	--	206	206	--
Regulatory assets, net of accumulated amortization	--	1,119,901	1,119,901	--
Other receivables - restricted	--	7,836	7,836	--
Other long-term assets	1,250	17,890	19,140	336
Other long-term assets - restricted	--	39,540	39,540	--
Total noncurrent assets	3,257,707	11,515,865	14,773,572	284,204
Total assets	4,078,967	13,340,170	17,419,137	295,333
DEFERRED OUTFLOWS OF RESOURCES				
	\$ 1,145,454	721,356	1,866,810	14,605

(†) 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, 2019
(In thousands)

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

	Governmental Activities	Business-type Activities	Total (†)	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 54,050	107,034	161,084	6,290
Accounts and retainage payable from restricted assets	15,715	52,461	68,176	--
Accrued payroll	34,321	22,476	56,797	259
Accrued compensated absences	63,171	29,466	92,637	--
Claims payable	23,300	281	23,581	--
Due to other governments	--	5,890	5,890	--
Accrued interest payable from restricted assets	8	83,001	83,009	5,359
Interest payable on other debt	5,484	662	6,146	--
Bonds payable	64,573	12,498	77,071	8,740
Bonds payable from restricted assets	31,731	166,505	198,236	--
Other postemployment benefits liability	34,503	23,574	58,077	--
Capital lease obligations payable	4,158	60	4,218	--
Customer and escrow deposits payable from restricted assets	89,857	44,583	134,440	--
Accrued landfill closure and postclosure costs	--	2,363	2,363	--
Decommissioning liability payable from restricted assets	--	1,460	1,460	--
Other liabilities	12,198	4,230	16,428	5,414
Other liabilities payable from restricted assets	--	916	916	--
Total current liabilities	433,069	557,460	990,529	26,062
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	73,226	706	73,932	--
Claims payable	23,940	261	24,201	--
Commercial paper notes payable, net of discount	--	129,300	129,300	--
Bonds payable, net of discount and inclusive of premium	1,315,075	5,537,879	6,852,954	255,544
Net pension liability	2,060,161	838,511	2,898,672	--
Other postemployment benefits liability	1,388,629	948,741	2,337,370	--
Capital lease obligations payable	5,722	818	6,540	--
Accrued landfill closure and postclosure costs	--	9,899	9,899	--
Asset retirement obligations	518	414,390	414,908	--
Derivative instruments - energy risk management	--	3,511	3,511	--
Derivative instruments - interest rate swaps	--	25,671	25,671	--
Other liabilities	16,548	40,242	56,790	--
Other liabilities payable from restricted assets	--	2,309	2,309	--
Total noncurrent liabilities	4,883,819	7,952,238	12,836,057	255,544
Total liabilities	5,316,888	8,509,698	13,826,586	281,606
DEFERRED INFLOWS OF RESOURCES				
	184,387	1,523,806	1,708,193	1,051
NET POSITION				
Net investment in capital assets	1,844,751	2,366,162	4,210,913	(6,638)
Restricted for:				
Bond reserve	--	55,217	55,217	--
Capital projects	70,844	373,002	443,846	--
Debt service	26,247	104,630	130,877	34,927
Housing activities	44,418	--	44,418	--
Operating reserve	--	71,929	71,929	--
Passenger facility charges	--	116,656	116,656	--
Perpetual care:				
Expendable	1	--	1	--
Nonexpendable	1,070	--	1,070	--
Renewal and replacement	--	80,365	80,365	--
Strategic reserve	--	214,061	214,061	--
Tourism	26,681	--	26,681	--
Other purposes	45,830	--	45,830	--
Unrestricted (deficit)	(2,336,696)	646,000	(1,690,696)	(1,008)
Total net position	\$ (276,854)	4,028,022	3,751,168	27,281

(†) 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, 2019
(In thousands)

City of Austin, Texas
Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental activities								
General government	\$ 201,747	26,806	319	1,389	(173,233)	--	(173,233)	--
Public safety	810,140	57,620	6,615	--	(745,905)	--	(745,905)	--
Transportation, planning, and sustainability	83,967	1,490	48	61,722	(20,707)	--	(20,707)	--
Public health	123,304	8,239	21,806	--	(93,259)	--	(93,259)	--
Public recreation and culture	175,567	11,558	3,098	15,715	(145,196)	--	(145,196)	--
Urban growth management	133,763	26,166	34,553	--	(73,044)	--	(73,044)	--
Interest on debt	64,986	--	--	--	(64,986)	--	(64,986)	--
Total governmental activities	<u>1,593,474</u>	<u>131,879</u>	<u>66,439</u>	<u>78,826</u>	<u>(1,316,330)</u>	<u>--</u>	<u>(1,316,330)</u>	<u>--</u>
Business-type activities								
Electric	1,397,591	1,447,300	4	45,577	--	95,290	95,290	--
Water	314,899	287,454	--	49,898	--	22,453	22,453	--
Wastewater	263,362	264,116	--	26,767	--	27,521	27,521	--
Airport	202,366	213,458	624	13,453	--	25,169	25,169	--
Convention	84,673	43,600	--	--	--	(41,073)	(41,073)	--
Environmental and health services	121,987	117,998	119	214	--	(3,656)	(3,656)	--
Public recreation	9,195	7,060	--	226	--	(1,909)	(1,909)	--
Urban growth management	308,303	286,780	38	28,565	--	7,080	7,080	--
Total business-type activities	<u>2,702,376</u>	<u>2,667,766</u>	<u>785</u>	<u>164,700</u>	<u>--</u>	<u>130,875</u>	<u>130,875</u>	<u>--</u>
Total primary government	<u>\$ 4,295,850</u>	<u>2,799,645</u>	<u>67,224</u>	<u>243,526</u>	<u>(1,316,330)</u>	<u>130,875</u>	<u>(1,185,455)</u>	<u>--</u>
Component Units	<u>86,183</u>	<u>98,285</u>	<u>499</u>	<u>1,623</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14,224</u>
General revenues:								
Property tax					671,614	--	671,614	--
Sales tax					248,813	--	248,813	--
Franchise fees and gross receipts tax					175,182	--	175,182	--
Interest and other					53,330	71,569	124,899	1,161
Transfers-internal activities					133,907	(133,907)	--	--
Total general revenues and transfers					<u>1,282,846</u>	<u>(62,338)</u>	<u>1,220,508</u>	<u>1,161</u>
Net change in net position, before special and extraordinary items					<u>(33,484)</u>	<u>68,537</u>	<u>35,053</u>	<u>15,385</u>
Special item - land sale					10,201	--	10,201	--
Extraordinary item - mold remediation					--	--	--	(1,593)
Net change in net position					<u>(23,283)</u>	<u>68,537</u>	<u>45,254</u>	<u>13,792</u>
Beginning net position, as restated (see Note 18)					<u>(253,571)</u>	<u>3,959,485</u>	<u>3,705,914</u>	<u>13,489</u>
Ending net position					<u>\$ (276,854)</u>	<u>4,028,022</u>	<u>3,751,168</u>	<u>27,281</u>

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



**Governmental Funds
Balance Sheet
September 30, 2019
(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	\$ 44	--	44
Pooled investments and cash	224,126	312,997	537,123
Investments - restricted	--	31,224	31,224
Cash held by trustee - restricted	--	7,904	7,904
Investments held by trustee - restricted	--	2,420	2,420
Property taxes receivable, net of allowance	8,521	3,889	12,410
Accounts receivable, net of allowance	67,666	36,978	104,644
Interest receivable	1,078	920	1,998
Receivables from other governments	39	17,781	17,820
Notes receivable, net of allowance	157	38,344	38,501
Due from other funds	--	43,683	43,683
Advances to other funds	--	28,765	28,765
Inventories, at cost	11	--	11
Real property held for resale	--	5,479	5,479
Prepaid items	1,760	--	1,760
Other assets	--	38,956	38,956
Total assets	<u>303,402</u>	<u>569,340</u>	<u>872,742</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	22,366	17,789	40,155
Accrued payroll	26,543	708	27,251
Accrued compensated absences	550	--	550
Due to other funds	221	43,683	43,904
Unearned revenue	--	3,022	3,022
Advances from other funds	221	28,640	28,861
Deposits and other liabilities	4,333	91,013	95,346
Total liabilities	<u>54,234</u>	<u>184,855</u>	<u>239,089</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,532</u>	<u>6,959</u>	<u>20,491</u>
FUND BALANCES			
Nonspendable:			
Inventories and prepaid items	1,771	--	1,771
Permanent funds	--	1,070	1,070
Restricted	--	243,746	243,746
Committed	--	41,896	41,896
Assigned	53,441	130,735	184,176
Unassigned	180,424	(39,921)	140,503
Total fund balances	<u>235,636</u>	<u>377,526</u>	<u>613,162</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 303,402</u>	<u>569,340</u>	<u>872,742</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, 2019
(In thousands)

City of Austin, Texas
Exhibit B-1.1

Total fund balances - Governmental funds \$ 613,162

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	4,994,914	
Less: accumulated depreciation	<u>(1,974,946)</u>	3,019,968

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

Other assets		1,250
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Deferred outflows represent the consumption of net position that are applicable to a future reporting period.

Pensions	955,854	
Other postemployment benefits	173,238	
Loss on debt refundings	<u>16,140</u>	1,145,232

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

Compensated absences	(126,089)	
Interest payable	(5,484)	
Bonds and other tax supported debt payable, net	(1,409,120)	
Net pension liability	(2,060,161)	
Other postemployment benefits	(1,423,132)	
Other liabilities	<u>(16,595)</u>	(5,040,581)

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

Unavailable revenue		
Property taxes and interest	12,473	
Accounts and other taxes receivable	8,018	
Pensions	(24,454)	
Other postemployment benefits	(159,047)	
Deferred gain on service concession agreement	<u>(886)</u>	(163,896)

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.

148,011

Total net position - Governmental activities		<u><u>\$ (276,854)</u></u>
--	--	----------------------------

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

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit B-2

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 489,745	181,493	671,238
Sales taxes	248,813	--	248,813
Franchise fees and other taxes	49,076	126,106	175,182
Fines, forfeitures and penalties	8,694	5,714	14,408
Licenses, permits and inspections	16,572	76	16,648
Charges for services/goods	63,284	22,097	85,381
Intergovernmental	--	73,829	73,829
Property owners' participation and contributions	--	21,525	21,525
Interest and other	23,507	22,341	45,848
Total revenues	<u>899,691</u>	<u>453,181</u>	<u>1,352,872</u>
EXPENDITURES			
Current:			
General government	144,050	1,537	145,587
Public safety	610,833	8,475	619,308
Transportation, planning, and sustainability	--	5,734	5,734
Public health	86,812	21,823	108,635
Public recreation and culture	129,904	3,518	133,422
Urban growth management	42,259	65,916	108,175
Debt service:			
Principal	--	128,163	128,163
Interest	--	64,570	64,570
Fees and commissions	--	31	31
Capital outlay-capital project funds	--	202,954	202,954
Total expenditures	<u>1,013,858</u>	<u>502,721</u>	<u>1,516,579</u>
Deficiency of revenues under expenditures	(114,167)	(49,540)	(163,707)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	--	96,341	96,341
Bond premiums	--	6,200	6,200
Transfers in	172,798	99,556	272,354
Transfers out	(46,130)	(141,552)	(187,682)
Total other financing sources (uses)	<u>126,668</u>	<u>60,545</u>	<u>187,213</u>
Net change in fund balances, before special items	12,501	11,005	23,506
Special item - land sale (See Note 1)	10,201	--	10,201
Net change in fund balances	22,702	11,005	33,707
Fund balances at beginning of year	212,934	366,521	579,455
Fund balances at end of year	<u>\$ 235,636</u>	<u>377,526</u>	<u>613,162</u>

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, 2019
(In thousands)

City of Austin, Texas
Exhibit B-2.1

Net change in fund balances - Governmental funds \$ 33,707

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	202,954	
Capital outlay-other funds	3,757	
Depreciation expense	(130,790)	
Loss on disposal of capital assets	(1,159)	
Capital asset transfers to business-type activities, net	(34,507)	
Other asset adjustments	(28,784)	
	<u>11,471</u>	11,471

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

Property taxes	376	
Charges for services	(2,266)	
Interest and other	4,500	
Transfer of long-term assets and liabilities to the newly created Development Services enterprise fund	92,665	
Capital asset contributions	53,033	
	<u>148,308</u>	148,308

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	(96,341)	
Principal repayment on long-term debt	128,163	
Bond premiums	(6,200)	
	<u>25,622</u>	25,622

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	9,874	
Pensions	(212,916)	
Other postemployment benefits	(91,186)	
Interest and other	20,368	
	<u>(273,860)</u>	(273,860)

A portion of the net revenue (expense) of the internal service funds is reported with the governmental activities. 31,469

Change in net position - Governmental activities \$ (23,283)

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

Proprietary Funds
Statement of Net Position
September 30, 2019
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water (1)	Airport
ASSETS			
Current assets:			
Cash	\$ 22	5	3
Pooled investments and cash	406,804	185,519	18,851
Pooled investments and cash - restricted	24,957	58,254	20,141
Total pooled investments and cash	431,761	243,773	38,992
Investments - restricted	79,210	63,891	29,722
Cash held by trustee	--	2,441	--
Cash held by trustee - restricted	--	1,745	--
Working capital advances	2,398	--	--
Accounts receivable, net of allowance	148,580	73,031	3,314
Interest receivable	2,018	639	192
Receivables from other governments	--	59	--
Receivables from other governments - restricted	4,897	--	10,547
Due from other funds	392	301	--
Inventories, at cost	79,734	1,861	2,014
Regulatory assets, net of accumulated amortization	20,924	3,818	--
Prepaid items	15,654	752	747
Other receivables - restricted	--	--	4,959
Other assets	20,225	--	1,030
Total current assets	805,815	392,316	91,520
Noncurrent assets:			
Cash - restricted	4,875	--	--
Pooled investments and cash - restricted	58,899	83,679	584,947
Advances to other funds	11,263	1,503	--
Advances to other funds - restricted	--	--	13
Investments - restricted	288,205	52,214	61,080
Investments held by trustee - restricted	231,893	6,367	--
Interest receivable - restricted	488	107	1,443
Depreciable capital assets, net	2,731,824	3,233,624	1,127,233
Nondepreciable capital assets	272,241	478,569	240,515
Derivative instruments - energy risk management	206	--	--
Regulatory assets, net of accumulated amortization	771,169	348,732	--
Other receivables - restricted	7,836	--	--
Other long-term assets	660	--	17,230
Other long-term assets - restricted	39,540	--	--
Total noncurrent assets	4,419,099	4,204,795	2,032,461
Total assets	5,224,914	4,597,111	2,123,981
DEFERRED OUTFLOWS OF RESOURCES	\$ 385,595	129,683	52,160

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

(1) Previously reported as Austin Water Utility.

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
ASSETS			
Current assets:			
Cash	35	65	11
Pooled investments and cash	387,212	998,386	248,593
Pooled investments and cash - restricted	21,351	124,703	--
Total pooled investments and cash	408,563	1,123,089	248,593
Investments - restricted	11,848	184,671	--
Cash held by trustee	--	2,441	--
Cash held by trustee - restricted	--	1,745	2,581
Working capital advances	--	2,398	--
Accounts receivable, net of allowance	23,409	248,334	2,314
Interest receivable	1,062	3,911	250
Receivables from other governments	--	59	1,200
Receivables from other governments - restricted	616	16,060	--
Due from other funds	957	1,650	--
Inventories, at cost	3,133	86,742	2,391
Regulatory assets, net of accumulated amortization	--	24,742	--
Prepaid expenses	1,291	18,444	4,289
Other receivables - restricted	--	4,959	--
Other assets	--	21,255	--
Total current assets	450,914	1,740,565	261,629
Noncurrent assets:			
Cash - restricted	--	4,875	--
Pooled investments and cash - restricted	125,415	852,940	5,407
Advances to other funds	79	12,845	19
Advances to other funds - restricted	146	159	--
Investments - restricted	10,263	411,762	--
Investments held by trustee - restricted	--	238,260	--
Interest receivable - restricted	246	2,284	--
Depreciable capital assets, net	356,044	7,448,725	75,244
Nondepreciable capital assets	380,321	1,371,646	565
Derivative instruments - energy risk management	--	206	--
Regulatory assets, net of accumulated amortization	--	1,119,901	--
Other receivables - restricted	--	7,836	--
Other long-term assets	--	17,890	--
Other long-term assets - restricted	--	39,540	--
Total noncurrent assets	872,514	11,528,869	81,235
Total assets	1,323,428	13,269,434	342,864
DEFERRED OUTFLOWS OF RESOURCES	153,918	721,356	222

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2019
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water (1)	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 87,429	5,746	4,411
Accounts and retainage payable from restricted assets	14,124	15,391	16,494
Accrued payroll	8,379	4,174	1,712
Accrued compensated absences	11,437	5,466	2,418
Claims payable	230	51	--
Due to other funds	--	--	171
Due to other governments	5,884	--	6
Accrued interest payable from restricted assets	25,450	40,455	16,438
Interest payable on other debt	63	98	--
Bonds payable	--	--	10
Bonds payable from restricted assets	78,398	58,907	15,235
Other postemployment benefits liability	7,132	4,827	2,160
Capital lease obligations payable	60	--	--
Customer and escrow deposits payable from restricted assets	23,497	10,453	1,180
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	1,460	--	--
Other liabilities	874	1,752	1,604
Other liabilities payable from restricted assets	502	--	--
Total current liabilities	264,919	147,320	61,839
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	--	10	--
Claims payable	2	259	--
Advances from other funds	--	432	171
Advances from other funds payable from restricted assets	--	10,821	--
Commercial paper notes payable, net of discount	26,630	102,670	--
Bonds payable, net of discount and inclusive of premium	1,910,342	2,309,368	1,141,660
Net pension liability	318,779	166,571	60,057
Other postemployment benefits liability	287,029	194,236	86,950
Capital lease obligations payable	818	--	--
Accrued landfill closure and postclosure costs	--	--	--
Asset retirement obligations	413,108	1,282	--
Derivative instruments - energy risk management	3,511	--	--
Derivative instruments - interest rate swaps	--	16,861	--
Other liabilities	40,242	--	--
Other liabilities payable from restricted assets	2,309	--	--
Total noncurrent liabilities	3,002,770	2,802,510	1,288,838
Total liabilities	3,267,689	2,949,830	1,350,677
DEFERRED INFLOWS OF RESOURCES	\$ 434,268	862,407	186,024

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

(1) Previously reported as Austin Water Utility.

(Continued)

	Business-Type Activities		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
LIABILITIES			
Current liabilities:			
Accounts payable	9,448	107,034	29,610
Accounts and retainage payable from restricted assets	6,452	52,461	--
Accrued payroll	8,211	22,476	7,070
Accrued compensated absences	10,145	29,466	9,634
Claims payable	--	281	23,300
Due to other funds	1,258	1,429	--
Due to other governments	--	5,890	--
Accrued interest payable from restricted assets	658	83,001	8
Interest payable on other debt	501	662	--
Bonds payable	12,488	12,498	386
Bonds payable from restricted assets	13,965	166,505	--
Other postemployment benefits liability	9,455	23,574	--
Capital lease obligations payable	--	60	4,158
Customer and escrow deposits payable from restricted assets	9,453	44,583	633
Accrued landfill closure and postclosure costs	2,363	2,363	--
Decommissioning liability payable from restricted assets	--	1,460	--
Other liabilities	--	4,230	3,007
Other liabilities payable from restricted assets	414	916	--
Total current liabilities	84,811	558,889	77,806
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	696	706	124
Claims payable	--	261	23,940
Advances from other funds	1,503	2,106	--
Advances from other funds payable from restricted assets	--	10,821	--
Commercial paper notes payable, net of discount	--	129,300	--
Bonds payable, net of discount and inclusive of premium	176,509	5,537,879	1,873
Net pension liability	293,104	838,511	--
Other postemployment benefits liability	380,526	948,741	--
Capital lease obligations payable	--	818	5,722
Accrued landfill closure and postclosure costs	9,899	9,899	--
Asset retirement obligations	--	414,390	518
Derivative instruments - energy risk management	--	3,511	--
Derivative instruments - interest rate swaps	8,810	25,671	--
Other liabilities	--	40,242	--
Other liabilities payable from restricted assets	--	2,309	--
Total noncurrent liabilities	871,047	7,965,165	32,177
Total liabilities	955,858	8,524,054	109,983
DEFERRED INFLOWS OF RESOURCES	41,107	1,523,806	--

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

(Continued)

**Proprietary Funds
Statement of Net Position
September 30, 2019
(In thousands)**

	Business-Type Activities		
	Austin Energy	Austin Water (1)	Airport
NET POSITION			
Net investment in capital assets	\$ 750,273	650,394	418,699
Restricted for:			
Bond reserve	27,311	16,264	4,373
Capital projects	45,885	43,768	157,989
Debt service	53,760	23,462	13,297
Operating reserve	--	47,807	18,961
Passenger facility charges	--	--	116,656
Renewal and replacement	69,347	--	10,000
Strategic reserve	214,061	--	--
Unrestricted	747,915	132,862	(100,535)
Total net position	\$ 1,908,552	914,557	639,440
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	32,251	18,563	6,986
Total net position - Business-type activities	\$ 1,940,803	933,120	646,426

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

(1) Previously reported as Austin Water Utility.

(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	546,796	2,366,162	63,670
Restricted for:			
Bond reserve	7,269	55,217	--
Capital projects	125,360	373,002	5,407
Debt service	14,111	104,630	--
Operating reserve	5,161	71,929	--
Passenger facility charges	--	116,656	--
Renewal and replacement	1,018	80,365	--
Strategic reserve	--	214,061	--
Unrestricted	(219,334)	560,908	164,026
Total net position	<u>480,381</u>	<u>3,942,930</u>	<u>233,103</u>
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	27,292	85,092	
Total net position - Business-type activities	<u>507,673</u>	<u>4,028,022</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, 2019
(In thousands)

	<u>Business-Type Activities</u>		
	<u>Austin Energy</u>	<u>Austin Water (1)</u>	<u>Airport</u>
OPERATING REVENUES			
Utility services	\$ 1,447,300	551,570	--
User fees and rentals	--	--	180,290
Billings to departments	--	--	--
Employee contributions	--	--	--
Operating revenues from other governments	--	--	--
Other operating revenues	--	--	--
Total operating revenues	<u>1,447,300</u>	<u>551,570</u>	<u>180,290</u>
OPERATING EXPENSES			
Operating expenses before depreciation	1,153,142	289,101	131,754
Depreciation and amortization	204,082	123,758	35,220
Total operating expenses	<u>1,357,224</u>	<u>412,859</u>	<u>166,974</u>
Operating income (loss)	<u>90,076</u>	<u>138,711</u>	<u>13,316</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	32,719	10,848	14,296
Interest on revenue bonds and other debt	(59,584)	(89,012)	(33,793)
Passenger facility charges	--	--	33,168
Loss on in-substance defeasance	--	(925)	--
Cost (recovered) to be recovered in future years	34,549	(81,265)	--
Other nonoperating revenue (expense)	(21,873)	683	(2,635)
Total nonoperating revenues (expenses)	<u>(14,189)</u>	<u>(159,671)</u>	<u>11,036</u>
Income (loss) before contributions and transfers	75,887	(20,960)	24,352
Capital contributions	45,577	76,665	13,453
Transfers in	472	303	--
Transfers out	(118,536)	(51,865)	(482)
Change in net position	<u>3,400</u>	<u>4,143</u>	<u>37,323</u>
Beginning net position, as restated (see Note 18)	<u>1,905,152</u>	<u>910,414</u>	<u>602,117</u>
Ending net position	<u>\$ 1,908,552</u>	<u>914,557</u>	<u>639,440</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	3,400	4,143	37,323
Adjustment to consolidate internal service activities	6,545	3,738	1,670
Change in net position - Business-type activities	<u>\$ 9,945</u>	<u>7,881</u>	<u>38,993</u>

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

(1) Previously reported as Austin Water Utility.

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
OPERATING REVENUES			
Utility services	--	1,998,870	--
User fees and rentals	455,438	635,728	--
Billings to departments	--	--	505,198
Employee contributions	--	--	44,823
Operating revenues from other governments	--	--	5,507
Other operating revenues	--	--	12,201
Total operating revenues	<u>455,438</u>	<u>2,634,598</u>	<u>567,729</u>
OPERATING EXPENSES			
Operating expenses before depreciation	472,626	2,046,623	494,773
Depreciation and amortization	30,437	393,497	12,647
Total operating expenses	<u>503,063</u>	<u>2,440,120</u>	<u>507,420</u>
Operating income (loss)	<u>(47,625)</u>	<u>194,478</u>	<u>60,309</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	13,706	71,569	2,982
Interest on revenue bonds and other debt	(7,284)	(189,673)	(102)
Passenger facility charges	--	33,168	--
Loss on in-substance defeasance	--	(925)	--
Cost (recovered) to be recovered in future years	--	(46,716)	--
Other nonoperating revenue (expense)	(95,159)	(118,984)	(220)
Total nonoperating revenues (expenses)	<u>(88,737)</u>	<u>(251,561)</u>	<u>2,660</u>
Income (loss) before contributions and transfers	<u>(136,362)</u>	<u>(57,083)</u>	<u>62,969</u>
Capital contributions	29,005	164,700	14,092
Transfers in	114,745	115,520	779
Transfers out	(6,320)	(177,203)	(23,768)
Change in net position	<u>1,068</u>	<u>45,934</u>	<u>54,072</u>
Beginning net position, as restated (see Note 18)	<u>479,313</u>	<u>3,896,996</u>	<u>179,031</u>
Ending net position	<u><u>480,381</u></u>	<u><u>3,942,930</u></u>	<u><u>233,103</u></u>
Reconciliation to government-wide Statement of Activities			
Change in net position	1,068	45,934	
Adjustment to consolidate internal service activities	10,650	22,603	
Change in net position - Business-type activities	<u>11,718</u>	<u>68,537</u>	

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

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2019
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water (1)	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,447,041	534,038	175,687
Cash received from other funds	30,559	8,137	--
Cash payments to suppliers for goods and services	(850,972)	(64,211)	(37,304)
Cash payments to other funds	(56,863)	(79,045)	(32,060)
Cash payments to employees for services	(223,095)	(115,867)	(48,391)
Cash payments to claimants/beneficiaries	(112)	(199)	(2)
Taxes collected and remitted to other governments	(42,345)	--	--
Net cash provided by operating activities	304,213	282,853	57,930
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	472	303	--
Transfers out	(118,536)	(51,759)	(153)
Collections from other sources	--	827	--
Contributions from other funds	--	--	--
Loans to other funds	--	--	--
Loan repayments to other funds	--	(124)	(178)
Loan repayments from other funds	482	300	19
Collections from other governments	2,699	1,700	(7,929)
Net cash provided (used) by noncapital financing activities	(114,883)	(48,753)	(8,241)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	98,030	60,500	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	--	--
Proceeds from the sale of revenue bonds	739,165	3,000	265,145
Principal paid on long-term debt	(37,839)	(36,165)	(24,269)
Proceeds from the sale of capital assets	1,060	--	--
Interest paid on revenue bonds and other debt	(59,213)	(131,475)	(32,967)
Passenger facility charges	--	--	32,579
Acquisition and construction of capital assets	(703,491)	(127,134)	(209,499)
Contributions from state and federal governments	--	--	13,442
Contributions in aid of construction	45,577	35,360	--
Bond issuance costs	(6,511)	(98)	(15,641)
Bond premiums	41,344	--	73,706
Cash paid for bond defeasance	--	(45,056)	--
Bonds issued for advanced refundings of debt	--	--	151,720
Cash paid for bond refunding escrow	--	--	(158,494)
Cash paid to payoff commercial paper	(283,997)	--	--
Cash paid for nuclear fuel inventory	(18,964)	--	--
Net cash provided (used) by capital and related financing activities	(184,839)	(241,068)	95,722
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(319,139)	(223,701)	(85,878)
Proceeds from sale and maturities of investment securities	236,098	210,525	69,087
Interest on investments	17,280	7,751	11,617
Net cash provided (used) by investing activities	(65,761)	(5,425)	(5,174)
Net increase (decrease) in cash and cash equivalents	(61,270)	(12,393)	140,237
Cash and cash equivalents, beginning	556,827	344,036	483,705
Cash and cash equivalents, ending	\$ 495,557	331,643	623,942

The accompanying notes are an integral part of the financial statements.
(1) Previously reported as Austin Water Utility.

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	451,378	2,608,144	72,064
Cash received from other funds	4,877	43,573	505,198
Cash payments to suppliers for goods and services	(107,531)	(1,060,018)	(98,004)
Cash payments to other funds	(82,142)	(250,110)	(27,975)
Cash payments to employees for services	(226,647)	(614,000)	(188,277)
Cash payments to claimants/beneficiaries	--	(313)	(167,940)
Taxes collected and remitted to other governments	--	(42,345)	--
Net cash provided by operating activities	39,935	684,931	95,066
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	114,745	115,520	--
Transfers out	(6,183)	(176,631)	(23,768)
Collections from other sources	1,782	2,609	--
Contributions from other funds	1,354	1,354	--
Loans to other funds	(79)	(79)	--
Loan repayments to other funds	(840)	(1,142)	--
Loan repayments from other funds	274	1,075	--
Collections from other governments	280	(3,250)	--
Net cash provided (used) by noncapital financing activities	111,333	(60,544)	(23,768)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	--	158,530	--
Proceeds from the sale of general obligation bonds and other tax supported debt	4,590	4,590	--
Proceeds from the sale of revenue bonds	--	1,007,310	--
Principal paid on long-term debt	(27,398)	(125,671)	(356)
Proceeds from the sale of capital assets	--	1,060	--
Interest paid on revenue bonds and other debt	(7,763)	(231,418)	(113)
Passenger facility charges	--	32,579	--
Acquisition and construction of capital assets	(61,365)	(1,101,489)	(1,989)
Contributions from state and federal governments	24	13,466	--
Contributions in aid of construction	3,621	84,558	--
Bond issuance costs	(30)	(22,280)	--
Bond premiums	440	115,490	--
Cash paid for bond defeasance	--	(45,056)	--
Bonds issued for advanced refundings of debt	--	151,720	--
Cash paid for bond refunding escrow	--	(158,494)	--
Cash paid to payoff commercial paper	--	(283,997)	--
Cash paid for nuclear fuel inventory	--	(18,964)	--
Net cash provided (used) by capital and related financing activities	(87,881)	(418,066)	(2,458)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(17,392)	(646,110)	--
Proceeds from sale and maturities of investment securities	17,853	533,563	--
Interest on investments	12,398	49,046	2,730
Net cash provided (used) by investing activities	12,859	(63,501)	2,730
Net increase (decrease) in cash and cash equivalents	76,246	142,820	71,570
Cash and cash equivalents, beginning	457,767	1,842,335	185,022
Cash and cash equivalents, ending	534,013	1,985,155	256,592

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2019
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water (1)	Airport
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 90,076	138,711	13,316
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	204,082	123,758	35,220
Change in assets and liabilities:			
Decrease in working capital advances	(173)	--	--
(Increase) decrease in accounts receivable	(11,101)	(11,048)	668
Increase in allowance for doubtful accounts	422	139	--
Increase in receivables from other governments	--	--	--
(Increase) decrease in inventory	(12,896)	353	(83)
Increase in prepaid expenses and other assets	(22,677)	(184)	(231)
Increase in advances to other funds	--	--	--
Decrease in other long-term assets	18,662	--	1,084
(Increase) decrease in deferred outflows	(20,020)	(13,169)	(10,973)
Increase in accounts payable	6,101	1,973	1,574
Increase in accrued payroll and compensated absences	897	38	233
Increase (decrease) in claims payable	163	(43)	--
Decrease in due to other governments	--	--	--
Increase (decrease) in customer deposits	(3,786)	(1,786)	64
Increase in net pension liability	78,285	39,556	16,342
Increase (decrease) in other postemployment benefits liability	(20,694)	(14,291)	991
Increase in other liabilities	(7,331)	(477)	(81)
Increase (decrease) in deferred inflows	4,203	19,323	(194)
Total adjustments	214,137	144,142	44,614
Net cash provided by operating activities	\$ 304,213	282,853	57,930
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital appreciation bonds interest accreted	\$ --	(2,392)	--
Capital assets contributed from other funds	--	57	11
Capital assets contributed to other funds	--	(1,433)	--
Capital assets acquired through service concession arrangements	--	--	327
Contributed facilities	--	41,248	--
Increase in the fair value of investments	5,080	--	--
Amortization of bond (discounts) premiums	8,662	23,208	5,637
Amortization of deferred gain (loss) on refundings	(4,460)	(5,732)	(1,407)
Loss on disposal of assets	(1,690)	(287)	--
Costs (recovered) to be recovered	34,491	(81,265)	--
Transfers from other funds	--	--	--
Transfers to other funds	--	(106)	(329)

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

(1) Previously reported as Austin Water Utility.

(Continued)

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	(47,625)	194,478	60,309
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	30,437	393,497	12,647
Change in assets and liabilities:			
Decrease in working capital advances	--	(173)	--
(Increase) decrease in accounts receivable	(2,234)	(23,715)	9,530
Increase in allowance for doubtful accounts	114	675	193
Increase in receivables from other governments	--	--	(182)
(Increase) decrease in inventory	36	(12,590)	562
Increase in prepaid expenses and other assets	(914)	(24,006)	(2,095)
Increase in advances to other funds	--	--	(8)
Decrease in other long-term assets	--	19,746	--
(Increase) decrease in deferred outflows	(42,373)	(86,535)	24
Increase in accounts payable	1,615	11,263	13,055
Increase in accrued payroll and compensated absences	1,131	2,299	902
Increase (decrease) in claims payable	--	120	(734)
Decrease in due to other governments	--	--	(3)
Increase (decrease) in customer deposits	2,937	(2,571)	459
Increase in net pension liability	80,150	214,333	--
Increase (decrease) in other postemployment benefits liability	(10,469)	(44,463)	--
Increase in other liabilities	(241)	(8,130)	407
Increase (decrease) in deferred inflows	27,371	50,703	--
Total adjustments	87,560	490,453	34,757
Net cash provided by operating activities	39,935	684,931	95,066
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital appreciation bonds interest accreted	--	(2,392)	--
Capital assets contributed from other funds	25,360	25,428	14,092
Capital assets contributed to other funds	(1,947)	(3,380)	--
Capital assets acquired through service concession arrangements	--	327	--
Contributed facilities	--	41,248	--
Increase in the fair value of investments	--	5,080	--
Amortization of bond (discounts) premiums	1,302	38,809	34
Amortization of deferred gain (loss) on refundings	(927)	(12,526)	(23)
Loss on disposal of assets	(917)	(2,894)	(194)
Costs (recovered) to be recovered	--	(46,774)	--
Transfers from other funds	--	--	779
Transfers to other funds	(137)	(572)	--

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

Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit D-1

	<u>Private-purpose Trust</u>	<u>Agency</u>
ASSETS		
Pooled investments and cash	\$ 2,330	1,353
Interest Receivable	5	--
Investments held by trustee	--	3,496
Other assets	122	--
Total assets	<u>2,457</u>	<u>4,849</u>
LIABILITIES		
Accounts payable	23	--
Due to other governments	--	837
Deposits and other liabilities	1,642	4,012
Total liabilities	<u>1,665</u>	<u>4,849</u>
NET POSITION		
Held in trust	792	
Total net position	<u>\$ 792</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, 2019
(In thousands)

City of Austin, Texas
Exhibit D-2

	<u>Private-Purpose</u> <u>Trust</u>
ADDITIONS	
Contributions	\$ 2,511
Interest and other	47
Total additions	<u>2,558</u>
DEDUCTIONS	
Benefit payments	2,510
Total deductions	<u>2,510</u>
Change in net position	48
Beginning net position	744
Ending net position	<u>\$ 792</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 nonmajor 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. 83, No. 85 through No. 86, and No. 88 through No. 89. In fiscal year 2019, the City implemented the following GASB Statements:

GASB Statement	Impact
83 – <i>“Certain Asset Retirement Obligations”</i>	This statement addresses accounting and financial reporting for certain asset retirement obligations. It also establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for asset retirement obligations. The adoption of GASB Statement No. 83 resulted in the recognition of an asset retirement obligation in several City funds (see Note 14k) and restatement of beginning net position (see Note 18).
88 – <i>“Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements”</i>	This statement expands note disclosures related to debt, including direct borrowings and direct placements. It further clarifies which liabilities should be included in the debt note disclosures. The requirements of this standard are to be applied prospectively. No restatement was necessary.

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

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: Austin Housing Finance Corporation fund, a nonmajor special revenue fund

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

Blended Component Units
Urban Renewal Agency (URA)

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

Austin-Bergstrom International Airport (ABIA) Development Corporation

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

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

Nacogdoches Power, LLC (NP)

Austin Energy acquired Nacogdoches Power, LLC on June 13, 2019, which included the purchase of a 115 MW biomass power plant that was transferred to Austin Energy. NP provides renewable energy exclusively for the benefit of Austin Energy customers, and as such is reported as a blended component unit in the Austin Energy enterprise fund. Austin Energy staff serve as officers of the corporation. In addition, Austin Energy is fiscally responsible for the obligations of NP.

Reporting Fund: Austin Energy, a major proprietary fund.

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

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.

<u>Discretely Presented Component Units</u>	<u>Description of Activities, Relationship to City, and Key Inclusion Criteria</u>
Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) 3600 Presidential Blvd, Suite 411 Austin, TX 78719	ABLE is a legally separate entity that issues revenue bonds for the purpose of financing the cost of acquiring, improving, and equipping a full-service hotel on airport property. City Council appoints this entity's Board and maintains a contractual ability to remove board members at will. Debt issued by ABLE does not constitute a debt or pledge of the faith and credit of the City.
Austin Convention Enterprises, Inc. (ACE) 500 East 4th Street Austin, TX 78701	ACE is a legally separate entity that owns, operates, and finances the Austin Convention Center Hotel. City Council appoints this entity's Board and maintains a contractual ability to remove board members at will. Debt issued by ACE does not constitute a debt or pledge of the faith and credit of the City.
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.
Waller Creek Local Government Corporation (WCLGC) 124 W. 8 th Street Austin, TX 78701	WCLGC is a non-profit local government corporation created by the City under Subchapter D of Chapter 431 of the Texas Transportation Code. The purpose of WCLGC is implementing the financing, design, construction, maintenance and operation of certain public improvements located within or around the Waller Creek Redevelopment Project district. The 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.

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.

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.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
b -- Government-wide and Fund Financial Statements, continued

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, public health charges, emergency medical service charges, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, to the extent they are considered available, have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available in the fiscal period the City receives cash.

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

The City reports the following major governmental fund:

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

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

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

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

Capital Projects Funds: Account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those reported within proprietary funds). It is primarily funded by general obligation debt, other tax supported debt, interest income, and other intergovernmental revenues. A 1981 ordinance requires the establishment of a separate fund for each bond proposition approved in each bond election.

Permanent Funds: Account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

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

Proprietary Funds: Consist of enterprise funds and internal service funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, such as providing electric or water-wastewater services. Other revenues or expenses are nonoperating items.

Enterprise Funds: Account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

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

Austin Water: 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 development, drainage, and transportation activities.

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

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

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

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

d -- Budget

The City Manager is required by the City Charter to present proposed operating and capital budgets to the City Council at least 30 days prior to the October 1 beginning of the City's fiscal year. In addition, the City of Austin Charter mandates that a budget be adopted no later than September 27th for the next 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.

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

Pooled Investments and Cash -- Cash balances of all City funds (except for certain funds shown in Note 3 as having non-pooled investments) are pooled and invested. Interest earned on investments purchased with pooled cash is allocated monthly to each participating fund based upon the fund's average daily balance. Funds that carry a negative balance in pooled cash and investments are not allocated interest earnings nor charged interest expense.

Investments -- Certain investments are required to be reported at fair value. Realized gains or losses resulting from the sale of investments are determined by the specific cost of the securities sold. 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, 2019 (in thousands):

	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Governmental activities				
Charges for Services	\$ 337,675	26,527	2,507	366,709
Fines	13,600	59	--	13,659
Taxes	52,349	4,483	--	56,832
Other Governments	--	2,663	--	2,663
Other	1,080	4,906	--	5,986
Allowance for doubtful accounts	(337,038)	(1,660)	(193)	(338,891)
Total	\$ 67,666	36,978	2,314	106,958

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

	Austin Energy	Austin Water	Airport	Nonmajor Enterprise	Total
Business-type activities					
Accounts Receivable	\$ 158,933	75,508	5,173	25,424	265,038
Allowance for doubtful accounts	(10,353)	(2,477)	(1,859)	(2,015)	(16,704)
Total	\$ 148,580	73,031	3,314	23,409	248,334

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

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

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

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

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

Fund	Inventory Valuation Method
General Fund	First-in, first-out
Austin Energy	
Fuel oil – Distillate #2	Last-in, first-out
Wire Reels	Cost
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 report in accordance with accounting for regulated operations, enabling legislation also includes restrictions on asset use established by its governing board which is the City Council. Restricted assets used to repay maturing debt and other current liabilities are classified as current.

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

	Austin Energy	Austin Water	Airport	Nonmajor Enterprise	Total Restricted Assets
Capital projects	\$ 61,588	85,871	450,487	125,661	723,607
Customer and escrow deposits	23,497	10,447	1,180	9,151	44,275
Debt service	79,210	63,917	43,942	14,740	201,809
Federal receivables	5,104	--	10,547	616	16,267
Operating reserve account	--	47,807	18,961	8,554	75,322
Passenger facility charge account	--	--	116,655	--	116,655
Plant decommissioning	255,841	--	--	--	255,841
Renewal and replacement account	69,348	--	10,000	900	80,248
Revenue bond reserve	27,276	58,215	61,080	10,263	156,834
Revolving loan reserve	4,875	--	--	--	4,875
Strategic reserve	214,061	--	--	--	214,061
Total	\$ 740,800	266,257	712,852	169,885	1,889,794

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

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.

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	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)	--	Other	--	--	--
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.

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

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 \$19.8 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.

Austin Energy acquired Nacogdoches Power, LLC on June 13, 2019, which included the purchase of a 115 MW biomass power plant. The purchase was funded with \$460 million in revenue bonds. Total consideration was allocated to net position acquired, including capital assets and working capital, at \$402 million and deferred outflows of resources at \$58 million. Through the acquisition, Austin Energy receives several key economic benefits, including exchanging an escalating capacity payment for a lower, fixed debt service payment and capturing operating efficiencies and cost reductions as the facility owner.

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.

Other Assets -- Other assets include amounts deposited in pre-closing escrow accounts in connection with certain real estate transactions and deposits used as collateral. In addition, the receivable related to service concession arrangements for the Airport, a major enterprise fund, is recorded as other assets.

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).

Funds	Deferred Outflows		Deferred Inflows	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Asset Retirement Obligations (ARO) -- When an ARO is recognized, a corresponding deferred outflow of resources is recognized and amortized over the remaining life of the corresponding tangible asset.				
Austin Energy	\$ --	203,193	--	--
Austin Water	--	543	--	--
Internal Service	142	--	--	--
Derivative Instruments -- 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.				
Austin Energy	--	3,511	--	206
Austin Water	--	16,861	--	--
Nonmajor Enterprise	--	8,810	--	--
Excess consideration -- When a government acquires another entity in exchange for significant consideration, the amount of consideration that exceeds the net position acquired should be reported as a deferred outflow of resources and amortized over future periods.				
Austin Energy	--	53,439	--	--
Gain/loss on debt refundings -- 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.				
Governmental Activities	16,140	--	--	--
Austin Energy	--	17,494	--	2
Austin Water	--	50,759	--	--
Airport	--	17,897	--	--
Nonmajor Enterprise	--	6,906	--	164
Internal Service	80	--	--	--
Other postemployment benefits -- 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.				
Governmental Activities	173,238	--	159,047	--
Austin Energy	--	35,809	--	32,936
Austin Water	--	24,233	--	22,509
Airport	--	17,951	--	8,867
Nonmajor Enterprise	--	66,311	--	40,943
Pensions -- 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.				
Governmental Activities	955,854	--	24,454	--
Austin Energy	--	72,149	--	--
Austin Water	--	37,287	--	3,204
Airport	--	16,312	--	--
Nonmajor Enterprise	--	71,891	--	--
Regulated operations. 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. Deferred outflows or inflows.				
Austin Energy	--	--	--	401,124
Austin Water	--	--	--	836,694
Service concession arrangements -- 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.				
Governmental Activities	--	--	886	--
Airport	--	--	--	177,157
Total	\$ 1,145,454	721,356	184,387	1,523,806

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

Funds	Deferred Outflows		Deferred Inflows	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Totals by Fund				
Governmental Activities	\$ 1,145,232	--	184,387	--
Austin Energy	--	385,595	--	434,268
Austin Water	--	129,683	--	862,407
Airport	--	52,160	--	186,024
Nonmajor Enterprise	--	153,918	--	41,107
Internal Service	222	--	--	--
Grand Total	\$ 1,145,454	721,356	184,387	1,523,806

The governmental funds' statements include amounts recognized as deferred inflows of resources as a result of property taxes, other taxes, and certain revenues (\$20.5 million) that are not available to liquidate current liabilities in the funds. These amounts will be recognized in the period these amounts become available.

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 with 16 years of actual service are eligible for accumulated sick leave payout. As of November 15, 2018, officers may be eligible to receive up to 1,700 hours of sick leave if certain criteria are met.
- (3) Sworn fire employees are eligible for accumulated sick leave payout regardless of hire date.
- (4) Sworn EMS employees with 12 years of actual service are eligible for accumulated sick leave payout if certain criteria are met.
- (5) Exception vacation hours are hours accumulated by an employee when the employee works on a City holiday.
- (6) Employees may earn compensatory time in lieu of paid overtime; maximum payout is 120 hours for all employees.

Other Postemployment Benefits (OPEB) -- The City provides certain health care benefits for its retired employees and their families as more fully described in Note 8. At September 30, 2019, the City's total OPEB liability for these retiree benefits was approximately \$2.4 billion. The City funds the costs of these benefits on a pay-as-you-go basis.

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

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

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

Revenue bonds issued to finance capital projects of certain enterprise funds are to be repaid from select revenues of these funds. Note 6 contains more information about pledged revenues by fund. The corresponding debt is recorded in the applicable fund.

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

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 recognize gains and losses on debt defeasance in accordance with accounting for regulated operations.

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.

Asset Retirement Obligations (AROs) -- As a result of the implementation of GASB Statement No. 83, Austin Energy is reporting AROs related to the South Texas Project and the Fayette Power Project, Austin Water is reporting AROs related to wastewater treatment plants, and Fleet is reporting AROs related to petroleum underground storage tanks.

Other Liabilities -- Other liabilities includes Austin Energy's ownership portion of the South Texas Project net pension liability and other postemployment benefits liability.

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	\$ 4,326
Austin Water	1,396
Nonmajor Enterprise	1,177

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, 2019. The amount of unbilled revenue recorded, as of September 30, 2019, was \$34.3 million. Austin Water records unbilled revenue as earned based upon the percentage of October's billing that represented water usage through September 30, 2019. The amount of unbilled revenue reported in accounts receivable as of September 30, 2019 was \$21.2 million for water and \$14.9 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	\$ 5,538
Nonmajor Enterprise	3,480

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

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

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

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

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

Special Item -- In April 2012, the City Council approved an ordinance authorizing the execution of a master development agreement for the sale and redevelopment of the Green Water Treatment Plant land. Under this agreement the City sold the land to the developer in four phases. The City received the final payment of \$10.201 million in fiscal year 2019. Sales under this agreement total \$42.32 million. Due to the unusual and infrequent occurrence of a sale of City property of this significance and the fact that the transaction is under control of City management, it is being reported as a special item in the financial statements.

Extraordinary Item -- In 2018, Austin-Bergstrom Landhost Enterprises, Inc., a discretely presented component unit, recognized an extraordinary item for mold remediation in the hotel's lobby atrium. The remediation had a total cost of \$1,593,368.

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 \$61,000 in fiscal year 2019 to a specific purpose. This amount is updated annually based on the most recently published federal government, Bureau of Labor Statistics Indicator, Consumer Price Index (CPI-W U.S. City Average) U.S. City Average.

Unassigned: The portion of fund balance that is not restricted, committed, or assigned to specific purposes; only the General Fund reports a positive unassigned fund balance.

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

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

	General Fund	Nonmajor Governmental			Total
		Special Revenue	Debt Service	Capital Projects Permanent	
Nonspendable					
Inventory	\$ 11	--	--	--	11
Prepaid items	1,760	--	--	--	1,760
Permanent funds	--	--	--	1,070	1,070
Total Nonspendable	1,771	--	--	1,070	2,841
Restricted					
Municipal court services	--	1,519	--	--	1,519
Police special purpose	--	9,883	--	--	9,883
Fire special purpose	--	51	--	--	51
Transportation, planning, and sustainability	--	106	--	--	106
Public health services	--	171	--	--	171
Library services	--	4,290	--	--	4,290
Tourism programs	--	29,736	--	--	29,736
Affordable housing programs	--	54,178	--	--	54,178
Urban growth programs	--	16,995	--	--	16,995
Capital construction	--	--	--	94,663	94,663
Debt service	--	--	32,154	--	32,154
Total Restricted	--	116,929	32,154	94,663	243,746
Committed					
Parks services	--	4,153	--	--	4,153
Tourism programs	--	69	--	--	69
Affordable housing programs	--	5,011	--	--	5,011
Urban growth programs	--	32,663	--	--	32,663
Total Committed	--	41,896	--	--	41,896
Assigned					
General government services	145	--	--	--	145
Municipal court services	1,618	--	--	--	1,618
Police special purpose	14,201	39	--	--	14,240
Fire special purpose	183	--	--	--	183
EMS special purpose	338	--	--	--	338
Transportation, planning, and sustainability	12	15	--	--	27
Public health services	5,903	40	--	--	5,943
Parks services	919	79	--	--	998
Library services	998	6	--	--	1,004
Tourism programs	--	6,916	--	--	6,916
Affordable housing programs	464	84	--	--	548
Urban growth programs	28,660	8,345	--	--	37,005
Capital construction	--	--	--	115,211	115,211
Total Assigned	53,441	15,524	--	115,211	184,176
Unassigned	180,424	(2,161)	--	(37,760)	140,503
Total Fund Balance	\$ 235,636	172,188	32,154	172,114	613,162

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

Budgetary reserve funds -- By formal action of City Council, the General Fund maintains three reserve funds; a budget stabilization reserve, an emergency reserve, and a property tax reserve. These reserves are part of unassigned fund balance for the General Fund. As of September 30, 2019, the budget stabilization reserve reports a balance of \$105.5 million, the emergency reserve maintains a balance of six percent of total General Fund requirements, or \$61.7 million, and the property tax reserve has a balance of \$4.5 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 -- New Development Services enterprise fund

Prior to fiscal year 2019, Development Services was reported in the General Fund under the Urban growth management program. After several years of discussions surrounding development activities, fees, and cost of service, city management recommended and City Council adopted the budget for the new Development Services enterprise fund in fiscal year 2019. With this budget, the department became substantially self-supporting by bringing fees into alignment with the cost of providing these services. This move to a separate fund helps ensure that development revenue is not being used for activities other than those authorized by City Council and that taxpayers are not supporting the cost of development. There were 362 full time positions moved from the General Fund to the new Development Services nonmajor enterprise fund. Capital assets, net pension liability, other postemployment benefits, and other balances were transferred from governmental activities to the new fund.

g -- 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.

h -- 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, 2019 (in thousands):

	Pooled Investments and Cash	
	Unrestricted	Restricted
General Fund	\$ 224,126	--
Nonmajor governmental funds	312,997	--
Austin Energy	406,804	83,856
Austin Water	185,519	141,933
Airport	18,851	605,088
Nonmajor enterprise funds	387,212	146,766
Internal service funds	248,593	5,407
Fiduciary funds	3,683	--
Subtotal pooled investments and cash	<u>1,787,785</u>	<u>983,050</u>
Total pooled investments and cash	<u>\$ 2,770,835</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, representation from the Controller's office, a public sector investment expert, a Financial Advisor's representative, a representative from Austin Energy, a representative from the Austin Water, 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 2019.

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, 2019, TexPool, Texpool Prime, TexasDAILY, TexStar, and Texas CLASS had a weighted average maturity of 34 days, 32 days, 32 days, 18 days, and 50 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, 2019:

- U.S. Treasury securities of \$620.6 million are valued using other observable inputs, including but not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing (Level 2 inputs).
- U.S. Agency securities of \$1.2 billion are valued using other observable inputs, including but not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing (Level 2 inputs).

As of September 30, 2019, the City presented Money Market Funds of \$124.3 million, LGIPs of \$1.4 billion valued using amortized cost, and LGIP's of \$299.8 million valued using NAV.

The following table includes the portfolio balances of all non-pooled and pooled investments of the City at September 30, 2019 (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	\$ 31,224	411,651	--	442,875
Money Market Funds	2,420	118,376	3,496	124,292
US Treasury Notes	--	59,928	--	59,928
US Agency Bonds	--	244,738	--	244,738
Total non-pooled investments	<u>33,644</u>	<u>834,693</u>	<u>3,496</u>	<u>871,833</u>
Pooled investments:				
Local Government Investment Pools	362,430	905,280	1,666	1,269,376
US Treasury Notes	160,073	399,823	745	560,641
US Agency Bonds	273,196	682,377	1,272	956,845
Total pooled investments	<u>795,699</u>	<u>1,987,480</u>	<u>3,683</u>	<u>2,786,862</u>
Total investments	<u>\$ 829,343</u>	<u>2,822,173</u>	<u>7,179</u>	<u>3,658,695</u>

Concentration of Credit Risk

At September 30, 2019, 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 (\$371.7 or 10%), Federal Home Loan Bank (\$270.1 or 7%), Federal Home Loan Mortgage Corporation (\$390.1 or 11%), and Federal National Mortgage Association (\$169.7 or 5%).

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, 2019, 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	\$ 362,430	905,280	1,666	1,269,376	1
US Treasury Notes	160,073	399,823	745	560,641	263
US Agency Bonds	273,196	682,377	1,272	956,845	399
Total Operating funds	795,699	1,987,480	3,683	2,786,862	
Debt service funds					
General Obligation Debt Service					
Local Government Investment Pools	31,224	--	--	31,224	1
Utility (1)					
Local Government Investment Pools	--	143,101	--	143,101	1
Airport					
Local Government Investment Pools	--	29,722	--	29,722	1
Nonmajor Enterprise-Convention Center					
Local Government Investment Pools	--	11,848	--	11,848	1
Total Debt service funds	31,224	184,671	--	215,895	
Debt service reserve funds					
Utility (1)					
Local Government Investment Pools	--	41,394	--	41,394	1
Money Market Funds	--	4,256	--	4,256	1
Airport					
Local Government Investment Pools	--	61,080	--	61,080	1
Nonmajor Enterprise-Convention Center					
Local Government Investment Pools	--	10,263	--	10,263	1
Total Debt service reserve funds	--	116,993	--	116,993	
Special projects/purpose funds					
Austin Energy Strategic Reserve					
Local Government Investment Pools	--	89,561	--	89,561	1
US Agency Bonds	--	184,782	--	184,782	503
Total Austin Energy Strategic Reserve	--	274,343	--	274,343	
Austin Energy Nuclear Decommissioning					
Trust Funds (NDTF)					
Money Market Funds	--	112,009	--	112,009	1
US Treasury Notes	--	59,928	--	59,928	123
US Agency Bonds	--	59,956	--	59,956	248
Total Austin Energy NDTF	--	231,893	--	231,893	
Special Projects - Utility Reserve (1)					
Local Government Investment Pools	--	24,682	--	24,682	1
Special Projects - Other					
Money Market Funds	2,420	2,111	3,496	8,027	1
Total Special projects/purpose funds	2,420	533,029	3,496	538,945	
Total funds	\$ 829,343	2,822,173	7,179	3,658,695	

(1) Includes combined pledge debt service

Credit Risk

At September 30, 2019, City funds held investments in LGIPs and Money Market Funds rated AAAM by Standard & Poor's, short-to-medium term U.S. Agency bonds rated AA+ by Standard & Poor's, and the remaining investments in Treasury securities, which are direct obligations of the U.S. government.

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

Concentration of Credit Risk

Operating Funds

At September 30, 2019, 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 (\$351.7 or 12%), Federal Home Loan Bank (\$205 or 7%), and Federal Home Loan Mortgage Corporation (\$290.2 or 10%).

Special Projects or Special Purpose Funds

At September 30, 2019, 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 (\$20 or 7%), Federal Home Loan Bank (\$35 or 13%), Federal Home Loan Mortgage Corporation (\$80 or 29%), and Federal National Mortgage Association (\$49.8 or 18%).

At September 30, 2019, the NDTF held investments with more than five percent of the total in securities of the following issuers (in millions): Federal Home Loan Bank (\$30 or 12%) and Federal Home Loan Mortgage Corporation (\$20 or 8%).

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, 2019, 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 190 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, 2019, 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 340 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, 2019, the dollar weighted average maturity was 96 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, 2019, are as follows (in thousands):

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Non-pooled investments and cash	\$ 44,184	843,819	3,496	891,499
Pooled investments and cash	799,058	1,995,869	3,683	2,798,610
Total investments and cash	<u>843,242</u>	<u>2,839,688</u>	<u>7,179</u>	<u>3,690,109</u>
Unrestricted cash	55	2,506	--	2,561
Restricted cash	10,485	6,620	--	17,105
Pooled investments and cash	799,058	1,995,869	3,683	2,798,610
Investments	33,644	834,693	3,496	871,833
Total	<u>\$ 843,242</u>	<u>2,839,688</u>	<u>7,179</u>	<u>3,690,109</u>

The bank balance of the portfolio exceeds the book balance by approximately \$28 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 increase it. The difference eliminates once both the outstanding checks and deposits in transit clear the bank.

Deposits

The September 30, 2019 carrying amount of deposits at the bank and cash on hand are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total
Cash			
Unrestricted	\$ 55	65	120
Restricted	--	4,875	4,875
Cash held by trustee			
Unrestricted	--	2,441	2,441
Restricted	10,485	1,745	12,230
Pooled cash	3,359	8,389	11,748
Total deposits	<u>\$ 13,899</u>	<u>17,515</u>	<u>31,414</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, 2019.

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, 2018, upon which the 2019 levy was based, was \$152,147,505,769.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2019, 99.46% of the current tax levy (October 1, 2018) 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%. State law governing municipalities' authority to increase property tax rates was changed during 2019. Effective for fiscal year 2021, any increase in the property tax rate for maintenance and operations of more than 3.5% above the no-new-revenue-property tax rate will require voter approval on the November general election ballot. The no-new-revenue rate is the rate at which the City would generate the same amount of property tax revenue for maintenance and operations as in the prior year from properties taxed in both years, net of certain adjustments. The City will continue to have the ability to set its debt service tax rate at the level necessary to generate sufficient revenue to make its payments on voter-approved bonds, certificates of obligation, and other contractual obligations.

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, 2019, was \$0.3308 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, 2019 was \$0.1095 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$0.6692 per \$100 assessed valuation and could levy approximately \$1,018,171,108 in additional taxes from the assessed valuation of \$152,147,505,769 before the legislative limit is reached.

5 – CAPITAL ASSETS AND INFRASTRUCTURE

Governmental Activities

Capital asset activity for the year ended September 30, 2019, 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	\$ 1,051,306	31,338	(674)	1,081,970
Plant and equipment	267,281	23,733	(18,507)	272,507
Vehicles	151,974	16,913	(14,051)	154,836
Infrastructure	<u>3,006,160</u>	<u>78,662</u>	<u>--</u>	<u>3,084,822</u>
Total depreciable capital assets	<u>4,476,721</u>	<u>150,646</u>	<u>(33,232)</u>	<u>4,594,135</u>
Less accumulated depreciation for				
Building and improvements	(394,317)	(29,599)	206	(423,710)
Plant and equipment	(192,701)	(17,971)	17,418	(193,254)
Vehicles	(97,972)	(13,130)	11,809	(99,293)
Infrastructure	<u>(1,267,023)</u>	<u>(82,517)</u>	<u>--</u>	<u>(1,349,540)</u>
Total accumulated depreciation	<u>(1,952,013)</u>	<u>(143,217)</u> (2)	<u>29,433</u>	<u>(2,065,797)</u>
Depreciable capital assets, net	<u>2,524,708</u>	<u>7,429</u>	<u>(3,799)</u>	<u>2,528,338</u>
Nondepreciable capital assets				
Land and improvements	383,137	39,084	(21,490)	400,731
Arts and treasures	10,602	416	--	11,018
Library collections	18,167	--	--	18,167
Construction in progress	<u>92,271</u>	<u>169,274</u>	<u>(124,022)</u>	<u>137,523</u>
Total nondepreciable assets	<u>504,177</u>	<u>208,774</u>	<u>(145,512)</u>	<u>567,439</u>
Total capital assets	<u>\$ 3,028,885</u>	<u>216,203</u>	<u>(149,311)</u>	<u>3,095,777</u>

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

(2) Components of accumulated depreciation/amortization increases:

Governmental Activities:

General government	\$ 5,780
Public safety	15,807
Transportation, planning and sustainability	63,494
Public health	1,796
Public recreation and culture	20,577
Urban growth management	23,335
Internal service funds	<u>12,428</u>
Total increases in accumulated depreciation/amortization	<u>\$ 143,217</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Total

Capital asset activity for the year ended September 30, 2019, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u> (1)	<u>Decreases</u> (1)	<u>Ending Balance</u>
Depreciable capital assets				
Building and improvements	\$ 2,827,461	227,796	(50)	3,055,207
Plant and equipment	4,051,318	155,036	(5,597)	4,200,757
Vehicles	228,320	28,920	(10,221)	247,019
Electric plant	4,986,675	573,900	(5,025)	5,555,550
Non-electric plant	236,700	31,027	--	267,727
Nuclear fuel	400,467	18,964	--	419,431
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>12,830,941</u>	<u>1,035,643</u>	<u>(20,893)</u>	<u>13,845,691</u>
Less accumulated depreciation/amortization for				
Building and improvements	(849,363)	(66,025)	50	(915,338)
Plant and equipment	(1,674,096)	(106,172)	3,785	(1,776,483)
Vehicles	(154,744)	(20,185)	10,384	(164,545)
Electric plant	(2,862,786)	(191,606)	4,870	(3,049,522)
Non-electric plant	(89,951)	(10,735)	--	(100,686)
Nuclear fuel	(352,198)	(18,440)	--	(370,638)
Water rights	(18,766)	(988)	--	(19,754)
Total accumulated depreciation/amortization	<u>(6,001,904)</u>	<u>(414,151)</u> (2)	<u>19,089</u>	<u>(6,396,966)</u>
Depreciable capital assets, net	<u>6,829,037</u>	<u>621,492</u>	<u>(1,804)</u>	<u>7,448,725</u>
Nondepreciable capital assets				
Land and improvements	694,458	51,302	(1,431)	744,329
Arts and treasures	4,098	--	--	4,098
Construction in progress	606,596	991,299	(997,791)	600,104
Plant held for future use	23,115	--	--	23,115
Total nondepreciable assets	<u>1,328,267</u>	<u>1,042,601</u>	<u>(999,222)</u>	<u>1,371,646</u>
Total capital assets	<u>\$ 8,157,304</u>	<u>1,664,093</u>	<u>(1,001,026)</u>	<u>8,820,371</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	\$ 204,082
Water	59,271
Wastewater	64,487
Airport	35,220
Convention	9,017
Environmental and health services	10,036
Public recreation	678
Urban growth management	10,706
Total business-type activities depreciation expense	<u>393,497</u>
Transferred accumulated depreciation	2,214
Current year amortization included in operating expense	18,440
Total increases in accumulated depreciation/amortization	<u>\$ 414,151</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Energy

Capital asset activity for the year ended September 30, 2019, was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable capital assets				
Vehicles	\$ 33,726	3,503	(2,126)	35,103
Electric plant	4,986,675	573,900	(5,025)	5,555,550
Non-electric plant	236,700	31,027	--	267,727
Nuclear fuel	400,467	18,964	--	419,431
Total depreciable capital assets	<u>5,657,568</u>	<u>627,394</u>	<u>(7,151)</u>	<u>6,277,811</u>
Less accumulated depreciation/amortization for				
Vehicles	(25,523)	(1,741)	2,123	(25,141)
Electric plant	(2,862,786)	(191,606)	4,870	(3,049,522)
Non-electric plant	(89,951)	(10,735)	--	(100,686)
Nuclear fuel	(352,198)	(18,440)	--	(370,638)
Total accumulated depreciation/amortization	<u>(3,330,458)</u>	<u>(222,522)</u> (1)	<u>6,993</u>	<u>(3,545,987)</u>
Depreciable capital assets, net	<u>2,327,110</u>	<u>404,872</u>	<u>(158)</u>	<u>2,731,824</u>
Nondepreciable capital assets				
Land and improvements	65,787	2,677	--	68,464
Plant held for future use	23,115	--	--	23,115
Construction in progress (2)	179,788	611,980	(611,106)	180,662
Total nondepreciable assets	<u>268,690</u>	<u>614,657</u>	<u>(611,106)</u>	<u>272,241</u>
Total capital assets	<u>\$ 2,595,800</u>	<u>1,019,529</u>	<u>(611,264)</u>	<u>3,004,065</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	\$ 204,082
Current year amortization included in operating expense	18,440
Total increases in accumulated depreciation/amortization	<u>\$ 222,522</u>

(2) Increases and decreases include \$394,386 related to the purchase of the Nacogdoches biomass powerplant.

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Water

Capital asset activity for the year ended September 30, 2019, 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	\$ 1,202,172	32,493	--	1,234,665
Plant and equipment	3,787,604	138,390	(1,074)	3,924,920
Vehicles	44,211	2,035	(2,870)	43,376
Water rights	100,000	--	--	100,000
Total depreciable capital assets	<u>5,133,987</u>	<u>172,918</u>	<u>(3,944)</u>	<u>5,302,961</u>
Less accumulated depreciation/amortization for				
Building and improvements	(330,632)	(25,908)	--	(356,540)
Plant and equipment	(1,566,091)	(94,562)	--	(1,660,653)
Vehicles	(33,643)	(2,300)	3,553	(32,390)
Water rights	(18,766)	(988)	--	(19,754)
Total accumulated depreciation/amortization	<u>(1,949,132)</u>	<u>(123,758) (1)</u>	<u>3,553</u>	<u>(2,069,337)</u>
Depreciable capital assets, net	<u>3,184,855</u>	<u>49,160</u>	<u>(391)</u>	<u>3,233,624</u>
Nondepreciable capital assets				
Land and improvements	231,763	39	(1,431)	230,371
Arts and treasures	111	--	--	111
Construction in progress	253,727	124,816	(130,456)	248,087
Total nondepreciable assets	<u>485,601</u>	<u>124,855</u>	<u>(131,887)</u>	<u>478,569</u>
Total capital assets	<u>\$ 3,670,456</u>	<u>174,015</u>	<u>(132,278)</u>	<u>3,712,193</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	
Water	\$ 58,283
Wastewater	64,487
Current year amortization	
Water	988
Total increases in accumulated depreciation/amortization	<u>\$ 123,758</u>

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Airport

Capital asset activity for the year ended September 30, 2019, 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	\$ 1,281,425	192,656	(50)	1,474,031
Plant and equipment	36,306	6,404	(330)	42,380
Vehicles	16,087	3,161	(757)	18,491
Total depreciable capital assets	<u>1,333,818</u>	<u>202,221</u>	<u>(1,137)</u>	<u>1,534,902</u>
Less accumulated depreciation for				
Building and improvements	(346,659)	(31,309)	50	(377,918)
Plant and equipment	(17,284)	(2,166)	2	(19,448)
Vehicles	(9,312)	(1,745)	754	(10,303)
Total accumulated depreciation	<u>(373,255)</u>	<u>(35,220) (1)</u>	<u>806</u>	<u>(407,669)</u>
Depreciable capital assets, net	<u>960,563</u>	<u>167,001</u>	<u>(331)</u>	<u>1,127,233</u>
Nondepreciable capital assets				
Land and improvements	96,381	--	--	96,381
Arts and treasures	3,375	--	--	3,375
Construction in progress	149,652	192,877	(201,770)	140,759
Total nondepreciable assets	<u>249,408</u>	<u>192,877</u>	<u>(201,770)</u>	<u>240,515</u>
Total capital assets	<u>\$ 1,209,971</u>	<u>359,878</u>	<u>(202,101)</u>	<u>1,367,748</u>

(1) Components of accumulated depreciation/amortization increases:

Current year depreciation	<u>\$ 35,220</u>
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5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Nonmajor Enterprise Funds

Capital asset activity for the year ended September 30, 2019, 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	\$ 343,864	2,647	--	346,511
Plant and equipment	227,408	10,242	(4,193)	233,457
Vehicles	134,296	20,221	(4,468)	150,049
Total depreciable capital assets	<u>705,568</u>	<u>33,110</u>	<u>(8,661)</u>	<u>730,017</u>
Less accumulated depreciation for				
Building and improvements	(172,072)	(8,808)	--	(180,880)
Plant and equipment	(90,721)	(9,444)	3,783	(96,382)
Vehicles	(86,266)	(14,399)	3,954	(96,711)
Total accumulated depreciation	<u>(349,059)</u>	<u>(32,651)</u> (2)	<u>7,737</u>	<u>(373,973)</u>
Depreciable capital assets, net	<u>356,509</u>	<u>459</u>	<u>(924)</u>	<u>356,044</u>
Nondepreciable capital assets				
Land and improvements	300,527	48,586	--	349,113
Arts and treasures	612	--	--	612
Construction in progress	23,429	61,626	(54,459)	30,596
Total nondepreciable assets	<u>324,568</u>	<u>110,212</u>	<u>(54,459)</u>	<u>380,321</u>
Total capital assets	<u>\$ 681,077</u>	<u>110,671</u>	<u>(55,383)</u>	<u>736,365</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	\$ 9,017
Environmental and health services	10,036
Public recreation	678
Urban growth management	10,706
Total nonmajor enterprise activities depreciation expense	<u>30,437</u>
Transferred accumulated depreciation	2,214
Total increases in accumulated depreciation/amortization	<u>\$ 32,651</u>

Service Concession Arrangements

The City has recorded net capital assets of \$164.2 million, other assets of \$18 million and deferred inflows of \$178 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

In 2010, the City entered into an agreement with the Young Men’s Christian Association (YMCA) 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.

In 2016, 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, 2019, the unamortized balance was \$10.0 million and is presented in other assets. The related deferred inflow balance is \$11.3 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.

In 2017, 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, 2019, the unamortized balance was \$8 million and is presented in other assets. The related deferred inflow balance is \$8.6 million. Construction costs totaled \$27.1 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, 2019, 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	--	1,573	58	1,631	706
YMCA Northeast Recreation Center	1,333	--	194	33	227	1,106
Total Governmental Activities	3,670	--	1,767	91	1,858	1,812
Business-type Activities:						
CONRAC facility	152,496	--	11,369	3,814	15,183	137,313
Bark and Zoom facility	26,771	327	1,339	669	2,008	25,090
Total Business-type Activities	179,267	327	12,708	4,483	17,191	162,403
	Beginning Deferred Inflows	Current year Additions	Beginning Accumulated Amortization	Current Year Amortization	Ending Accumulated Amortization	Ending Deferred Inflows
Governmental Activities:						
Umlauf Sculpture Garden	240	--	2,097	77	2,174	163
YMCA Northeast Recreation Center	788	--	545	65	610	723
Total Governmental Activities	1,028	--	2,642	142	2,784	886
Business-type Activities:						
CONRAC facility	137,278	--	15,218	5,083	20,301	132,195
CONRAC base rent agreement	11,735	--	1,306	433	1,739	11,302
Bark and Zoom facility	25,433	327	1,338	670	2,008	25,090
Bark and Zoom base rent agreement	8,803	--	461	233	694	8,570
Total Business-type Activities	\$ 183,249	327	18,323	6,419	24,742	177,157

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, 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. In accordance with GASB Statement No. 88, the beginning balance of revenue bonds was adjusted to identify the debt related to revenue notes from direct placements. In addition, in accordance with GASB Statement No. 83, asset retirement obligations were restated, and the beginning balance of decommissioning liability payable was adjusted to identify asset retirement obligations. Balances at September 30, 2019, were as follows (in thousands):

Description	October 1, 2018	Increases	Decreases	September 30, 2019	Amounts Due Within One Year
Governmental activities					
General obligation bonds, net	\$ 1,123,455	76,731	(118,412)	1,081,774	71,391
Certificates of obligation, net	239,446	7,593	(11,372)	235,667	8,969
Contractual obligations, net	94,064	18,217	(18,343)	93,938	15,944
General obligation bonds and other tax supported debt total	1,456,965	102,541	(148,127)	1,411,379	96,304
Capital lease obligations	9,880	--	--	9,880	4,158
Net debt	1,466,845	102,541	(148,127)	1,421,259	100,462
Other long-term obligations					
Accrued compensated absences	147,337	995	(11,935)	136,397	63,171
Claims payable	47,974	167,206	(167,940)	47,240	23,300
Net pension liability	1,067,452	1,431,657	(438,948)	2,060,161	--
Other postemployment benefits	1,573,263	162,537	(312,668)	1,423,132	34,503
Asset retirement obligations	518	--	--	518	--
Other liabilities	113,316	8,722	(3,435)	118,603	102,055
Governmental activities total	4,416,705	1,873,658	(1,083,053)	5,207,310	323,491
Total business-type activities					
General obligation bonds, net	16,217	--	(3,397)	12,820	3,119
Certificates of obligation, net	52,277	--	(2,692)	49,585	2,370
Contractual obligations, net	26,518	5,030	(10,538)	21,010	8,131
Other tax supported debt, net	6,905	--	(790)	6,115	775
General obligation bonds and other tax supported debt total	101,917	5,030	(17,417)	89,530	14,395
Commercial paper notes, net	254,767	158,530	(283,997)	129,300	--
Revenue bonds, net	4,532,336	1,271,080	(338,249)	5,465,167	154,053
Revenue notes from direct placements, net	169,465	3,000	(10,280)	162,185	10,555
Capital lease obligations	934	--	(56)	878	60
Net debt	5,059,419	1,437,640	(649,999)	5,847,060	179,063
Other long-term obligations					
Accrued compensated absences	27,653	2,864	(345)	30,172	29,466
Claims payable	422	433	(313)	542	281
Net pension liability	585,052	436,434	(182,975)	838,511	--
Other postemployment benefits	951,634	196,571	(175,890)	972,315	23,574
Accrued landfill closure and postclosure costs	12,490	65	(293)	12,262	2,363
Decommissioning liability payable	3,753	--	(2,293)	1,460	1,460
Asset retirement obligations	414,390	--	--	414,390	--
Other liabilities	88,811	10,217	(6,748)	92,280	49,729
Business-type activities total	7,143,624	2,084,224	(1,018,856)	8,208,992	285,936
Total liabilities (1)	\$ 11,560,329	3,957,882	(2,101,909)	13,416,302	609,427

(1) This schedule excludes select short-term liabilities of \$109,578 for governmental activities. For business-type activities, it excludes select short-term liabilities of \$271,524, and derivative instruments of \$29,182.

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

Description	October 1, 2018	Increases	Decreases	September 30, 2019	Amounts Due Within One Year
Business-type activities:					
Electric activities					
General obligation bonds, net	\$ 163	--	(109)	54	50
General obligation bonds and other tax supported debt total	163	--	(109)	54	50
Commercial paper notes, net	212,597	98,030	(283,997)	26,630	--
Revenue bonds, net	1,253,843	780,509	(45,666)	1,988,686	78,348
Capital lease obligations	934	--	(56)	878	60
Net debt	1,467,537	878,539	(329,828)	2,016,248	78,458
Other long-term obligations					
Accrued compensated absences	11,067	450	(80)	11,437	11,437
Claims payable	69	275	(112)	232	230
Net pension liability	240,493	147,400	(69,114)	318,779	--
Other postemployment benefits	314,855	32,808	(53,502)	294,161	7,132
Decommissioning liability payable	3,753	--	(2,293)	1,460	1,460
Asset retirement obligations	413,108	--	--	413,108	--
Other liabilities	64,597	7,216	(4,389)	67,424	24,873
Electric activities total	2,515,479	1,066,688	(459,318)	3,122,849	123,590
Water and Wastewater activities					
General obligation bonds, net	1,220	--	(255)	965	207
Certificates of obligation bonds, net	1,594	--	(97)	1,497	92
Contractual obligations, net	3,799	--	(1,411)	2,388	1,052
Other tax supported debt, net	4,510	--	(595)	3,915	496
General obligation bonds and other tax supported debt total	11,123	--	(2,358)	8,765	1,847
Commercial paper notes, net	42,170	60,500	--	102,670	--
Revenue bonds, net	2,368,313	--	(97,933)	2,270,380	52,925
Revenue notes from direct placements, net	90,130	3,000	(4,000)	89,130	4,135
Net debt	2,511,736	63,500	(104,291)	2,470,945	58,907
Other long-term obligations					
Accrued compensated absences	5,579	21	(124)	5,476	5,466
Claims payable	353	156	(199)	310	51
Net pension liability	127,015	74,421	(34,865)	166,571	--
Other postemployment benefits	213,354	22,173	(36,464)	199,063	4,827
Asset retirement obligations	1,282	--	--	1,282	--
Other liabilities	14,468	--	(2,263)	12,205	12,205
Water and Wastewater activities total	2,873,787	160,271	(178,206)	2,855,852	81,456
Airport activities					
General obligation bonds, net	33	--	(20)	13	10
General obligation bonds and other tax supported debt total	33	--	(20)	13	10
Revenue bonds, net	801,216	490,571	(182,925)	1,108,862	10,900
Revenue notes from direct placements, net	52,265	--	(4,235)	48,030	4,335
Net debt	853,514	490,571	(187,180)	1,156,905	15,245
Other long-term obligations					
Accrued compensated absences	2,355	63	--	2,418	2,418
Claims payable	--	2	(2)	--	--
Net pension liability	43,715	30,116	(13,774)	60,057	--
Other postemployment benefits	88,119	16,973	(15,982)	89,110	2,160
Other liabilities	2,801	64	(81)	2,784	2,784
Airport activities total	990,504	537,789	(217,019)	1,311,274	22,607
Nonmajor activities					
General obligation bonds, net	14,801	--	(3,013)	11,788	2,852
Certificates of obligation, net	50,683	--	(2,595)	48,088	2,278
Contractual obligations	22,719	5,030	(9,127)	18,622	7,079
Other tax supported debt, net	2,395	--	(195)	2,200	279
General obligation bonds and other tax supported debt total	90,598	5,030	(14,930)	80,698	12,488
Revenue bonds, net	108,964	--	(11,725)	97,239	11,880
Revenue notes from direct placements, net	27,070	--	(2,045)	25,025	2,085
Net debt	226,632	5,030	(28,700)	202,962	26,453
Other long-term obligations					
Accrued compensated absences	8,652	2,330	(141)	10,841	10,145
Net pension liability	173,829	184,497	(65,222)	293,104	--
Other postemployment benefits	335,306	124,617	(69,942)	389,981	9,455
Accrued landfill closure and postclosure costs	12,490	65	(293)	12,262	2,363
Other liabilities	6,945	2,937	(15)	9,867	9,867
Nonmajor activities total	\$ 763,854	319,476	(164,313)	919,017	58,283

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, 2019, including those reported in certain proprietary funds (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
NW Austin MUD - 2004	2005	\$ 2,630	145	6 (1)(3)	4.30%	9/1/2020
NW Austin MUD - 2006	2006	7,995	5,970	1,063 (1)(3)	4.15 - 4.25%	9/1/2020-2026
Mueller Contractual Obligation - 2006	2006	12,000	5,830	1,104 (1)(4)	4.00 - 5.00%	9/1/2020-2026
Public Improvement Refunding - 2008	2008	172,505	14,220	1,015 (1)	5.00%	9/1/2020-2021
Public Improvement - 2009B	2009	78,460	63,845	18,507 (1)	4.70 - 5.31%	9/1/2020-2029
Certificates of Obligation - 2009	2009	12,500	7,405	3,349 (1)	3.38 - 4.75%	9/1/2020-2039
Contractual Obligation - 2009	2009	13,800	305	5 (2)	3.25%	11/1/2019
Mueller Contractual Obligation - 2009	2010	15,000	9,105	2,215 (1)(4)	4.00 - 4.25%	9/1/2020-2029
Public Improvement - 2010A	2011	79,528	65,830	16,562 (1)	3.00 - 4.00%	9/1/2020-2030
Public Improvement - 2010B	2011	26,400	24,370	6,791 (1)	3.45 - 4.65%	9/1/2020-2030
Certificates of Obligation - 2010	2011	22,300	14,860	3,160 (1)	3.00 - 3.50%	9/1/2020-2030
Public Improvement Refunding - 2010	2011	91,560	50,170	5,301 (1)	4.34 - 5.00%	9/1/2020-2023
Public Improvement - 2011A	2012	78,090	66,040	20,675 (1)	3.00 - 4.00%	9/1/2020-2031
Public Improvement - 2011B	2012	8,450	7,300	2,172 (1)	3.50 - 4.50%	9/1/2020-2031
Certificates of Obligation - 2011	2012	51,150	42,420	20,634 (1)	3.00 - 5.00%	9/1/2020-2041
Public Improvement Refunding - 2011A	2012	68,285	13,660	1,720 (1)	4.00 - 5.00%	9/1/2020-2023
Public Improvement - 2012A	2013	74,280	70,945	19,959 (1)	3.00 - 5.00%	9/1/2020-2032
Public Improvement - 2012B	2013	6,640	4,575	1,099 (1)	2.50 - 3.50%	9/1/2020-2032
Certificates of Obligation - 2012	2013	24,645	18,480	4,844 (1)	3.00 - 4.00%	9/1/2020-2037
Contractual Obligation - 2012	2013	27,135	2,095	42 (2)	4.00%	11/1/2019
Mueller Contractual Obligation - 2012	2013	16,735	13,035	3,631 (1)(4)	2.63 - 3.38%	9/1/2020-2032
Public Improvement - 2013	2014	104,665	92,855	35,480 (1)	4.00 - 5.00%	9/1/2020-2033
Certificates of Obligation - 2013	2014	25,355	22,095	10,335 (1)	3.25 - 5.00%	9/1/2020-2038
Contractual Obligation - 2013	2014	50,150	10,545	223 (2)	2.00 - 2.25%	11/1/2019-2020
Public Improvement Refunding - 2013A	2014	43,250	20,020	3,320 (1)	5.00%	9/1/2020-2024
Public Improvement Refunding - 2013B	2014	71,455	6,320	172 (1)	2.72%	9/1/2020
Public Improvement - 2014	2015	89,915	89,205	48,382 (1)	3.00 - 5.00%	9/1/2020-2034
Public Improvement - 2014	2015	10,000	9,650	4,003 (1)	2.38 - 4.02%	9/1/2020-2034
Certificates of Obligation - 2014	2015	35,490	29,245	12,828 (1)	2.00 - 5.00%	9/1/2020-2034
Certificates of Obligation - 2014	2015	9,600	7,780	2,554 (1)	2.38 - 3.92%	9/1/2020-2034
Contractual Obligation - 2014	2015	14,100	7,025	490 (2)	4.00 - 5.00%	11/1/2019-2021
Mueller Contractual Obligation - 2014	2015	15,845	14,525	4,649 (1)(4)	3.00 - 5.00%	9/1/2020-2029
Public Improvement and Refunding - 2015	2016	236,905	208,385	59,573 (1)	2.95 - 5.00%	9/1/2020-2035
Public Improvement - 2015	2016	10,000	8,820	3,198 (1)	2.89 - 4.27%	9/1/2020-2035
Certificates of Obligation - 2015	2016	43,710	37,720	17,695 (1)	3.25 - 5.00%	9/1/2020-2035
Contractual Obligation - 2015	2016	14,450	7,785	797 (2)	5.00%	11/1/2019-2022
Public Improvement and Refunding - 2016	2017	98,365	84,535	30,164 (1)	3.00 - 5.00%	9/1/2020-2036
Certificates of Obligation - 2016	2017	44,015	39,600	19,246 (1)	3.00 - 5.00%	9/1/2020-2036
Contractual Obligation - 2016	2017	22,555	14,745	1,541 (2)	2.00 - 5.00%	11/1/2019-2023
Public Improvement - 2016	2017	12,000	10,595	2,927 (1)	1.81 - 4.00%	9/1/2020-2036
Certificates of Obligation - 2016	2017	8,700	7,685	2,120 (1)	1.81 - 4.00%	9/1/2020-2036
Public Improvement - 2017	2018	63,580	48,095	23,562 (1)	5.00%	9/1/2020-2037
Certificates of Obligation - 2017	2018	29,635	27,630	14,832 (1)	5.00%	9/1/2020-2037
Contractual Obligation - 2017	2018	5,075	4,060	461 (2)	2.00 - 5.00%	11/1/2019-2024
Public Improvement - 2017	2018	25,000	23,720	8,311 (1)	2.35 - 5.00%	9/1/2020-2037
Public Improvement - 2018	2019	65,595	28,745	9,544 (1)	3.00 - 5.00%	9/1/2020-2038
Certificates of Obligation - 2018	2019	7,140	6,890	2,857 (1)	3.00 - 5.00%	9/1/2020-2038
Contractual Obligation - 2018	2019	21,215	20,070	3,468 (2)	4.00 - 5.00%	11/1/2019-2025
Public Improvement - 2018	2019	6,980	6,740	2,921 (1)	3.38 - 5.00%	9/1/2020-2038
			<u>\$ 1,395,690</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 principal of \$3,915 and interest of \$684 and Drainage fund principal of \$2,200 and interest of \$385.

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

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

In October 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). Principal payments are due 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). Principal payments are due 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. Principal payments are due 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. Principal payments are due September 1 of each year from 2019 to 2038. Interest is payable March 1 and September 1 of each year from 2019 to 2038, commencing on March 1, 2019. Total interest requirements for this obligation, at rates ranging from 3.4% to 5.0% are \$3,184,623.

General obligation bonds authorized and unissued amounted to \$1,616,365,000 at September 30, 2019. Bond ratings at September 30, 2019 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. 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 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.

The total combined utility systems revenue bond obligations at September 30, 2019, exclusive of discounts, premiums, and loss on refundings consists of \$90,967,962 subordinate lien bonds. Aggregate interest requirements are \$21,501,600 at September 30, 2019. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2019, were Aa2 (Moody's Investors Service, Inc.), AA (Standard & Poor's), 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. The subordinate lien bonds are subordinate to prior lien revenue bonds, which have been paid in full, and to subordinate lien revenue bonds outstanding at the time of issuance.

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

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

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

Combined Utility Systems Debt -- Bonds Issued and Outstanding - The following schedule shows the refunding revenue bonds outstanding at September 30, 2019 (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>
1998 Refunding	1999	\$ 139,965	88,770	17,500 (1)	5.25%	5/15/2020-2025
1998A Refunding	1999	105,350	2,198	4,002 (2)	4.25%	5/15/2020
			<u>\$ 90,968</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, 2019, 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.

At September 30, 2019, Austin Energy had tax exempt commercial paper notes of \$16,510,000 outstanding and Austin Water had \$102,670,000 of commercial paper notes outstanding with interest ranging from 1.45% to 2.65%, which are adjusted daily. Subsequent issues cannot exceed the maximum rate of 12%. The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt. The associated letter of credit agreements have the following terms (in thousands):

<u>Note Series</u>	<u>Liquidity Provider</u>	<u>Commitment Fee Rate</u>	<u>Remarketing</u>	<u>Remarketing Fee Rate</u>	<u>Outstanding</u>	<u>Expiration</u>
Various	JP Morgan Chase Bank NA	0.25%	Goldman Sachs	0.05%	<u>\$ 119,180</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. In the event of a default, at the discretion of the bank and with written notice to the City, the outstanding amount of both principal and interest may become immediately due and payable.

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, 2019, 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.

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

At September 30, 2019, Austin Energy had outstanding taxable commercial paper notes of \$10,120,000 with interest rates ranging from 2.00% to 3.26%. The City intends to refinance maturing commercial paper notes by issuing long-term debt. The associated letter of credit agreement has the following terms (in thousands):

<u>Note Series</u>	<u>Liquidity Provider</u>	<u>Commitment Fee Rate</u>	<u>Remarketing</u>	<u>Remarketing Fee Rate</u>	<u>Outstanding</u>	<u>Expiration</u>
Various	JP Morgan Chase Bank NA	0.25%	Goldman Sachs	0.05%	\$ 10,120	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. In the event of a default, at the discretion of the bank and with written notice to the City, the outstanding amount of both principal and interest may become immediately due and payable.

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, 2019, were Aa3 (Moody's Investors Service, Inc.), AA (Standard & Poor's), and AA (Fitch).

Electric Utility System Revenue Debt -- Revenue Bond Issue - In June 2019, the City issued \$464,540,000 of Electric Utility System Revenue Bonds, Taxable Series 2019A. The net proceeds of \$462,676,658 (after issuance costs) were used to acquire the Nacogdoches Biomass Facility. Interest payments are due May 15 and November 15 of each year from 2019 to 2031. Principal payments are due November 15 of each year from 2019 to 2031. Total interest requirements for this obligation, with interest rates ranging from 2.4% to 3.1%, are \$90,207,448.

Electric Utility System Revenue Debt -- Revenue Bond Refunding Issues - In August 2019, the City issued \$169,850,000 of Electric Utility System Revenue Refunding Bonds, Series 2019B. The net proceeds of \$210,481,513 (after issue costs, premium and discounts) from the issuance were used to refund \$210,000,000 in tax-exempt commercial paper. Interest is payable May 15 and November 15 of each year from 2019 to 2049, commencing on November 15, 2019. Principal payments are due November 15 of each year from 2022 to 2049. Total interest requirements for this obligation, at a constant rate of 5.0%, are \$179,254,833.

In August 2019, the City issued \$104,775,000 of Electric Utility System Revenue Refunding Bonds, Series 2019C. The net proceeds of \$104,340,850 (after issue costs, premium and discounts) from the issuance were used to refund \$73,997,000 in taxable commercial paper and \$30,000,000 will be used to fund the design and construction of a chilled water plant. Interest is payable May 15 and November 15 of each year from 2019 to 2049, commencing on November 15, 2019. Principal payments are due November 15 of each year from 2020 to 2049. Total interest requirements for this obligation, with interest rates ranging from 2.0% to 3.6%, are \$68,536,496.

These issuances, Series 2019B & Series 2019C, only encompassed commercial paper refundings; therefore, there was no real economic gain achieved with this transaction, nor was an accounting loss or gain recorded. The refunding issuances enabled the City to restore the available capacity under its tax-exempt and taxable commercial paper notes.

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

Electric Utility System Revenue Debt -- Bonds Issued and Outstanding - The following table summarizes all electric system refunding revenue bonds outstanding at September 30, 2019 (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	14,010	640 (1)	5.00%	11/15/2019-2020
2008 Refunding	2008	50,000	36,855	18,462 (1)	5.20 - 6.26%	11/15/2019-2032
2010A Refunding	2010	119,255	91,455	41,982 (1)	4.00 - 5.00%	11/15/2019-2040
2010B Refunding	2010	100,990	100,990	70,748 (1)	4.54 - 5.72%	11/15/2019-2040
2012A Refunding	2013	267,770	247,085	142,859 (1)	2.50 - 5.00%	11/15/2019-2040
2012B Refunding	2013	107,715	82,280	14,938 (1)	1.83 - 3.16%	11/15/2019-2027
2015A Refunding	2015	327,845	327,845	250,763 (1)	5.00%	11/15/2021-2045
2015B Refunding	2015	81,045	63,420	21,344 (1)	2.08 - 4.66%	11/15/2019-2037
2017 Refunding	2017	101,570	101,570	68,684 (1)	4.00 - 5.00%	11/15/2019-2038
2019A	2019	464,540	464,540	90,207 (1)	2.43 - 3.09%	11/15/2019-2031
2019B Refunding	2019	169,850	169,850	179,255 (1)	5.00%	11/15/2022-2049
2019C Refunding	2019	104,775	104,775	68,536 (1)	2.00 - 3.57%	11/15/2020-2049
			<u>\$ 1,804,675</u>			

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

Electric Utility System Revenue Debt -- Pledged Revenues - The net revenue of Austin Energy was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2019 (in thousands):

Gross Revenue (1)	Operating Expense (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 1,471,267	1,105,466	365,801	91,371	4.00

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

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

Water and Wastewater System Revenue Debt -- General - The City is authorized by ordinance to issue Austin Water 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 Austin Water. Bond ratings at September 30, 2019, 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 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 and wastewater system. 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. Total interest requirements for the bonds, with interest rates ranging from 1.2% to 2.6%, are \$740,207.

Water and Wastewater System Revenue Debt -- Revenue Bond In-Substance Defeasance - In May 2019, the City defeased \$4,355,000 of separate lien revenue refunding bonds, series 2010A, \$11,355,000 of separate lien revenue refunding bonds, series 2011, \$16,140,000 of separate lien revenue refunding bonds, series 2012, \$6,520,000 of separate lien revenue refunding bonds, series 2013A, \$3,960,000 of separate lien revenue refunding bonds, series 2014, and \$750,000 of separate lien revenue refunding bonds, series 2015A, with a \$45,056,909 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 2019 defeasance were \$48,430,825 over a seven-year period. These savings, coupled with future planned debt defeasance transactions, will help achieve rate stability over the next few years. An accounting loss of \$925,230 was recorded and recognized in the current period on the defeasance.

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

Water and Wastewater System Revenue Debt -- Bonds Issued and Outstanding - The following table summarizes all water and wastewater system original and refunding revenue bonds outstanding at September 30, 2019 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2008 Refunding	2008	\$ 170,605	101,500	27,053 (2)	1.25 - 2.32%	11/15/2019-2031 (3)
2009 Refunding	2009	175,000	1,700	34 (1)	4.00%	11/15/2019
2010	2010	31,815	24,385	-- (4)	0.00%	11/15/2019-2041
2010A Refunding	2011	76,855	59,860	43,320 (1)	5.00 - 5.13%	11/15/2019-2040
2010B Refunding	2011	100,970	90,425	66,574 (1)	4.10 - 6.02%	11/15/2019-2040
2011 Refunding	2012	237,530	196,745	123,423 (1)	3.13 - 5.00%	11/15/2019-2041
2012 Refunding	2012	336,820	239,185	139,128 (1)	2.50 - 5.00%	5/15/2020-2042
2013A Refunding	2013	282,460	256,115	152,879 (1)	3.00 - 5.00%	11/15/2019-2043
2014 Refunding	2014	282,205	273,100	180,051 (1)	5.00%	11/15/2019-2043
2015A Refunding	2015	249,145	244,785	85,550 (1)	2.85 - 5.00%	11/15/2019-2036
2015B Refunding	2015	40,000	22,990	566 (1)	2.13 - 2.54%	11/15/2019-2021
2016 Refunding	2016	247,770	247,770	197,803 (1)	5.00%	11/15/2019-2045
2016A	2017	20,430	18,590	3,036 (1)	0.64 - 2.12%	11/15/2019-2036
2017 Refunding	2017	311,100	311,100	192,898 (1)	2.50 - 5.00%	11/15/2020-2046
2017A	2018	45,175	43,155	8,121 (1)	0.63 - 2.29%	11/15/2019-2037
2018	2019	3,000	3,000	711 (1)	1.21 - 2.61%	11/15/2019-2038
			<u>\$ 2,134,405</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.

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

Bond Sub-Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding	Expiration
2008	Barclays Bank PLC	0.25%	Goldman Sachs	0.05%	\$ 101,500	10/28/2022

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. The City currently has an Irrevocable Letter of Credit Reimbursement Agreement, which has provisions within the agreement that, in the event of a default, the bank has the ability to declare the principal and accrued interest immediately due and payable.

Water and Wastewater System Revenue Debt -- Pledged Revenues - The net revenue of Austin Water was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2019 (in thousands):

Gross Revenue (1)	Operating Expense (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage (3)
\$ 560,168	261,004	299,164	163,595	1.83

(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.

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

Airport System 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, 2019, the total airport system obligation for prior lien bonds is \$1,024,355,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior lien bonds are \$821,347,894 at September 30, 2019. Revenue bonds authorized and unissued amount to \$735,795,000. Bond ratings at September 30, 2019, for the revenue bonds were A (Standard & Poor's) and A1 (Moody's Investors Service, Inc.).

Airport System Revenue Debt -- Revenue Refunding Bond Issue - In May 2019, the City issued \$151,720,000 of Airport System Revenue Refunding Bonds, Series 2019 (AMT). The bonds are subject to the alternative minimum tax (AMT). The net proceeds of \$168,031,141 (after issue costs, discounts, and premiums) from the refunding were used to refund \$157,450,000 of the City's outstanding Airport System Revenue Refunding Bonds, Series 2005 (AMT). Interest is payable May 15 and November 15 of each year from 2019 to 2025, commencing on November 15, 2019. Principal payments are due November 15 of each year from 2019 to 2025. Total interest requirements for this obligation, at a constant rate of 5.0%, are \$29,242,506. An economic gain of \$5,413,733 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$6,629,352. In connection with the refunding the interest rate swap was terminated; the termination fee was \$13,379,000 related to the transaction. An accounting loss of \$18,862,607, which will be deferred and amortized, was recorded on this refunding.

Airport System Revenue Debt -- Revenue Bond Issue - In August 2019, the City issued \$16,975,000 of Airport System Revenue Bonds, Series 2019A. The net proceeds of \$20,660,156 (after issue costs, discounts, and premiums) from the issuance is being used to complete the parking garage project. Interest is payable May 15 and November 15 of each year from 2019 to 2049, commencing on November 15, 2019. Principal payment is due November 15, 2049. Total interest requirements for these obligations, at a constant rate of 5.0%, are \$25,679,403.

In August 2019, the City issued \$248,170,000 of Airport System Revenue Bonds, Series 2019B (AMT). The net proceeds of \$300,399,829 (after issue costs, discounts, and premiums) from the issuance are being used for expansion and improvements to the terminal and apron and the construction of a new administration building adjacent to the parking garage. Interest is payable May 15 and November 15 of each year from 2019 to 2048, commencing on November 15, 2019. Principal payments are due November 15 of each year from 2022 to 2048. Total interest requirements for these obligations, at a constant rate of 5.0%, are \$238,245,061.

The following table summarizes all airport system original and refunding revenue bonds outstanding at September 30, 2019 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2013 Revenue	2013	\$ 60,000	48,030	5,547 (1)	2.25%	11/15/2019-2028 (2)
2014 Revenue	2015	244,495	244,495	219,349 (1)	5.00%	11/15/2026-2044
2017A Revenue	2017	185,300	185,300	178,429 (1)	5.00%	11/15/2026-2046
2017B Revenue	2017	129,665	129,665	124,856 (1)	5.00%	11/15/2026-2046
2019 Revenue	2019	151,720	151,720	29,243 (1)	5.00%	11/15/2019-2025
2019A Revenue	2019	16,975	16,975	25,679 (1)	5.00%	11/15/2049
2019B Revenue	2019	248,170	248,170	238,245 (1)	5.00%	11/15/2022-2048
			<u>\$ 1,024,355</u>			

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

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

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

Airport System 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, 2019 (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
\$ 191,166	6,107	118,610	78,663	24,429	3.22

- (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.

Nonmajor Fund Debt:

Convention Center -- Prior and Subordinate Lien Revenue Refunding Bonds - The City's Convention Center fund issues convention center revenue bonds and hotel occupancy tax revenue bonds to fund Convention Center fund capital projects. Principal and interest on these bonds are payable solely from pledged hotel occupancy tax revenues and the special motor vehicle rental tax revenues. At September 30, 2019, the total convention center obligation for prior and subordinate lien bonds is \$121,615,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior and subordinate lien bonds are \$20,726,118 at September 30, 2019. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2019. Bond ratings at September 30, 2019, 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 table below summarizes Convention Center refunding revenue bonds outstanding at September 30, 2019 (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	76,640	13,708 (2)	1.17 - 2.39%	11/15/2019-2029
2012 Refunding	2012	20,185	15,010	4,235 (1)	3.63 - 5.00%	11/15/2019-2029
2013 Refunding	2014	26,485	4,940	123 (1)	5.00%	11/15/2019
2016 Refunding	2017	29,080	25,025	2,660 (1)	1.88%	11/15/2019-2029
			<u>\$ 121,615</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%	\$ 38,320	10/9/2020
2008-B	Sumitomo Mitsui Banking Corporation	0.33%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.05%	38,320	10/9/2020
					<u>\$ 76,640</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. 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. The City currently has an Irrevocable Letter of Credit Reimbursement Agreement, which has provisions within the agreement that, in the event of a default, the bank has the ability to declare the principal and accrued interest immediately due and payable.

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
2020	\$ 71,391	44,123	8,969	9,281	15,944	3,611
2021	75,682	40,805	9,352	8,926	13,675	3,012
2022	76,156	37,174	9,762	8,554	11,263	2,448
2023	76,794	33,558	10,199	8,154	9,663	1,951
2024	77,325	30,170	10,653	7,725	7,830	1,538
2025-2029	365,090	101,476	60,934	31,411	24,485	3,872
2030-2034	232,735	34,253	67,297	17,293	6,055	407
2035-2039	31,155	2,218	33,652	4,302	--	--
2040-2044	--	--	4,365	281	--	--
Total debt service requirements	<u>1,006,328</u>	<u>323,777</u>	<u>215,183</u>	<u>95,927</u>	<u>88,915</u>	<u>16,839</u>
Less: Unamortized bond discounts	(1,028)	--	(598)	--	(185)	--
Add: Unamortized bond premiums	76,474	--	21,082	--	5,208	--
Net debt	<u>1,081,774</u>	<u>323,777</u>	<u>235,667</u>	<u>95,927</u>	<u>93,938</u>	<u>16,839</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Governmental Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2020	4,158	220	100,462	57,235
2021	1,973	215	100,682	52,958	153,640
2022	1,907	282	99,088	48,458	147,546
2023	1,842	347	98,498	44,010	142,508
2024	--	--	95,808	39,433	135,241
2025-2029	--	--	450,509	136,759	587,268
2030-2034	--	--	306,087	51,953	358,040
2035-2039	--	--	64,807	6,520	71,327
2040-2044	--	--	4,365	281	4,646
Total debt service requirements	<u>9,880</u>	<u>1,064</u>	<u>1,320,306</u>	<u>437,607</u>	<u>1,757,913</u>
Less: Unamortized bond discounts	--	--	(1,811)	--	(1,811)
Add: Unamortized bond premiums	--	--	102,764	--	102,764
Net debt	<u>\$ 9,880</u>	<u>1,064</u>	<u>1,421,259</u>	<u>437,607</u>	<u>1,858,866</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
2020	\$ 3,119	588	2,370	2,016	8,131	672
2021	3,253	443	2,488	1,935	4,610	449
2022	2,575	297	2,603	1,849	2,636	300
2023	1,650	168	2,730	1,753	1,838	191
2024	1,715	85	2,868	1,645	1,480	116
2025-2029	--	--	16,557	6,322	1,515	59
2030-2034	--	--	13,938	2,685	--	--
2035-2039	--	--	3,073	322	--	--
2040-2044	--	--	--	--	--	--
2045-2049	--	--	--	--	--	--
2050-2054	--	--	--	--	--	--
Total debt service requirements	12,312	1,581	46,627	18,527	20,210	1,787
Less: Unamortized bond discounts	--	--	(78)	--	(1)	--
Add: Unamortized bond premiums	508	--	3,036	--	801	--
Net debt	12,820	1,581	49,585	18,527	21,010	1,787

Fiscal Year Ended September 30	Other Tax Supported Debt		Commercial Paper Notes (1)		Revenue Bonds (2)	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	775	258	129,300	47	154,053
2021	820	226	--	--	179,200	221,582
2022	845	191	--	--	199,005	213,876
2023	885	156	--	--	210,985	204,650
2024	920	119	--	--	231,605	194,990
2025-2029	1,870	119	--	--	1,216,170	817,811
2030-2034	--	--	--	--	914,020	571,148
2035-2039	--	--	--	--	830,590	370,094
2040-2044	--	--	--	--	707,530	175,320
2045-2049	--	--	--	--	335,775	38,136
2050-2054	--	--	--	--	34,900	830
Total debt service requirements	6,115	1,069	129,300	47	5,013,833	3,033,065
Less: Unamortized bond discounts	--	--	--	--	(1,406)	--
Add: Unamortized bond premiums	--	--	--	--	452,740	--
Net debt	\$ 6,115	1,069	129,300	47	5,465,167	3,033,065

(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 1.17% to 2.39%.

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

Business-type Activities, continued
(in thousands)

Fiscal Year Ended September 30	Revenue Notes from Direct Placements		Capital Lease Obligations		Total Business-Type Activities Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
	2020	\$ 10,555	2,484	60	73	308,363	230,766
2021	10,700	2,323	63	69	201,134	227,027	428,161
2022	10,860	2,160	67	66	218,591	218,739	437,330
2023	11,070	1,989	70	64	229,228	208,971	438,199
2024	11,230	1,812	74	59	249,892	198,826	448,718
2025-2029	58,985	6,109	427	236	1,295,524	830,656	2,126,180
2030-2034	25,705	2,563	117	39	953,780	576,435	1,530,215
2035-2039	19,895	636	--	--	853,558	371,052	1,224,610
2040-2044	3,185	--	--	--	710,715	175,320	886,035
2045-2049	--	--	--	--	335,775	38,136	373,911
2050-2054	--	--	--	--	34,900	830	35,730
Total debt service requirements	162,185	20,076	878	606	5,391,460	3,076,758	8,468,218
Less: Unamortized bond discounts	--	--	--	--	(1,485)	--	(1,485)
Add: Unamortized bond premiums	--	--	--	--	457,085	--	457,085
Net debt	\$ 162,185	20,076	878	606	5,847,060	3,076,758	8,923,818

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
	2020	\$ 50	2	26,630	10	78,348
2021	4	--	--	--	78,886	74,218
2022	--	--	--	--	87,148	71,400
2023	--	--	--	--	86,843	68,100
2024	--	--	--	--	91,652	64,628
2025-2029	--	--	--	--	483,772	267,432
2030-2034	--	--	--	--	365,555	176,199
2035-2039	--	--	--	--	261,920	111,875
2040-2044	--	--	--	--	184,745	58,400
2045-2049	--	--	--	--	133,770	16,024
2050-2054	--	--	--	--	17,925	406
Total debt service requirements	54	2	26,630	10	1,870,564	981,407
Less: Unamortized bond discounts	--	--	--	--	(174)	--
Add: Unamortized bond premiums	--	--	--	--	118,296	--
Net debt	54	2	26,630	10	1,988,686	981,407

Fiscal Year Ended September 30	Capital Lease Obligations		Total Austin Energy Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
	2020	60	73	105,088	72,810
2021	63	69	78,953	74,287	153,240
2022	67	66	87,215	71,466	158,681
2023	70	64	86,913	68,164	155,077
2024	74	59	91,726	64,687	156,413
2025-2029	427	236	484,199	267,668	751,867
2030-2034	117	39	365,672	176,238	541,910
2035-2039	--	--	261,920	111,875	373,795
2040-2044	--	--	184,745	58,400	243,145
2045-2049	--	--	133,770	16,024	149,794
2050-2054	--	--	17,925	406	18,331
Total debt service requirements	878	606	1,898,126	982,025	2,880,151
Less: Unamortized bond discounts	--	--	(174)	--	(174)
Add: Unamortized bond premiums	--	--	118,296	--	118,296
Net debt	\$ 878	606	2,016,248	982,025	2,998,273

(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
(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
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	188	9	114	43	--	--	589	76
2025-2029	--	--	636	140	--	--	1,197	76
2030-2034	--	--	326	20	--	--	--	--
2035-2039	--	--	--	--	--	--	--	--
2040-2044	--	--	--	--	--	--	--	--
2045-2049	--	--	--	--	--	--	--	--
Total debt service requirements	923	130	1,478	409	2,317	161	3,915	684
Less: Unamortized bond discounts	--	--	(4)	--	--	--	--	--
Add: Unamortized bond premiums	42	--	23	--	71	--	--	--
Net debt	965	130	1,497	409	2,388	161	3,915	684

Fiscal Year Ended September 30	Commercial Paper Notes (1)		Revenue Bonds (2)		Revenue Notes from Direct Placements		Total Austin Water Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2020	102,670	37	52,925	103,296	4,135	1,002	161,577	104,682	266,259
2021	--	--	70,674	96,872	4,155	980	76,310	98,134	174,444
2022	--	--	82,712	93,348	4,170	957	88,131	94,528	182,659
2023	--	--	89,372	88,911	4,245	930	94,623	90,009	184,632
2024	--	--	103,673	84,386	4,265	900	108,829	85,414	194,243
2025-2029	--	--	557,188	345,826	21,840	3,924	580,861	349,966	930,827
2030-2034	--	--	395,920	228,210	23,240	2,540	419,486	230,770	650,256
2035-2039	--	--	386,380	131,976	19,895	636	406,275	132,612	538,887
2040-2044	--	--	289,780	42,339	3,185	--	292,965	42,339	335,304
2045-2049	--	--	41,730	2,627	--	--	41,730	2,627	44,357
Total debt service requirements	102,670	37	2,070,354	1,217,791	89,130	11,869	2,270,787	1,231,081	3,501,868
Less: Unamortized bond discounts	--	--	(1,173)	--	--	--	(1,177)	--	(1,177)
Add: Unamortized bond premiums	--	--	201,199	--	--	--	201,335	--	201,335
Net debt	\$ 102,670	37	2,270,380	1,217,791	89,130	11,869	2,470,945	1,231,081	3,702,026

(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 1.25 - 2.32%.

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 Bonds		Revenue Bonds		Revenue Notes from Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 10	1	10,900	45,451	4,335
2021	2	--	22,450	47,710	4,425	933
2022	1	--	21,695	46,606	4,530	833
2023	--	--	27,095	45,386	4,630	730
2024	--	--	28,320	44,002	4,730	624
2025-2029	--	--	130,705	199,250	25,380	1,395
2030-2034	--	--	142,615	166,663	--	--
2035-2039	--	--	182,290	126,243	--	--
2040-2044	--	--	233,005	74,581	--	--
2045-2049	--	--	160,275	19,485	--	--
2050-2054	--	--	16,975	424	--	--
Total debt service requirements	13	1	976,325	815,801	48,030	5,547
Add: Unamortized bond premiums	--	--	132,537	--	--	--
Net debt	13	1	1,108,862	815,801	48,030	5,547

Fiscal Year Ended September 30	Total Airport Debt Service Requirements		
	Principal	Interest	Total
2020	15,245	46,484	61,729
2021	26,877	48,643	75,520
2022	26,226	47,439	73,665
2023	31,725	46,116	77,841
2024	33,050	44,626	77,676
2025-2029	156,085	200,645	356,730
2030-2034	142,615	166,663	309,278
2035-2039	182,290	126,243	308,533
2040-2044	233,005	74,581	307,586
2045-2049	160,275	19,485	179,760
2050-2054	16,975	424	17,399
Total debt service requirements	1,024,368	821,349	1,845,717
Add: Unamortized bond premiums	132,537	--	132,537
Net debt	\$ 1,156,905	821,349	1,978,254

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		Other Tax Supported Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,852	542	2,278	1,960	7,079	589	279	93
2021	3,061	409	2,389	1,882	3,939	399	295	81
2022	2,387	270	2,501	1,799	2,217	276	304	69
2023	1,495	151	2,621	1,706	1,663	187	318	56
2024	1,527	76	2,754	1,602	1,480	116	331	43
2025-2029	--	--	15,921	6,182	1,515	59	673	43
2030-2034	--	--	13,612	2,665	--	--	--	--
2035-2039	--	--	3,073	322	--	--	--	--
Total debt service requirements	<u>11,322</u>	<u>1,448</u>	<u>45,149</u>	<u>18,118</u>	<u>17,893</u>	<u>1,626</u>	<u>2,200</u>	<u>385</u>
Less: Unamortized bond discounts	--	--	(74)	--	(1)	--	--	--
Add: Unamortized bond premiums	466	--	3,013	--	730	--	--	--
Net debt	<u>11,788</u>	<u>1,448</u>	<u>48,088</u>	<u>18,118</u>	<u>18,622</u>	<u>1,626</u>	<u>2,200</u>	<u>385</u>

Fiscal Year Ended September 30	Revenue Bonds (1)		Revenue Notes from Direct Placements		Total Nonmajor Enterprise Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2020	11,880	3,156	2,085	450	26,453	6,790	33,243
2021	7,190	2,782	2,120	410	18,994	5,963	24,957
2022	7,450	2,522	2,160	370	17,019	5,306	22,325
2023	7,675	2,253	2,195	329	15,967	4,682	20,649
2024	7,960	1,974	2,235	288	16,287	4,099	20,386
2025-2029	44,505	5,303	11,765	790	74,379	12,377	86,756
2030-2034	9,930	76	2,465	23	26,007	2,764	28,771
2035-2039	--	--	--	--	3,073	322	3,395
Total debt service requirements	<u>96,590</u>	<u>18,066</u>	<u>25,025</u>	<u>2,660</u>	<u>198,179</u>	<u>42,303</u>	<u>240,482</u>
Less: Unamortized bond discounts	(59)	--	--	--	(134)	--	(134)
Add: Unamortized bond premiums	708	--	--	--	4,917	--	4,917
Net debt	<u>\$ 97,239</u>	<u>18,066</u>	<u>25,025</u>	<u>2,660</u>	<u>202,962</u>	<u>42,303</u>	<u>245,265</u>

(1) A portion of these bonds are variable rate bonds with rates ranging from 1.17% - 2.39%.

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, 2019, defeased bonds remaining unredeemed or unmatured are provided below (in thousands):

Refunded Bonds	Escrow Maturity Dates	Balance (1)
Austin Water		
Series 2004A	11/15/2019	\$ 7,175
Series 2009	11/15/2019	118,030
Series 2009A	11/15/2019	135,125
Series 2010A	11/15/2019 - 11/15/2025	8,150
Series 2011	11/15/2019 - 11/15/2021	37,270
Series 2012	11/15/2019 - 5/15/2022	24,895
Series 2013A	11/15/2020	6,520
Series 2014	5/15/2020 - 5/15/2022	3,960
Series 2015A	5/15/2020	750
		<u>\$ 341,875</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, 2018. 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	6836 Austin Center Blvd, Suite 190 Austin, TX 78731 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 automatic 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 automatic 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 automatic 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 2019.

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

Employees Covered by Benefit Terms -- Membership in the plans as of December 31, 2018, is as follows:

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Inactive employees or beneficiaries currently receiving benefits	6,414	906	822
Inactive employees entitled to but not yet receiving benefits	2,851	111 (1)	8
Active employees	9,838	1,892	1,102
Total	<u>19,103</u>	<u>2,909</u>	<u>1,932</u>

(1) Includes 39 terminated vested members and 72 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, 2019 (in thousands)	\$120,795	35,617	20,890

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

The City's net pension liability was measured as of December 31, 2018 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, 2017 using the final 2018 assumptions and then was rolled forward to the plan's year ending December 31, 2018.

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%	2.50%	2.75%
Projected annual salary increases	4.00% to 6.25%	3.00% to 15.20% Service based (1)	1.00% to 8.50% Service based (2)
Investment rate of return	7.50%	7.25%	7.70%
Ad hoc postemployment benefit changes including COLAs	None	None	None
Experience study period	2011 - 2015	2013 - 2017	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.	Mortality rates were based on the PubS-2010 with projected improvements.	PubS-2010 (above-median, amount weighted) tables with mortality improvements projected five (5) years beyond the valuation date using scale MP-2018

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

(2) This does not include assumed general wage inflation increases of 3.00% for Fire.

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	32.00%	5.30%
Developed markets equities	15.00%	6.62%
Emerging markets equities	8.00%	7.14%
Fixed income	20.00%	3.58%
Alternative investments	15.00%	5.39% to 6.65%
Real estate	10.00%	5.27%
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%
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 City Employees' and Fire Fighters' 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. Police Officers' fund was projected to be available to make projected future payments of current active and inactive employees through the year 2041. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the 2041 fiscal year, and the municipal bond rate of 3.71% was applied to all benefit payments after that date, with the resulting blended discount rate being 4.70%.

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Discount rate	7.50%	4.70% (1)	7.70%
Change since last measurement date	None	(3.00%)	None
Long-term expected rate of return on pension plan investments	7.50%	7.25%	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 40 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%.

(1) The use of a blended discount rate that was three percentage points lower than the previous discount rate resulted in a significant increase in the net pension liability related to changes in assumptions.

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</u>
City Employees	6.50%	\$ 2,011,391	7.50%	\$ 1,528,177	8.50%	\$ 1,125,047
Police Officers	3.70%	1,475,727	4.70%	1,186,434	5.70%	952,515
Fire Fighters	6.70%	290,175	7.70%	184,061	8.70%	94,426

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, 2018 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, 2017 (a)	\$ 3,797,823	1,189,591	1,038,801	6,026,215
Changes for the year:				
Service cost	111,438	33,757	25,131	170,326
Interest	281,404	90,479	80,552	452,435
Benefit changes	--	--	10,188	10,188
Differences between expected and actual experience	1,882	(12,905)	(735)	(11,758)
Assumption changes	--	666,873	(4,779)	662,094
Contribution buy back	--	1,142	--	1,142
Benefit payments including refunds	(202,987)	(63,983)	(55,979)	(322,949)
Net change in total pension liability	<u>191,737</u>	<u>715,363</u>	<u>54,378</u>	<u>961,478</u>
Total pension liability at December 31, 2018 (b)	<u>3,989,560</u>	<u>1,904,954</u>	<u>1,093,179</u>	<u>6,987,693</u>
Total plan fiduciary net position at December 31, 2017 (c)	<u>2,650,438</u>	<u>769,475</u>	<u>953,798</u>	<u>4,373,711</u>
Changes for the year:				
Employer contributions	116,486	35,244	20,085	171,815
Employee contributions	58,713	21,461	17,033	97,207
Contribution buy back	--	1,142	--	1,142
Pension plan net investment income (loss)	(157,242)	(43,398)	(25,114)	(225,754)
Benefits payments and refunds	(202,987)	(63,983)	(55,979)	(322,949)
Pension plan administrative expense	(4,025)	(1,421)	(705)	(6,151)
Net change in total plan fiduciary net position	<u>(189,055)</u>	<u>(50,955)</u>	<u>(44,680)</u>	<u>(284,690)</u>
Total plan fiduciary net position at December 31, 2018 (d)	<u>2,461,383</u>	<u>718,520</u>	<u>909,118</u>	<u>4,089,021</u>
Net pension liability at December 31, 2017 (a-c)	<u>1,147,385</u>	<u>420,116</u>	<u>85,003</u>	<u>1,652,504</u>
Net pension liability at December 31, 2018 (b-d)	<u>\$ 1,528,177</u>	<u>1,186,434</u>	<u>184,061</u>	<u>2,898,672</u>

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

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

The Police Officers' fund had no significant changes to benefit terms during the measurement period but did have several changes of assumptions that affected the total pension liability including:

- The investment return assumption was decreased from 7.70% to 7.25%
- The change from a single discount rate of 7.70% to a single blended discount rate of 4.70% (see Note 7b -- Discount Rate)
- The inflation assumption was decreased from 3.00% to 2.50%
- Individual salary increase rates were modified to better reflect the current expectation for inflation and the current step schedule
- The payroll growth rate was decreased from 4.00% to 3.00%
- An explicit administrative expense load of 0.90% of payroll was added to the normal cost
- Mortality rates from PubS-2010 were adopted with fully generational mortality improvement using the ultimate mortality improvement rates in the MP tables
- Termination rates were modified to better reflect APRS experience
- Retirement rates were modified to better reflect APRS experience

The Fire Fighters' fund had changes of assumptions and benefit terms that affected the pension liability. Effective January 1, 2019 a cost-of-living adjustment increase of 2.3% went into effect.

Changes of assumptions included:

- The assumed mortality rates were updated to reflect the PubS-2010 (above-median, amount-weighted) tables.
- The price inflation assumption was lowered from 3.50% to 2.75% per year.

c -- Pension Expense

Total pension expense recognized by the City for the fiscal year ended September 30, 2019, was comprised of the following (in thousands):

	Pension Expense
City Employees	\$ 266,320
Police Officers	156,208
Fire Fighters	48,009
Total	\$ 470,537

7 – RETIREMENT PLANS, continued

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

At September 30, 2019, 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	\$ 88,875	26,105	15,364	130,344
Differences between expected and actual experience	27,949	18,563	12,269	58,781
Changes in assumptions	28,661	600,308	2,170	631,139
Net difference between projected and actual earnings on pension plan investments	200,252	81,692	43,607	325,551
Changes in proportionate share (between funds)	7,678	--	--	7,678
Total	<u>353,415</u>	<u>726,668</u>	<u>73,410</u>	<u>1,153,493</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	--	15,156	643	15,799
Changes in assumptions	--	--	4,181	4,181
Changes in proportionate share (between funds)	7,678	--	--	7,678
Total	<u>\$ 7,678</u>	<u>15,156</u>	<u>4,824</u>	<u>27,658</u>

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):

<u>Fiscal Year Ended September 30</u>	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
2020	\$ 106,244	110,354	18,007	234,605
2021	41,310	100,158	7,197	148,665
2022	36,014	97,672	6,304	139,990
2023	73,154	103,186	22,048	198,388
2024	140	82,420	1,046	83,606
Thereafter	--	191,617	(1,380)	190,237
Total	<u>\$ 256,862</u>	<u>685,407</u>	<u>53,222</u>	<u>995,491</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 No. 75.

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

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 2019 plan year (January 1 to December 31), the percentage of the maximum subsidy paid by the City was as follows:

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

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 -- The City has elected to do biennial actuarial valuations of its other postemployment benefits liability with a rollforward in the off years. The current year is a rollforward year and as a result membership in the plan is presented as of December 31, 2017:

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 \$2,395,447 (in thousands) was determined by an actuarial valuation as of December 31, 2017 that was rolled forward to December 31, 2018, the measurement date. Of the total liability, \$58,077 (in thousands) is considered to be due within one year and the remaining \$2,337,370 (in thousands) is considered to be a long-term liability.

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

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.

General Assumptions	
Inflation rate	• NA
Salary increases	• Vary by retirement group, age, and years of service
Discount rate	• 4.10%
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	• 8.50% graded to 4.50% over 8 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	
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, 2018, the City's actuaries used the Bond Buyer US Weekly Yields 20 General Obligation Bond Index of 4.10%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate -- The following presents the total OPEB liability (in thousands) 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.

1% Decrease		Current Discount Rate		1% Increase	
Total OPEB		Total OPEB		Total OPEB	
Rate	Liability	Rate	Liability	Rate	Liability
3.10%	\$ 2,884,701	4.10%	\$ 2,395,447	5.10%	\$ 2,015,195

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates -- The following presents the total OPEB liability (in thousands) 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.

1% Decrease		Current Rate		1% Increase	
Total OPEB Liability		Total OPEB Liability		Total OPEB Liability	
\$	2,002,490	\$	2,395,447	\$	2,907,388

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

Schedule of Changes in Total OPEB Liability -- Changes in the total OPEB liability for measurement period ended December 31, 2018 is as follows (in thousands):

Total OPEB liability at December 31, 2017	<u>\$ 2,524,897</u>
Changes for the year:	
Service cost	108,478
Interest	89,675
Benefit changes	231
Assumption changes	(274,758)
Expected benefit payments	<u>(53,076)</u>
Net change in total OPEB liability	<u>(129,450)</u>
 Total OPEB liability at December 31, 2018	 <u><u>\$ 2,395,447</u></u>

The OPEB plan changes included:

- Increasing the maximum value of the Health Reimbursement Account for retirees in the Consumer Driven Health Plan from \$500 to \$1,000 for individuals and \$1,000 to \$1,500 for families effective January 1, 2019.
- The Plan also switched health benefit providers from United Healthcare to BlueCross BlueShield effective January 1, 2019. However, the plan of benefits was unchanged and plan costs were not projected to change materially as a result of the change in vendors.

The OPEB plan assumption changes included:

- The discount rate was increased from 3.44% to 4.10% based on the Bond Buyer US Weekly Yields 20 General Obligation Bond Index as of the measurement date.
- Administrative expenses were updated to reflect the most recent vendor contracts (previously \$413 load annually per covered individual).
- The medical trend rates, beginning with the year ending December 31, 2019, were updated (pre-65 previously 6.50% and now 7.00% decreased by 0.50% per year to an ultimate 4.50% and post-65 previously 5.50% and now 6.00% decreased by 0.50% per year to an ultimate 4.50%).

c – Other Postemployment Benefits Expense

Total OPEB expenses recognized by the City for the fiscal year ended September 30, 2019 were \$198,598 (in thousands).

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

At September 30, 2019, 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	\$ 36,287	--
Differences between expected and actual experience	47,213	--
Changes in assumptions	208,106	238,366
Changes in proportionate share (between funds)	<u>25,936</u>	<u>25,936</u>
Total	<u><u>\$ 317,542</u></u>	<u><u>264,302</u></u>

8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

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

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

Fiscal Year Ended	
September 30	
2020	\$ 9,612
2021	9,612
2022	9,612
2023	9,612
2024	9,612
Thereafter	(31,107)
Total	<u>\$ 16,953</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, capacity, 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, capacity, and congestion price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts may be settled in cash or delivery of certain commodities. Austin Energy typically settles these contracts in cash.

Hedging Derivative Instruments

Natural Gas Derivatives

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

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

Premiums paid for options are deferred until the contract is settled. As of September 30, 2019, \$105 thousand in premiums was deferred. As of September 30, 2019, the fair value of Austin Energy's futures, options, and swaps was an unrealized loss of \$3.3 million, of which \$3.5 million is reported as derivative instruments in liabilities and \$206 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 2019, Austin Energy sold PCRRs and recorded a gain of \$156 thousand; however, this gain was deferred under the accounting requirements for regulated operations. At September 30, 2019, \$313 thousand remained deferred.

On September 30, 2019, Austin Energy had the following outstanding hedging derivative instruments (in thousands):

Type of Transaction	Reference Index	Fair Value at September 30, 2019			Change in Fair Value	Premiums Deferred
		Maturity Dates	Notional Volumes	Fair Value		
Long OTC Call Options	Henry Hub	Oct 2019 - Sep 2021	2,900,000 (1)	\$ 21	(1)	462
Long OTC Put Options	Henry Hub	Apr 2020 - Jun 2020	819,000 (1)	185	185	(184)
		Derivative instruments (assets)		206	184	278
Short OTC Put Options	Henry Hub	Apr 2020 - Jun 2020	(1,092,000) (1)	(64)	(64)	(70)
Short OTC Put Options	Henry Hub	Oct 2019 - Sep 2021	(2,900,000) (1)	(1,005)	(286)	(103)
Long OTC Swaps	Henry Hub	Oct 2019 - Sep 2020	3,275,000 (1)	(2,442)	(821)	--
		Derivative instruments (liabilities)		(3,511)	(1,171)	(173)
		Total		\$ (3,305)	(987)	105

(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.

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, 2019, the brokerages had credit ratings of A.

The over-the-counter agreements expose Austin Energy to credit risk; however, at September 30, 2019, 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 specified thresholds. At September 30, 2019, 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 of nonperformance, Austin Energy's operations will not be materially affected.

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

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 mitigated 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 (Katy/HSC) different than that at which the financial hedging contracts are expected to settle i.e. NYMEX (Henry Hub). As of September 30, 2019, the NYMEX price was \$2.43 per MMBTU (one million British thermal unit, a measurement of heating value), Katy was \$2.33 per MMBTU, and the HSC Hub price was \$2.33 per MMBTU.

Other Risks

As of September 30, 2019, Austin Energy was not exposed to credit, interest, or foreign currency risk on its investment derivative instruments.

b -- Variable Rate Debt Management Program

Hedging Derivative Instruments

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

As of September 30, 2019, the City has two outstanding swap transactions with initial and outstanding notional amounts totaling \$295.9 million and \$178.1 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.

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

On September 30, 2019, 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	\$ 101,500	(16,861)
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	76,640	(8,810)
					<u>\$ 178,140</u>	<u>(25,671)</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, 2019 (in thousands):

Item	Outstanding Notional Amount	Fair Value and Classification		Change in fair value	
				Deferred Outflows	Deferred Inflows
Business-Type Activities:					
Hedging derivative instruments (cash flow hedges):					
WW2	\$ 101,500	(16,861)	Non-current liability	(7,208)	--
HOT1	76,640	(8,810)	Non-current liability	(3,088)	--
<u>\$ 178,140</u>		<u>(25,671)</u>		<u>(10,296)</u>	<u>--</u>

Due to the continued low interest rate levels during fiscal year 2019, the City's interest rate swap hedging derivative instruments had negative fair values as of September 30, 2019. The fair value takes into consideration nonperformance risk, the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that may have been received.

Risks

Credit risk. As of September 30, 2019, 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, 2019, 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+
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	Morgan Keegan Financial Products (MKFP)	A3	BBB+	BBB

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

Swap agreements for both 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 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, 2019, 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:						
	Water & Wastewater Revenue Refunding Bonds, Series 2008	\$ (3,679)	1,596	(2,083)	(1,612)	(3,695)
	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	(2,514)	1,231	(1,283)	(1,221)	(2,504)
		<u>\$ (6,193)</u>	<u>2,827</u>	<u>(3,366)</u>	<u>(2,833)</u>	<u>(6,199)</u>

Basis and interest rate risk. Basis risk is the risk that the interest rate paid by the City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The City does not bear basis risk on Swap WW2. At September 30, 2019, the City bears basis risk on the Swap HOT1. This swap has basis risk since the City receives a percentage of LIBOR to offset the actual variable rate the City pays on the related bond. 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 bond. 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 67% of LIBOR on Swap HOT1 and would experience a shortfall relative to the rate paid on its bond 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.

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, 2019, the City did not have any investment derivative instruments related to interest rate swaps.

9 – DERIVATIVE INSTRUMENTS, continued
c -- Swap Payments and Associated Debt

As of September 30, 2019, 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)		
2020	\$ 10,135	(25)	5,883	5,858
2021	9,285	(28)	5,568	5,540
2022	6,810	(35)	5,337	5,302
2023	17,385	(38)	4,986	4,948
2024	17,350	(35)	4,387	4,352
2025-2029	81,435	(158)	13,710	13,552
2030-2034	35,740	(37)	1,246	1,209
Total	<u>\$ 178,140</u>	<u>(356)</u>	<u>41,117</u>	<u>40,761</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 the end of the fiscal year.

10 – DEFICITS IN FUND BALANCES AND NET POSITION

At September 30, 2019, 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:	
Housing Assistance 2018	\$ 2,137
One Texas Center	24
Capital Projects Funds:	
2012 fund	
Library & cultural	591
2018 fund	
Library & cultural	19
Parks	1,010
Open space	22,754
Health	88
Public safety	16
Transportation	243
Other funds	
Fire - general	1,383
Public Works	964
City Hall, plaza, parking garage	5,932
Waller Creek District	4,760
Nonmajor Enterprise	
Austin Resource Recovery	93,924
Development Services	84,446
Transportation	87,243

11 – INTERFUND BALANCES AND TRANSFERS
a -- Interfund receivables, payables, and advances

Interfund receivables, payables, and advances at September 30, 2019, are as follows (in thousands):

Due To	Due From				Total
	Nonmajor Governmental	Austin Energy	Austin Water	Nonmajor Enterprise	
General Fund	\$ --	221	--	--	221
Nonmajor governmental	43,683	--	--	--	43,683
Airport	--	171	--	--	171
Nonmajor enterprise	--	--	301	957	1,258
Total	\$ 43,683	392	301	957	45,333

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 (\$32.2 million), the majority (\$24.1 million) being new GGCIIP funds. Deficits in grant funds awaiting reimbursement from grantors (\$12.5 million) was borrowed from the Fiscal Surety fund.

Advances From	Advances To						Total
	Nonmajor Governmental	Austin Energy	Austin Water	Airport	Nonmajor Enterprise	Internal Service	
General Fund	\$ --	221	--	--	--	--	221
Nonmajor governmental	28,333	50	--	13	225	19	28,640
Austin Water Utility	432	10,821	--	--	--	--	11,253
Airport	--	171	--	--	--	--	171
Nonmajor enterprise	--	--	1,503	--	--	--	1,503
Total	\$ 28,765	11,263	1,503	13	225	19	41,788

Advances to and advances from reflect borrowing that will not be liquidated within one year. The advance to Nonmajor Governmental is for the Planning and Development Center and will be funded by certificates of obligation. The advance to Austin Water 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.

b -- Transfers

Transfers at September 30, 2019, are as follows (in thousands):

Transfers Out	Transfers In						Total
	General Fund	Nonmajor Governmental	Austin Energy	Austin Water	Nonmajor Enterprise	Internal Service	
General Fund	\$ --	30,532	1	--	15,597	--	46,130
Nonmajor governmental	2,232	39,973	69	250	99,028	--	141,552
Austin Energy	118,536	--	--	--	--	--	118,536
Austin Water Utility	51,453	75	231	--	--	106	51,865
Airport	--	--	153	--	--	329	482
Nonmajor enterprise	577	5,536	17	53	--	137	6,320
Internal service	--	23,440	1	--	120	207	23,768
Total	\$ 172,798	99,556	472	303	114,745	779	388,653

Interfund transfers are authorized through City council approval. Significant transfers include:

- Austin Energy and Austin Water transfers to the General Fund (\$170 million), which are comparable to a return on investment to owners.
- The Hotel-Motel Occupancy Tax (\$78.2 million) and the Vehicle Rental Tax (\$11.5 million), special revenue funds, transfer tax collections to the Convention Center in support of convention operations and debt service.
- The General Fund (\$26 million), various internal service funds (\$18 million), and special revenue funds (\$17 million) make transfers to capital improvement projects to cash fund various city projects.

12 – SELECTED REVENUES
a -- Major Enterprise Funds

Austin Energy and Austin Water

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 \$82 million in fiscal year 2019. 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, 2019, 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.

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 2019, the Airport fund revenues included minimum concession guarantees of \$24,944,916.

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, 2019 (in thousands):

Fiscal Year Ended September 30	Airport Lease Receipts
2020	\$ 31,238
2021	30,898
2022	29,019
2023	27,773
2024	27,684
2025-2029	83,198
2030-2034	8,295
2035-2039	7,375
2040-2044	2,635
Thereafter	1,643
Totals	\$ 249,758

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
2020	\$ 2,709
2021	2,176
2022	2,068
2023	2,030
2024	1,955
2025-2029	8,800
2030-2034	8,122
2035-2039	7,638
2040-2044	6,325
Thereafter	41,782
Totals	\$ 83,605

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.

a -- 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 tax, sales tax, 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 average compensation 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 refunded if the entity meets commitments made under the agreement. If criteria are not met, no taxes are refunded.

During fiscal year 2019, the City had four agreements under this program which resulted in rebates that meet the definition of tax abatements of approximately \$9.3 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.

b -- Exemption Program

There were no active agreements under the Media Production Development Zone Program during fiscal year 2019.

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 \$17.7 million as of September 30, 2019. 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, 2019, Austin Energy's investment in the STP was approximately \$372.2 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 asset retirement obligations. 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, 2019, the trust’s assets were in excess of the estimated liability by \$23.3 million which is reported as part of deferred inflows of resources (in thousands).

Decommissioning trust assets	\$ 232,231
Pro rata decommissioning liability	<u>(208,909)</u>
	<u>\$ 23,322</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, 2018 showed that the trust assets exceeded the minimum required assurance by \$77.5 million.

d -- Purchased Power

Austin Energy has commitments totaling \$5.2 billion to purchase energy and capacity through purchase power agreements. This amount includes provisions for wind power through 2041, landfill power through October 2019, 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 and Fayette power plants. At September 30, 2019, the financial statements include a \$1.5 million short-term decommissioning liability related to Holly and a \$317 thousand short-term environmental liability related to Fayette, classified as other liabilities. The amount is based on 2019 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, 2019.

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.

14 – COMMITMENTS AND CONTINGENCIES, continued
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 2019 Capital Budget has substantial contractual commitments relating to its capital improvement plan.

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

Project	Remaining Commitment (in thousands)
Governmental activities:	
General government	\$ 127,285
Public safety	53,324
Transportation, planning, and sustainability	132,030
Public health	2,397
Public recreation and culture	69,677
Urban growth management	35,662
Business-type activities:	
Electric	328,248
Water	96,297
Wastewater	150,367
Airport	213,518
Convention	56,076
Environmental and health services	8,496
Public recreation and culture	69
Urban growth management	106,065
Total	<u>\$ 1,379,511</u>

i -- Encumbrances

The City utilizes encumbrances to track commitments against budget in governmental funds. The amount of outstanding encumbrances at September 30, 2019, is as follows (in thousands):

	Encumbrances
General Fund	\$ 35,806
Nonmajor governmental	
Special Revenue	33,035
Capital Projects	135,216
	<u>\$ 204,057</u>

Significant encumbrances include reservations for the 2012 bond program (\$17,938), 2016 bond program (\$23,559), General government projects (\$23,570), Fire general (\$15,125), and Waller Creek District (\$22,795).

14 – COMMITMENTS AND CONTINGENCIES, continued
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 delayed final closure, but repairs for damage sustained from the floods are estimated to be completed prior to September 30, 2020. Closure date will be coordinated with TCEQ after the repairs have been completed. 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, 2019, is as follows (in thousands):

	<u>Closure</u>	<u>Postclosure</u>	<u>Total</u>
Total estimated costs	\$ 24,716	9,899	34,615
% capacity used	100%	100%	100%
Cumulative liability accrued	24,716	9,899	34,615
Costs incurred	(22,353)	--	(22,353)
Closure and postclosure liability	<u>\$ 2,363</u>	<u>9,899</u>	<u>12,262</u>

These amounts are based on the 2019 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 -- Asset Retirement Obligations (ARO)

South Texas Project (STP) -- Federal regulations require Austin Energy to perform certain asset retirement obligations related to decommissioning STP, a nuclear power station located in Bay City, Texas. These regulations are provided by the Nuclear Regulatory Commission (NRC) and require licensed nuclear facilities to follow both technical and financial criteria for decommissioning activities. An external decommissioning cost study is performed every five years. The most recent cost study was completed in May 2018 by TLG Services, Inc. and included a total decommissioning cost estimate of \$2.5 billion. Austin Energy, holding a 16% ownership interest in STP, has included a total ARO estimate of \$397.9 million (adjusted to 2019 dollars) and an associated deferred outflows of resources of \$189.0 million. Austin Energy has restricted assets held in an irrevocable trust to cover the eventual decommissioning costs and as of September 30, 2019, trust assets totaled \$232.2 million.

Fayette Power Project (FPP) -- Federal and state regulations as well as contractual obligations require Austin Energy to perform certain asset retirement activities associated with FPP. A cost study performed by the LCRA and completed June 30, 2018, assessed the activities required for capital asset retirement and includes a best estimate of the current value of costs to be incurred related to legal or contractual obligations. Austin Energy, holding a 50% ownership in Units 1 and 2 with the LCRA, has included a total ARO estimate of \$15.2 million and an associated deferred outflows of resources of \$14.2 million. Austin Energy, as joint owner of the facility, will amortize the deferred outflow related to regulatory obligations over 23 years, the estimated remaining useful life of the plant. Austin Energy will amortize the deferred outflow related to the contractual obligation over the remaining leased period of 6 years.

Wastewater treatment plants -- Federal regulations require the City to perform certain asset retirement obligations related to its wastewater treatment plants. The City must close the wastewater treatment facilities in a manner that minimizes the need for further maintenance and minimizes or controls postclosure escape of hazardous waste, hazardous constituents, leachate, contaminated run-off, or hazardous waste decomposition products to the ground or surface waters. Based on historical vendor invoices to remove solids from wastewater treatment plants, the ARO for wastewater treatment plants was approximately \$1.3 million as of September 30, 2019 and is reported as asset retirement obligations in the Austin Water fund, a major enterprise fund. The associated deferred outflow of \$543 thousand will be amortized over the remaining useful lives of the City's wastewater treatment plants, which range from 7 to 42 years.

Petroleum underground storage tanks -- State regulations require the City to perform certain asset retirement obligations pertaining to its petroleum underground storage tanks. Upon retirement of the tanks, the City is required to either remove the tank from the ground, permanently fill the tank in place, or conduct a permanent change in service. The City is opting to remove the tanks from the ground upon retirement. Based on an estimate from a certified vendor, the ARO for petroleum underground storage tanks was approximately \$518 thousand as of September 30, 2019 and is reported as asset retirement obligations in the Fleet fund, an internal service fund. The associated deferred outflow of \$142 thousand will be amortized over the remaining useful lives of the City's petroleum underground storage tanks, which range from 2 to 24 years.

14 – COMMITMENTS AND CONTINGENCIES, continued
I -- 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 14% of City employees and 22% of retirees use the HMO option; approximately 72% of City employees and 77% of retirees use the PPO option; and approximately 14% 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, 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. For 2018 stop-loss insurance covers individual claims that exceed \$500,000 per calendar year, up to a maximum of \$5 million. For 2019 stop-loss insurance covers individual claims that exceed \$750,000 per calendar year, with an unlimited maximum. In fiscal year 2019, four claims exceeded the stop-loss limit of \$500,000 for 2018 and no claims have exceeded the stop loss limit of \$750,000 for 2019; during fiscal year 2018, eleven claims exceeded the stop-loss limit of \$500,000, and during fiscal year 2017, four 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, 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 \$47.8 to \$49.2 million. In accordance with GAAP, \$47.8 million is recognized as claims payable in the financial statements with \$23.6 million recognized as a current liability and \$24.2 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, 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
I -- Risk-Related Contingencies, continued

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

	Austin Energy		Austin Water		Airport	
	2019	2018	2019	2018	2019	2018
Liability balances, beginning of year	\$ 69	2,070	353	562	--	1
Claims and changes in estimates	275	(1,708)	156	29	2	--
Claim payments	(112)	(293)	(199)	(238)	(2)	(1)
Liability balances, end of year	232	69	310	353	--	--

	Employee Benefits		Liability Reserve		Workers' Compensation	
	2019	2018	2019	2018	2019	2018
Liability balances, beginning of year	16,525	18,822	4,440	4,975	27,009	25,299
Claims and changes in estimates	162,292	158,704	(1,186)	2,963	6,100	5,101
Claim payments	(162,630)	(161,001)	(1,082)	(3,498)	(4,228)	(3,391)
Liability balances, end of year	\$ 16,187	16,525	2,172	4,440	28,881	27,009

The Austin Water fund claims liability balance at fiscal year-end included liabilities of \$264 thousand discounted at 2.90% in 2019 and \$238 thousand discounted at 4.44% in 2018. The Liability Reserve fund claims liability balance at fiscal year-end included liabilities of \$455 thousand discounted at 2.90% in 2019 and \$2.8 million discounted at 4.44% in 2018.

m -- Redevelopment of Robert Mueller Municipal Airport

In December 2004, City Council approved a master development agreement with Catellus Development Group (Catellus) to develop approximately 700 acres at the former site of the City's municipal airport 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 2.5 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 130 employers provide approximately 5,900 jobs at Mueller. From the start of home sales in 2007, the community has been well received. As of September 30, 2019, approximately 2,040 single-family homes and 2,110 multi-family units were either complete or under construction. Catellus also recently completed a new urban park and broke ground on two commercial office buildings in the Town Center.

n -- 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. \$1,967,271 in total assessments were levied in the year ended September 30, 2019. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2019 are \$12,205,000 and \$4,933, respectively. In April 2019, the City partially defeased \$665,000 of the remaining debt instruments in this series with proceeds from the 2019 series as described below.

14 – COMMITMENTS AND CONTINGENCIES, continued
n -- No-Commitment Special Assessment Debt, continued

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. \$386,811 in total assessments were levied in the year ended September 30, 2019. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2019 are \$2,370,000 and \$373, 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. \$1,820,227 in total assessments were levied during the fiscal year ended September 30, 2019. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2019 are \$9,895,000 and \$825, respectively.

In December 2018, the City issued \$4,265,000 and \$8,305,000 of Special Assessment Revenue Bonds, Series 2018 #1 and #2, respectively, related to the Estancia Hill Country Public Improvement District. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments related to the new bonds were levied during the fiscal year ended September 30, 2019. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2019 are \$12,570,000 and \$6,330,848, respectively.

In April 2019, the City issued \$4,500,000 of Special Assessment Revenue Bonds, Series 2019 related to the Whisper Valley Public Improvement District, Phase 1. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments related to the new bonds were levied in the year ended September 30, 2019. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2019 are \$4,500,000 and \$3,700, respectively. A total \$665,000 of the proceeds was used to defease a portion of the 2011 series.

o -- Capital Leases

The City has entered into lease agreements to finance equipment for both governmental and business-type activities. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments at their inception date. The lease agreements end in 2023 and 2031, respectively. See Note 6 for the debt service requirements on these leases.

The following summarizes capital assets recorded at September 30, 2019, under capital lease obligations (in thousands):

Capital Assets	Governmental Activities	Austin Energy
Building and improvements	\$ --	1,405
Equipment	14,257	--
Accumulated depreciation	(2,148)	(597)
Net capital assets	<u>\$ 12,109</u>	<u>808</u>

14 – COMMITMENTS AND CONTINGENCIES, continued
p -- 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, 2019, was \$33.9 million.

Fiscal Year Ended September 30	Future Lease Payments
2020	\$ 30,962
2021	26,911
2022	25,351
2023	24,584
2024	17,719
2025-2029	13,411
2030-2034	5,332
2035-2039	4,384
2040-2044	4,384
Thereafter	28,811
Totals	\$ 181,849

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, Airport, and Liability Reserve funds for claims payable at September 30, 2019. 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, 2019, \$134.9 million in housing revenue bonds were outstanding with an original issue value of \$139.4 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, 2019, \$143.3 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	\$ 136,502
Advances to other funds	9
Capital assets	205,593
Other noncurrent assets	121,661
Total assets	463,765
DEFERRED OUTFLOWS OF RESOURCES	
	31,399
LIABILITIES	
Other current liabilities	26,071
Other noncurrent liabilities	212,310
Total liabilities	238,381
DEFERRED INFLOWS OF RESOURCES	
	5,089
NET POSITION	
Net investment in capital assets	81,249
Restricted	138,821
Unrestricted	31,624
Total net position	\$ 251,694

Condensed Statement of Revenues, Expenses, and Changes in Net Position	
OPERATING REVENUES	
User fees and rentals	\$ 43,600
Total operating revenues	43,600
OPERATING EXPENSES	
Operating expenses before depreciation	73,270
Depreciation and amortization	9,017
Total operating expenses	82,287
Operating income (loss)	(38,687)
Nonoperating revenues (expenses)	2,472
Transfers	87,706
Change in net position	51,491
Beginning net position, as restated	200,203
Ending net position	\$ 251,694

Condensed Statement of Cash Flows	
Net cash provided (used) by:	
Operating activities	\$ (22,774)
Noncapital financing activities	89,511
Capital and related financing activities	(27,435)
Investing activities	5,890
Net increase (decrease) in cash and cash equivalents	45,192
Cash and cash equivalents, beginning	187,992
Cash and cash equivalents, ending	\$ 233,184

18 – RESTATEMENT

During fiscal year 2019, the City implemented a new accounting standard, GASB Statement No. 83, “Certain Asset Retirement Obligations (AROs).” This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. As a result of implementing this statement, net position was restated at October 1, 2018. The impact of these changes on the beginning balances reported in the financial statements is shown below (in thousands):

September 30, 2018	Government-wide	Proprietary Funds
	Governmental Activities	Governmental Activities-Internal Service Funds
Net position, as previously reported	\$ (253,209)	179,393
Adjustments to properly record implementation of GASB Statement No. 83	(362)	(362)
Net position, as restated	\$ (253,571)	179,031

The adjustments associated with the implementation of this standard were deferred in accordance with accounting for regulated operations for Austin Water. The amount deferred is \$720 thousand; therefore, there was no restatement to net position in this fund.

Prior to the restatement, Austin Energy carried a \$201.6 million decommissioning liability at September 30, 2018 related to the decommissioning of STP. With the implementation of GASB Statement No. 83, the City restated its ARO and deferred outflow of resources balances to \$414.9 million and \$212.2 million, respectively.

19 – SUBSEQUENT EVENTS

a -- General Obligation Bond Issue

In October 2019, the City issued \$146,090,000 of Public Improvement and Refunding Bonds, Series 2019. The net proceeds of \$147,670,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and mobility (\$59,150,000), watershed projects and acquisition of land (\$36,850,000), facility improvements (\$26,990,000), and parks and recreation (\$24,680,000). The net proceeds of the refunding portion of \$21,768,150 were used to refund \$14,220,000 Public Improvement Refunding Bonds, Series 2008 and \$7,405,000 Certificates of Obligation, Series 2009. Principal payments are due on September 1 of each year from 2020 to 2039. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2020. Total interest requirements for these bonds, at rates ranging from 4.0% to 5.0%, are \$50,409,857. An economic gain of \$2,064,601 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$2,332,382. An accounting loss of \$834,531, which will be deferred and amortized, was recorded on this refunding.

In October 2019, the City issued \$5,055,000 of Certificates of Obligation, Series 2019. The net proceeds of \$6,260,000 (after issue costs, discounts, and premiums) from this issue will be used to repair and refurbish city pools. Principal payments are due on September 1 of each year from 2020 to 2039. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2020. Total interest requirements for these obligations, at rates ranging from 4.0% to 5.0%, are \$2,972,998.

In October 2019, the City issued \$25,780,000 of Public Property Finance Contractual Obligations, Series 2019. The net proceeds of \$29,400,000 (after issue costs, discounts, and premiums) from this issue will be used for capital equipment. Principal payments are due on May 1 and November 1 of each year from 2020 to 2026. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2020. Total interest requirements for these obligations, at a rate of 5.0%, are \$5,221,961.

In October 2019, the City issued \$40,535,000 of Public Improvement Taxable Bonds, Series 2019. The net proceeds of \$40,700,000 (after issue costs, discounts, and premiums) from the issuance were used for affordable housing (\$37,905,000) and Austin Film studios (\$2,795,000). Principal payments are due September 1 of each year from 2020 to 2039. Interest is payable March 1 and September 1 of each year from 2020 to 2039, commencing on March 1, 2020. Total interest requirements for this obligation, at rates ranging from 1.9% to 5.0% are \$12,607,349.

In October 2019, the City issued \$14,935,000 of Certificates of Obligation, Taxable Series 2019. The net proceeds of \$15,000,000 (after issue costs, discounts, and premiums) from the issuance were used for Waller Creek District improvements. Principal payments are due September 1 of each year from 2020 to 2039. Interest is payable March 1 and September 1 of each year from 2020 to 2039, commencing on March 1, 2020. Total interest requirements for this obligation, at rates ranging from 1.9% to 5.0% are \$4,644,909.

19 – SUBSEQUENT EVENTS, continued

b -- Water and Wastewater – System Revenue Bond Issue

In November 2019, the City issued \$6,200,000 of Water and Wastewater System Revenue Bonds, Series 2019. This is a private placement structured through a memorandum with the Texas Water Development Board (TWDB). Project funds of \$5,778,093 will be used to improve and extend the water and wastewater system. Principal payments are due November 15 of each year from 2020 to 2039. Interest payments are due May 15 and November 15 of each year from 2020 to 2039. Total interest requirements for the bonds are \$1,040,148, with interest rates ranging from 0.84% to 1.94%.

In February 2020, the City issued \$11,200,000 of Water and Wastewater System Revenue Bonds, Series 2020A. This is a private placement structured through a memorandum with the TWDB. Project funds of \$10,533,750 will be used to improve and extend the water and wastewater system. Principal payments are due November 15 of each year from 2020 to 2049. Interest payments are due May 15 and November 15 of each year from 2020 to 2049. Total interest requirements for the bonds are \$497,111, with interest rates ranging from 0.05% to 0.50%.

In February 2020, the City issued \$3,800,000 of Water and Wastewater System Revenue Bonds, Series 2020B. This is a private placement structured through a memorandum with the TWDB. Project funds of \$3,541,198 will be used to improve and extend the water and wastewater system. Principal payments are due November 15 of each year from 2020 to 2049. Interest payments are due May 15 and November 15 of each year from 2020 to 2049. The total interest requirements on the bonds are \$325,304, with interest rates ranging from 0.03% to 0.80%.

c -- Novel Coronavirus (COVID-19)

In late December 2019 and early January 2020, the Novel Coronavirus or COVID-19, was identified in Wuhan, China. In late January, the United States had its first confirmed case of the virus in Washington State. On January 30, 2020 the World Health Organization declared a “public health emergency of international concern.” Throughout this time period, city management has been monitoring world, national, and local events and preparing for the potential of cases in the Austin area.

On March 6, 2020, in response to the increasing concerns regarding COVID-19 across the nation, City of Austin and Travis County officials declared a “local state of disaster” in advance of the City’s spring festival season following recommendations from local health authorities. Local officials announced the declaration to proactively increase preventative measures and put in place mitigation plans for events in the region. This declaration prohibits events with 2,500 or more people unless organizers can assure Austin Public Health that the organizers have mitigations plans to help prevent the spread of infectious diseases in place. Although no positive test results have been identified in the Austin area, the City and its staff are focused on mitigation strategies to protect our community. It is too early to identify the full impact of this virus on the Austin economy or the city’s financial position.



**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, 2019
(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	\$ 752,340	100	752,440	734,622	734,622	17,818
Franchise fees	35,294	18	35,312	35,310	35,310	2
Fines, forfeitures and penalties	8,694	--	8,694	12,369	12,369	(3,675)
Licenses, permits and inspections	16,572	--	16,572	15,948	15,983	589
Charges for services/goods	63,284	3,469	66,753	66,932	67,107	(354)
Interest and other	23,507	(6,813)	16,694	8,176	8,176	8,518
Total revenues	899,691	(3,226)	896,465	873,357	873,567	22,898
EXPENDITURES						
General government						
Municipal Court	24,310	1,083	25,393	27,674	27,988	2,595
Public safety						
Emergency Medical Services	76,251	11,729	87,980	88,337	88,530	550
Fire	176,967	22,417	199,384	198,479	198,479	(905)
Police	357,615	55,475	413,090	418,299	418,486	5,396
Public health						
Animal Services	11,960	1,699	13,659	13,912	13,912	253
Public Health	39,844	3,496	43,340	44,003	44,003	663
Social Services	35,008	1,580	36,588	37,294	36,600	12
Public recreation and culture						
Austin Public Library	46,857	4,926	51,783	52,168	52,168	385
Parks and Recreation	83,047	9,126	92,173	92,675	92,850	677
Urban growth management						
Neighborhood Housing and Community Development	9,642	5,692	15,334	17,232	17,232	1,898
Planning and Zoning	6,565	1,915	8,480	9,044	9,044	564
Other urban growth management	26,052	2,663	28,715	32,486	32,486	3,771
General city responsibilities (4)	119,740	(111,510)	8,230	8,636	9,836	1,606
Total expenditures	1,013,858	10,291	1,024,149	1,040,239	1,041,614	17,465
Excess (deficiency) of revenues over expenditures	(114,167)	(13,517)	(127,684)	(166,882)	(168,047)	40,363
OTHER FINANCING SOURCES (USES)						
Transfers in	172,798	52,285	225,083	195,683	195,683	29,400
Transfers out	(46,130)	(43,720)	(89,850)	(60,576)	(60,576)	(29,274)
Total other financing sources (uses)	126,668	8,565	135,233	135,107	135,107	126
Excess (deficiency) of revenues and other sources over expenditures and other uses	12,501	(4,952)	7,549	(31,775)	(32,940)	40,489
Special item - land sale	10,201	(10,201)	--	--	--	--
Fund balance at beginning of year	212,934	(6,730)	206,204	172,990	173,575	32,629
Fund balance at end of year	\$ 235,636	(21,883)	213,753	141,215	140,635	73,118

- (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 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 in the City's legally adopted budget: the Budgetary General Fund (represented as the General Fund in the City's budget document) plus Barton Springs Conservation, Budget Stabilization Reserve, Community Development Incentives, Economic Development, Economic Incentives Reserve, Emergency Reserve, Long Center Capital Improvements, Music Venue Assistance Program, Neighborhood Housing-Housing Trust, Pay for Success, Planning and Zoning Technology, 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.

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 (\$7,836,108).

b -- Budget Amendments

During fiscal year 2019, an amendment to the revenue budget related to licenses, permits, and inspection fees of \$35,500 was established for the new Planning and Zoning Technology fund. Additionally, Parks and Recreation Department amended their budget in both revenue and expenditures for \$175,000 due to an increase in interment services at City cemeteries. The expenditure budget for homeless services was amended and reallocated from Austin Public Health (\$694,733) to Municipal Court (\$313,643) for one full time case manager, Emergency Medical Services (\$193,602) for one full time case sworn clinical specialist, and Austin Police Department (\$187,488). The expenditure budget for Pay for Success Fund in general city responsibilities was increased by \$1,200,000 for a project delivering permanent supportive housing.

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):

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ 12,501
Adjustments - increases (decreases) due to:	
Unbudgeted revenues	1,894
Net compensated absences accrual	(413)
Outstanding encumbrances established in current year	(32,869)
Payments against prior year encumbrances	19,617
Other	6,819
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	<u>\$ 7,549</u>

RETIREMENT PLANS-TREND INFORMATION

The retirement plan information for each of the City's three pension plans provided below represents five years of trend information. Additional years will be added each year until ten years of trend data is available.

Changes in net pension liability for each pension plan for each of the five years ended December 31, 2014 through 2018 (measurement periods) are presented in the next three schedules:

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

	2014	2015	2016	2017	2018
Beginning total pension liability (a)	<u>\$ 2,909,918</u>	<u>3,094,056</u>	<u>3,391,796</u>	<u>3,591,376</u>	<u>3,797,823</u>
Changes for the year:					
Service cost	89,235	93,506	107,111	107,767	111,438
Interest	222,710	236,844	251,684	266,257	281,404
Differences between expected and actual experience	33,911	13,414	19,914	22,755	1,882
Assumption changes	--	123,493	--	--	--
Benefit payments including refunds	<u>(161,718)</u>	<u>(169,517)</u>	<u>(179,129)</u>	<u>(190,332)</u>	<u>(202,987)</u>
Net change in total pension liability	<u>184,138</u>	<u>297,740</u>	<u>199,580</u>	<u>206,447</u>	<u>191,737</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>	<u>3,989,560</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>	<u>2,650,438</u>
Changes for the year:					
Employer contributions	93,331	100,485	104,273	110,846	116,486
Employee contributions	50,490	54,066	60,801	56,194	58,713
Pension plan net investment income (loss)	99,704	(47,608)	171,640	376,820	(157,242)
Benefits payments and refunds	(161,718)	(169,517)	(179,129)	(190,332)	(202,987)
Pension plan administrative expense	<u>(2,631)</u>	<u>(2,422)</u>	<u>(2,701)</u>	<u>(2,778)</u>	<u>(4,025)</u>
Net change in plan fiduciary net position	<u>79,176</u>	<u>(64,996)</u>	<u>154,884</u>	<u>350,750</u>	<u>(189,055)</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>	<u>2,461,383</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>	<u>1,147,385</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>	<u>1,528,177</u>
Plan fiduciary net position as a percentage of the total pension liability (d/b)	71.42%	63.24%	64.03%	69.79%	61.70%
Covered payroll	\$ 514,787	546,058	573,308	609,553	640,464
City's net pension liability as a percentage of covered payroll	171.77%	228.36%	225.30%	188.23%	238.60%

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, 2018, 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	2018
Beginning total pension liability (a)	\$ 909,000	971,623	1,028,909	1,106,189	1,189,591
Changes for the year:					
Service cost	30,254	32,138	32,990	35,322	33,757
Interest	72,443	76,999	80,846	84,472	90,479
Benefit changes	(11,015)	(4,080)	--	--	--
Differences between expected and actual experience	--	(6,318)	7,455	17,241	(12,905)
Assumption changes	14,137	3,904	5,148	--	666,873
Contribution buy back	2,207	4,648	1,668	2,915	1,142
Benefit payments including refunds	(45,403)	(50,005)	(50,827)	(56,548)	(63,983)
Net change in total pension liability	62,623	57,286	77,280	83,402	715,363
Ending total pension liability (b)	971,623	1,028,909	1,106,189	1,189,591	1,904,954
Beginning total plan fiduciary net position (c)	595,110	638,019	644,174	686,020	769,475
Changes for the year:					
Employer contributions	32,400	33,239	33,814	35,141	35,244
Employee contributions	19,458	20,061	20,623	21,437	21,461
Contribution buy back	2,207	4,648	1,668	2,915	1,142
Pension plan net investment income (loss)	35,574	(322)	37,965	82,072	(43,398)
Benefits payments and refunds	(45,403)	(50,005)	(50,827)	(56,548)	(63,983)
Pension plan administrative expense	(1,327)	(1,466)	(1,397)	(1,562)	(1,421)
Net change in plan fiduciary net position	42,909	6,155	41,846	83,455	(50,955)
Ending total plan fiduciary net position (d)	638,019	644,174	686,020	769,475	718,520
Beginning net pension liability (a-c)	313,890	333,604	384,735	420,169	420,116
Ending net pension liability (b-d)	\$ 333,604	384,735	420,169	420,116	1,186,434
Plan fiduciary net position as a percentage of the total pension liability (d/b)	65.67%	62.61%	62.02%	64.68%	37.72%
Covered payroll	\$ 149,686	152,696	157,303	163,995	164,112
City's net pension liability as a percentage of covered payroll	222.87%	251.96%	267.11%	256.18%	722.94%

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 years ended December 31, 2018 and 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 was decreased for 2016 from 7.80% to 7.70% (decreasing 0.30% over the last three years) and for 2018 from 7.70% to 7.25%,
- The core inflation rate assumption was decreased for 2016 from 3.25% to 3.00% and for 2018 from 3.00% to 2.50%,
- The general wage inflation rate assumption was decreased for 2016 from 3.50% to 3.25%,
- In 2016 assumed rates of salary increase were amended at most service points, and in 2018 individual salary increase rates were modified to better reflect the current expectation for inflation and the current step schedule,
- The payroll growth assumption was increased for 2016 from 3.50% to 4.00% and decreased for 2018 from 4.00% to 3.00%,
- An explicit administrative expense load of 0.90% of payroll was added to the normal cost in 2018,
- Mortality rates from PubS-2010 were adopted with fully generational mortality improvement using the ultimate mortality improvement rates in the MP tables in 2018, and
- Termination and retirement rates were modified to better reflect APRS experience in 2018.

RETIREMENT PLANS-TREND INFORMATION, continued

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

	2014	2015	2016	2017	2018
Beginning total pension liability (a)	\$ 806,282	861,468	913,618	977,723	1,038,801
Changes for the year:					
Service cost	25,319	23,309	24,323	23,830	25,131
Interest	62,977	66,405	70,893	75,812	80,552
Benefit Changes	--	--	5,491	8,964	10,188
Differences between expected and actual experience	--	7,193	8,893	4,360	(735)
Assumption changes	4,883	--	--	--	(4,779)
Benefit payments including refunds	(37,993)	(44,757)	(45,495)	(51,888)	(55,979)
Net change in total pension liability	55,186	52,150	64,105	61,078	54,378
Ending total pension liability (b)	861,468	913,618	977,723	1,038,801	1,093,179
Beginning total plan fiduciary net position (c)	752,622	789,433	785,211	829,610	953,798
Changes for the year:					
Employer contributions	18,670	19,222	19,104	19,242	20,085
Employee contributions	14,660	15,547	15,884	16,319	17,033
Pension plan net investment income	42,005	6,328	55,569	141,915	(25,114)
Benefits payments and refunds	(37,993)	(44,757)	(45,496)	(51,888)	(55,979)
Pension plan administrative expense	(531)	(562)	(662)	(1,400)	(705)
Net change in plan fiduciary net position	36,811	(4,222)	44,399	124,188	(44,680)
Ending total plan fiduciary net position (d)	789,433	785,211	829,610	953,798	909,118
Beginning net pension liability (a-c)	53,660	72,035	128,407	148,113	85,003
Ending net pension liability (b-d)	\$ 72,035	128,407	148,113	85,003	184,061
Plan fiduciary net position as a percentage the total pension liability (d/b)	91.64%	85.95%	84.85%	91.82%	83.16%
Covered payroll	\$ 84,589	83,979	86,632	87,266	91,087
City's net pension liability as a percentage of covered payroll	85.16%	152.90%	170.97%	97.41%	202.07%

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 year ended December 31, 2015. For the years ended December 31, 2014, 2016, and 2017 there were no changes to assumptions that affected measurement of the total pension liability; there were, however, changes to the benefit terms. For the year ended December 31, 2018 there were changes to benefit terms and assumptions that affected measurement of the total pension liability.

The Fire Fighters' pension plan changes in benefit terms:

- Effective January 1, 2015 a cost-of-living adjustment increase of 1.3%,
- Effective January 1, 2017 a cost-of-living adjustment increase of 1.5%,
- Effective January 1, 2018 a cost-of-living adjustment increase of 2.2%, and
- Effective January 1, 2019 a cost-of-living adjustment increase of 2.3%.

The Fire Fighters' pension plan changes in assumptions:

- The assumed mortality rates were updated to reflect the PubS-2010 (above-median, amount-weighted) tables, and
- The price inflation assumption was lowered from 3.50% to 2.75% per year.

RETIREMENT PLANS-TREND INFORMATION, continued

Information pertaining to City contributions to the retirement systems 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%
2019	129,910	120,795	9,115	667,256	18.10%

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

Valuation Date	
Date	<ul style="list-style-type: none"> December 31 of each calendar year occurring during the fiscal year.
Notes	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Entry Age Normal (all years)
Asset Valuation Method	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 2.75% for 2016 forward, 3.25% for 2015
Salary Increases	<ul style="list-style-type: none"> 4.00% to 6.25% for 2016 forward, 4.50% to 6.00% for 2015
Investment Rate of Return	<ul style="list-style-type: none"> 7.50% for 2016 forward, 7.75% for 2015
Retirement Age	<ul style="list-style-type: none"> Experience-based table of rates that are gender specific. 2016 forward - Last updated for December 31, 2015 valuation pursuant to an experience study of the 5-year period ending December 31, 2015. 2015 - Last updated for December 31, 2012 valuation pursuant to an experience study of the 5-year period ending December 31, 2011.
Mortality	<ul style="list-style-type: none"> 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	
Notes	<ul style="list-style-type: none"> 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%
2019	35,603	35,617	(14)	167,048	21.32%
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%
2019	20,890	20,890	--	94,740	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

The other postemployment benefits plan information for the City's plan provided below represents two years of trend information. Additional years will be added each year until ten years of trend data is available.

Changes in other postemployment benefits liability for the other postemployment benefits plan for each of the two years ended December 31, 2017 through 2018 (measurement periods) are presented below:

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

	2017	2018
Beginning total OPEB liability	<u>\$ 2,055,627</u>	<u>2,524,897</u>
Changes for the year:		
Service cost	86,687	108,478
Interest	80,132	89,675
Benefit changes	--	231
Differences between expected and actual experience	64,227	--
Assumption changes	283,099	(274,758)
Expected benefit payments	(44,875)	(53,076)
Net change in total OPEB liability	<u>469,270</u>	<u>(129,450)</u>
Ending total OPEB liability	<u>\$ 2,524,897</u>	<u>2,395,447</u>
Covered-employee payroll	\$ 968,403	1,000,536
City's total OPEB liability as a percentage of covered-employee payroll	260.73%	239.42%

OTHER POSTEMPLOYMENT BENEFITS-TREND INFORMATION, continued

For the year ended December 31, 2017 there were no changes to benefit terms that affected measurement of the total OPEB liability. However, for the year ended December 31, 2018 there were changes to benefit terms that affected the measurement of the total OPEB liability. For the years ended December 31, 2017 and 2018, there were assumption changes.

The OPEB plan benefit term changes included:

- Increasing the maximum value of the Health Reimbursement Account for retirees in the Consumer Driven Health Plan from \$500 to \$1,000 for individuals and \$1,000 to \$1,500 for families effective January 1, 2019, and
- Switching health benefit providers from United Healthcare to BlueCross BlueShield effective January 1, 2019. However, the plan of benefits was unchanged and plan costs were not projected to change materially as a result of the change in vendors.

The OPEB plan assumption changes included:

- Decreasing the discount rate for 2017 from 3.78% to 3.44% and increasing the rate for 2018 from 3.44% to 4.10% based on the Bond Buyer US Weekly Yields 20 General Obligation Bond Index as of the measurement date,
- Updating medical and prescription drug claim costs in 2017 to reflect more recent experience,
- Modifying medical and prescriptions drug trend rates in 2017 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%,
- Updating third-party administrator and vendor administrative expenses to reflect more recent contracts and assumed trends on such costs, and for 2018 updating administrative expenses to reflect the most recent vendor contracts (previously \$413 load annually per covered individual and now \$398), and
- Updating the medical trend rates, beginning with the year ending December 31, 2019 (pre-65 previously 6.50% and now 7.00% decreased by 0.50% per year to an ultimate 4.50% and post-65 previously 5.50% and now 6.00% decreased by 0.50% per year to an ultimate 4.50%).

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





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



GENERAL FUND

General Fund
Schedule of Revenues - Budget and Actual-Budget Basis
As of September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-1

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Taxes					
Property taxes:					
Current	\$ 487,567	100	487,667	484,022	3,645
Delinquent	226	--	226	--	226
Penalty and interest	1,952	--	1,952	930	1,022
Property taxes	489,745	100	489,845	484,952	4,893
Sales taxes	248,813	--	248,813	236,150	12,663
Other taxes	13,782	--	13,782	13,520	262
Total taxes	752,340	100	752,440	734,622	17,818
Franchise fees	35,294	18	35,312	35,310	2
Fines, forfeitures, and penalties					
Library fines	428	--	428	618	(190)
Traffic fines	3,988	--	3,988	5,440	(1,452)
Parking violations	2,293	--	2,293	2,853	(560)
Other	1,985	--	1,985	3,458	(1,473)
Total fines, forfeitures, and penalties	8,694	--	8,694	12,369	(3,675)
Licenses, permits, and inspections					
Alarm permits	4,586	--	4,586	4,562	24
Public health	4,977	--	4,977	5,424	(447)
Development	4,458	--	4,458	3,230	1,228
Building safety	732	--	732	504	228
Beer and wine permits	660	--	660	536	124
Other	1,159	--	1,159	1,727	(568)
Total licenses, permits, and inspections	16,572	--	16,572	15,983	589
Charges for services/goods					
Recreation and culture	9,788	(11)	9,777	9,750	27
Public health	3,260	4,731	7,991	8,924	(933)
Emergency medical services	42,266	(1,251)	41,015	40,283	732
General government	7,970	--	7,970	8,150	(180)
Total charges for services/goods	63,284	3,469	66,753	67,107	(354)
Interest and other					
Interest	8,999	--	8,999	4,864	4,135
Rental income	900	--	900	1,418	(518)
Sale of property	1,085	--	1,085	991	94
Other	12,523	(6,813)	5,710	903	4,807
Total interest and other	23,507	(6,813)	16,694	8,176	8,518
Total revenues	\$ 899,691	(3,226)	896,465	873,567	22,898

(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, 2019
(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	\$ 14,752	65	14,817	15,134	317
Contractual services	9,385	996	10,381	10,982	601
Commodities	266	22	288	1,971	1,683
Expense refunds	(206)	--	(206)	(212)	(6)
Capital outlay	113	--	113	113	--
Total general government	24,310	1,083	25,393	27,988	2,595
Public safety					
Emergency Medical Services:					
Salaries and fringe benefits	65,326	126	65,452	65,376	(76)
Contractual services	8,399	11,667	20,066	20,297	231
Commodities	3,676	72	3,748	3,914	166
Expense refunds	(1,602)	--	(1,602)	(1,393)	209
Capital outlay	452	(136)	316	336	20
	76,251	11,729	87,980	88,530	550
Fire:					
Salaries and fringe benefits	168,985	650	169,635	166,449	(3,186)
Contractual services	12,828	22,757	35,585	35,697	112
Commodities	4,321	(679)	3,642	3,576	(66)
Indirect cost	588	--	588	581	(7)
Expense refunds	(9,814)	(296)	(10,110)	(7,869)	2,241
Capital outlay	59	(15)	44	45	1
	176,967	22,417	199,384	198,479	(905)
Police:					
Salaries and fringe benefits	329,587	616	330,203	332,372	2,169
Contractual services	38,284	54,521	92,805	91,214	(1,591)
Commodities	5,321	(257)	5,064	5,533	469
Expense refunds	(15,923)	(131)	(16,054)	(12,024)	4,030
Capital outlay	346	726	1,072	1,391	319
	357,615	55,475	413,090	418,486	5,396
Total public safety	610,833	89,621	700,454	705,495	5,041
Public health					
Animal Services:					
Salaries and fringe benefits	8,529	26	8,555	8,658	103
Contractual services	2,400	1,683	4,083	3,911	(172)
Commodities	1,299	(11)	1,288	1,505	217
Expense refunds	(305)	--	(305)	(166)	139
Capital outlay	37	1	38	4	(34)
	11,960	1,699	13,659	13,912	253
Public Health:					
Salaries and fringe benefits	29,227	(1,729)	27,498	28,462	964
Contractual services	10,577	5,148	15,725	15,647	(78)
Commodities	1,577	140	1,717	871	(846)
Expense refunds	(1,567)	(33)	(1,600)	(982)	618
Capital outlay	30	(30)	--	5	5
	39,844	3,496	43,340	44,003	663
Social Services:					
Contractual services	36,162	1,613	37,775	37,559	(216)
Commodities	33	(33)	--	--	--
Expense refunds	(1,187)	--	(1,187)	(959)	228
	35,008	1,580	36,588	36,600	12
Total public health	\$ 86,812	6,775	93,587	94,515	928

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
As of September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-2

(Continued)

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Public recreation and culture					
Austin Public Library:					
Salaries and fringe benefits	\$ 34,065	168	34,233	35,097	864
Contractual services	6,678	5,054	11,732	11,674	(58)
Commodities	6,247	(302)	5,945	5,508	(437)
Expense refunds	(234)	--	(234)	(111)	123
Capital outlay	101	6	107	--	(107)
	<u>46,857</u>	<u>4,926</u>	<u>51,783</u>	<u>52,168</u>	<u>385</u>
Parks and Recreation:					
Salaries and fringe benefits	63,123	254	63,377	63,751	374
Contractual services	18,716	8,869	27,585	29,765	2,180
Commodities	5,656	(306)	5,350	3,787	(1,563)
Indirect cost	583	--	583	30	(553)
Expense refunds	(5,374)	--	(5,374)	(5,266)	108
Capital outlay	343	309	652	783	131
	<u>83,047</u>	<u>9,126</u>	<u>92,173</u>	<u>92,850</u>	<u>677</u>
Total public recreation and culture	<u>129,904</u>	<u>14,052</u>	<u>143,956</u>	<u>145,018</u>	<u>1,062</u>
Urban growth management					
Neighborhood Housing and Community Development:					
Salaries and fringe benefits	4,665	18	4,683	3,637	(1,046)
Contractual services	5,695	5,524	11,219	13,544	2,325
Commodities	454	150	604	506	(98)
Expense refunds	(1,172)	--	(1,172)	(455)	717
	<u>9,642</u>	<u>5,692</u>	<u>15,334</u>	<u>17,232</u>	<u>1,898</u>
Planning and Zoning:					
Salaries and fringe benefits	5,617	62	5,679	6,176	497
Contractual services	770	1,882	2,652	2,808	156
Commodities	70	(9)	61	60	(1)
Expense refunds	(7)	--	(7)	--	7
Capital outlay	115	(20)	95	--	(95)
	<u>6,565</u>	<u>1,915</u>	<u>8,480</u>	<u>9,044</u>	<u>564</u>
Other Urban Growth Management:					
Salaries and fringe benefits	8,115	41	8,156	8,367	211
Contractual services	18,047	2,836	20,883	13,185	(7,698)
Commodities	958	(214)	744	12,380	11,636
Expense refunds	(1,068)	--	(1,068)	(1,446)	(378)
	<u>26,052</u>	<u>2,663</u>	<u>28,715</u>	<u>32,486</u>	<u>3,771</u>
Total urban growth management	<u>42,259</u>	<u>10,270</u>	<u>52,529</u>	<u>58,762</u>	<u>6,233</u>
General city responsibilities (2)	<u>119,740</u>	<u>(111,510)</u>	<u>8,230</u>	<u>9,836</u>	<u>1,606</u>
Total expenditures	<u>1,013,858</u>	<u>10,291</u>	<u>1,024,149</u>	<u>1,041,614</u>	<u>17,465</u>
General fund expenditures					
Salaries	731,991	297	732,288	733,479	1,191
Contractuals	167,941	122,550	290,491	286,283	(4,208)
Commodities	29,878	(1,427)	28,451	39,611	11,160
Indirect cost	1,171	--	1,171	611	(560)
Expense refunds	(38,459)	(460)	(38,919)	(30,883)	8,036
Capital outlay	1,596	841	2,437	2,677	240
General city responsibilities	119,740	(111,510)	8,230	9,836	1,606
Total expenditures	<u>\$ 1,013,858</u>	<u>10,291</u>	<u>1,024,149</u>	<u>1,041,614</u>	<u>17,465</u>

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

(2) Actual expenditures include employee training costs and amounts budgeted as fund-level expenditures or operating transfers. Actual-budget basis expenditures include employee training costs and amounts budgeted as fund-level expenditures.

General Fund
Schedule of Transfers - Budget and Actual-Budget Basis
As of September 30, 2019
(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	\$ --	51,309	51,309	22,035	29,274
Budget Stabilization Reserve	--	2,185	2,185	2,185	--
Emergency Reserve	--	370	370	370	--
Special revenue funds:					
Adaptive Programs	10	(10)	--	--	--
PARD Miscellaneous	1,096	(1,096)	--	--	--
Republic Square	1	(1)	--	--	--
Summer Musical	383	(383)	--	--	--
Teen Activity	87	(87)	--	--	--
Tennis League	2	(2)	--	--	--
Business Retention & Enhancement	527	--	527	527	--
Capital Projects	126	--	126	--	126
Enterprise funds:					
Austin Energy	118,536	--	118,536	118,536	--
Austin Water	51,453	--	51,453	51,453	--
Austin Resource Recovery	577	--	577	577	--
Total transfers in	172,798	52,285	225,083	195,683	29,400
Transfers out					
General Fund:					
Barton Springs Conservation	--	53	53	53	--
Budget Stabilization Reserve	--	29,875	29,875	601	(29,274)
Economic Development	--	6,691	6,691	6,691	--
Economic Incentives Reserve	--	11,595	11,595	11,595	--
Long Center Capital Improvements	--	300	300	300	--
Music Venue Assistance Program	--	100	100	100	--
Neighborhood Housing-Housing Trust	--	5,250	5,250	5,250	--
Special revenue funds:					
Child Safety	1,367	--	1,367	1,367	--
Town Lake Beautification	34	(34)	--	--	--
Urban Renewal Agency	8	(8)	--	--	--
Austin Cable Access	475	--	475	475	--
East Sixth Street Public Improvement District	35	--	35	35	--
Mueller Local Government Corporation	981	--	981	981	--
Second Street Tax Increment Financing	--	100	100	100	--
South Congress Public Improvement District	3	--	3	3	--
Debt service funds:					
General Obligation	680	--	680	680	--
Capital Projects	26,949	(10,201)	16,748	16,748	--
Enterprise funds:					
Austin Energy	1	(1)	--	--	--
Development Services	13,744	--	13,744	13,744	--
Golf	1,000	--	1,000	1,000	--
Transportation	853	--	853	853	--
Total transfers out	46,130	43,720	89,850	60,576	(29,274)
Net transfers	\$ 126,668	8,565	135,233	135,107	126

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



**NONMAJOR
GOVERNMENTAL
FUNDS**



**Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2019
(In thousands)**

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

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Pooled investments and cash	\$ 162,960	507	148,460	1,070	312,997
Investments - restricted	--	31,224	--	--	31,224
Cash held by trustee - restricted	7,904	--	--	--	7,904
Investments held by trustee - restricted	2,420	--	--	--	2,420
Property taxes receivable, net of allowance	--	3,889	--	--	3,889
Accounts receivable, net of allowance	34,250	65	2,663	--	36,978
Interest receivable	412	155	353	--	920
Receivables from other governments	17,774	--	7	--	17,781
Notes receivable, net of allowance	38,344	--	--	--	38,344
Due from other funds	15,643	--	28,040	--	43,683
Advances to other funds	--	432	28,333	--	28,765
Real property held for resale	5,479	--	--	--	5,479
Other assets	3,956	--	35,000	--	38,956
Total assets	289,142	36,272	242,856	1,070	569,340
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	4,283	--	13,506	--	17,789
Accrued payroll	708	--	--	--	708
Due to other funds	15,643	--	28,040	--	43,683
Unearned revenue	3,022	--	--	--	3,022
Advances from other funds	--	307	28,333	--	28,640
Deposits and other liabilities	90,590	--	423	--	91,013
Total liabilities	114,246	307	70,302	--	184,855
DEFERRED INFLOWS OF RESOURCES	2,708	3,811	440	--	6,959
FUND BALANCES					
Nonspendable:					
Permanent funds	--	--	--	1,070	1,070
Restricted	116,929	32,154	94,663	--	243,746
Committed	41,896	--	--	--	41,896
Assigned	15,524	--	115,211	--	130,735
Unassigned	(2,161)	--	(37,760)	--	(39,921)
Total fund balances	172,188	32,154	172,114	1,070	377,526
Total liabilities, deferred inflows of resources, and fund balances	\$ 289,142	36,272	242,856	1,070	569,340

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-5

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Property taxes	\$ 15,042	166,451	--	--	181,493
Franchise fees and other taxes	126,106	--	--	--	126,106
Fines, forfeitures and penalties	5,714	--	--	--	5,714
Licenses, permits and inspections	76	--	--	--	76
Charges for services/goods	22,097	--	--	--	22,097
Intergovernmental	66,763	--	7,066	--	73,829
Property owners' participation and contributions	2,819	--	18,706	--	21,525
Interest and other	8,433	6,231	7,677	--	22,341
Total revenues	247,050	172,682	33,449	--	453,181
EXPENDITURES					
Current:					
General government	1,537	--	--	--	1,537
Public safety	8,475	--	--	--	8,475
Transportation, planning, and sustainability	5,734	--	--	--	5,734
Public health	21,823	--	--	--	21,823
Public recreation and culture	3,517	--	--	1	3,518
Urban growth management	65,916	--	--	--	65,916
Debt service:					
Principal	2,500	125,663	--	--	128,163
Interest	3,845	60,725	--	--	64,570
Fees and commissions	--	31	--	--	31
Capital outlay	--	--	202,954	--	202,954
Total expenditures	113,347	186,419	202,954	1	502,721
Excess (deficiency) of revenues over expenditures	133,703	(13,737)	(169,505)	(1)	(49,540)
OTHER FINANCING SOURCES (USES)					
Issuance of tax supported debt	6,860	559	88,922	--	96,341
Bond premiums	230	--	5,970	--	6,200
Transfers in	18,170	16,049	65,337	--	99,556
Transfers out	(126,076)	--	(15,476)	--	(141,552)
Total other financing sources (uses)	(100,816)	16,608	144,753	--	60,545
Net change in fund balances	32,887	2,871	(24,752)	(1)	11,005
Fund balances at beginning of year	139,301	29,283	196,866	1,071	366,521
Fund balances at end of year	\$ 172,188	32,154	172,114	1,070	377,526





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 Gambling Asset Forfeiture 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.

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

PARD Parking Fund - Accounts for revenue collected through parking meters at Parks and Recreation sites that charge parking fees.

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 Assistance 2018 - Accounts for home repair, land acquisition and housing assistance that is funded by 2018 General Obligation bond proceeds.

Housing Loan Fund - Accounts for Affordable Housing loan activities.

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.

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

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

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:

Austin Cable Access Fund - Accounts for payments from cable companies and disbursements to Austin Access Television.

Business Retention & Enhancement Fund - Accounts for funds to retain and enhance downtown businesses.

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.

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

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 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.

Second Street Tax Increment Financing Fund - Accounts for maintaining the plazas, streetscapes and other public improvements installed on specific downtown blocks.

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.

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 Financing 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.

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

Accounts for the activities of the Austin Housing Finance Corporation. (blended component unit)

**Special Revenue Funds
Combining Balance Sheet
For the year ended September 30, 2019
(In thousands)**

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

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Austin Housing Finance Corporation (1)	Total
ASSETS				
Pooled investments and cash	\$ 2,473	155,246	5,241	162,960
Cash held by trustee - restricted	643	7,261	--	7,904
Investments held by trustee - restricted	--	2,420	--	2,420
Accounts receivable, net of allowance	--	34,250	--	34,250
Interest receivable	--	399	13	412
Receivables from other governments	17,557	33	184	17,774
Notes receivable, net of allowance	--	3,180	35,164	38,344
Due from other funds	--	15,643	--	15,643
Real property held for resale	--	678	4,801	5,479
Other assets	202	3,754	--	3,956
Total assets	20,875	222,864	45,403	289,142
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	2,204	2,074	5	4,283
Accrued payroll	556	152	--	708
Due to other funds	12,467	3,176	--	15,643
Unearned revenue	3,022	--	--	3,022
Deposits and other liabilities	2,626	86,984	980	90,590
Total liabilities	20,875	92,386	985	114,246
DEFERRED INFLOWS OF RESOURCES	--	2,708	--	2,708
FUND BALANCES				
Restricted	--	72,511	44,418	116,929
Committed	--	41,896	--	41,896
Assigned	--	15,524	--	15,524
Unassigned	--	(2,161)	--	(2,161)
Total fund balances	--	127,770	44,418	172,188
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,875	222,864	45,403	289,142

(1) Previously Reported as Housing Assistance Fund.

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-7

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Austin Housing Finance Corporation (1)	Total
REVENUES				
Property taxes	\$ --	15,042	--	15,042
Franchise fees and other taxes	--	126,106	--	126,106
Fines, forfeitures, and penalties	--	5,714	--	5,714
Licenses, permits and inspections	--	76	--	76
Charges for services/goods	--	21,608	489	22,097
Intergovernmental	47,563	106	19,094	66,763
Property owners' participation and contributions	--	2,819	--	2,819
Interest and other	--	8,325	108	8,433
Total revenues	47,563	179,796	19,691	247,050
EXPENDITURES				
Current:				
General government	595	942	--	1,537
Public safety	6,042	2,433	--	8,475
Transportation, planning, and sustainability	2,940	2,794	--	5,734
Public health	21,652	171	--	21,823
Public recreation and culture	2,307	1,210	--	3,517
Urban growth management	14,027	47,180	4,709	65,916
Debt service:				
Principal	--	2,500	--	2,500
Interest	--	3,845	--	3,845
Total expenditures	47,563	61,075	4,709	113,347
Excess (deficiency) of revenues over expenditures	--	118,721	14,982	133,703
OTHER FINANCING SOURCES (USES)				
Issuance of tax supported debt	--	6,860	--	6,860
Bond premiums	--	230	--	230
Transfers in	--	18,170	--	18,170
Transfers out	--	(126,076)	--	(126,076)
Total other financing sources (uses)	--	(100,816)	--	(100,816)
Net change in fund balances	--	17,905	14,982	32,887
Fund balances at beginning of year	--	109,865	29,436	139,301
Fund balances at end of year	\$ --	127,770	44,418	172,188

(1) Previously Reported as Housing Assistance Fund.

Special Revenue Funds
Combining Balance Sheet - All Special Revenue Grants
September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-8

	Assets					Liabilities and Fund Balances							
	Pooled Investments by Trustee, and Cash	Cash Held Restricted	Receivables from			Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and		Total Fund Balances	Total Liabilities and Fund Balances	
			Other Governments	Other Assets	Total Assets				Other Liabilities	Total Liabilities			
Federal grants													
U.S. Department of Agriculture	\$ 175	--	1,773	--	1,948	104	193	1,475	--	176	1,948	--	1,948
U.S. Department of Commerce	--	--	3	--	3	--	--	3	--	--	3	--	3
Equal Employment Opportunity Commission	--	--	192	--	192	--	--	192	--	--	192	--	192
U.S. Department of Justice	--	--	655	159	814	189	40	529	--	56	814	--	814
U.S. Department of Labor	--	--	10	--	10	--	--	10	--	--	10	--	10
U.S. Department of State	--	--	31	--	31	18	--	4	--	9	31	--	31
U.S. Department of Transportation	17	--	1,113	--	1,130	--	3	1,063	17	47	1,130	--	1,130
U.S. Health & Human Services	106	--	2,663	12	2,781	978	258	1,257	51	237	2,781	--	2,781
U.S. Department of Homeland Security	43	--	3,437	31	3,511	26	12	2,872	441	160	3,511	--	3,511
Corporation for National and Community Services	--	--	4	--	4	--	--	4	--	--	4	--	4
U.S. Housing/Urban Development	911	643	5,551	--	7,105	859	--	4,225	694	1,327	7,105	--	7,105
U.S. National Endowment for the Arts	20	--	99	--	119	--	--	99	20	--	119	--	119
U.S. National Science Foundation	--	--	22	--	22	--	--	22	--	--	22	--	22
Total federal grants	1,272	643	15,553	202	17,670	2,174	506	11,755	1,223	2,012	17,670	--	17,670
State grants													
Texas Governor's Office Criminal Justice Division	22	--	--	--	22	--	--	--	--	22	22	--	22
Texas Department of State Health Services	--	--	222	--	222	4	44	174	--	--	222	--	222
Texas Commission of the Arts	--	--	--	--	--	--	--	--	--	--	--	--	--
Texas Parks and Wildlife	--	--	29	--	29	--	--	29	--	--	29	--	29
Texas Department of Motor Vehicles	--	--	141	--	141	--	--	141	--	--	141	--	141
Texas Commission of Environmental Quality	--	--	113	--	113	--	--	16	--	97	113	--	113
Texas Department of Housing and Community Affairs	--	--	352	--	352	--	--	352	--	--	352	--	352
Total state grants	22	--	857	--	879	4	44	712	--	119	879	--	879
Other special revenue grants	1,179	--	1,147	--	2,326	26	6	--	1,799	495	2,326	--	2,326
Total all grants	\$ 2,473	643	17,557	202	20,875	2,204	556	12,467	3,022	2,626	20,875	--	20,875

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Special Revenue Grants
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-9

138

	<u>Revenues</u>	<u>Expenditures</u>	<u>Excess</u> <u>(Deficiency)</u>	<u>Fund Balances</u>	<u>Fund Balances</u>
	<u>Inter-</u>	<u>Special</u>	<u>Of Revenues</u>	<u>at Beginning</u>	<u>at End</u>
	<u>governmental</u>	<u>Projects</u>	<u>Over</u>	<u>of Year</u>	<u>of Year</u>
			<u>Expenditures</u>		
Federal grants					
U.S. Department of Agriculture	\$ 6,083	6,083	--	--	--
U.S. Department of Commerce	--	--	--	--	--
Equal Employment Opportunity Commission	99	99	--	--	--
U.S. Department of Justice	1,873	1,873	--	--	--
U.S. Department of Labor	--	--	--	--	--
U.S. Department of State	208	208	--	--	--
U.S. Department of Transportation	4,491	4,491	--	--	--
U.S. Health & Human Services	13,234	13,234	--	--	--
U.S. Department of Homeland Security	1,951	1,951	--	--	--
Corporation for National and Community Services	22	22	--	--	--
U.S. Housing/Urban Development	14,909	14,909	--	--	--
U.S. National Endowment for the Arts	2	2	--	--	--
U.S. National Science Foundation	48	48	--	--	--
Total federal grants	42,920	42,920	--	--	--
State grants					
Texas Governor's Office Criminal Justice Division	82	82	--	--	--
Texas Department of State Health Services	878	878	--	--	--
Texas Commission of the Arts	3	3	--	--	--
Texas Parks and Wildlife	1,526	1,526	--	--	--
Texas Department of Motor Vehicles	421	421	--	--	--
Texas Commission on Environmental Quality	321	321	--	--	--
Texas Department of Housing and Community Affairs	508	508	--	--	--
Total state grants	3,739	3,739	--	--	--
Other special revenue grants	904	904	--	--	--
Total all grants	\$ 47,563	47,563	--	--	--

Special Revenue Funds
Combining Schedule of Expenditures - All Special Revenue Grants
From Inception to September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-10

	Total Expenditures at			Current Year		Total Expenditures at			Budget		
	Beginning of Year			In-Kind		End of Year			In-Kind		
	Grant	Match	Total	Grant	Match	Grant	Match	Total	Grant	Match	Total
Federal grants											
U.S. Department of Agriculture	\$ 66,094	5	66,099	6,083	--	72,177	5	72,182	76,869	5	76,874
U.S. Department of Commerce	815	35	850	--	--	815	35	850	845	35	880
Equal Employment Opportunity Commission	1,193	--	1,193	99	--	1,292	--	1,292	1,408	--	1,408
U.S. Department of Justice	36,728	6,421	43,149	1,873	158	38,601	6,579	45,180	45,248	7,378	52,626
U.S. Department of Labor	68	--	68	--	--	68	--	68	82	--	82
U.S. Department of State	497	--	497	208	--	705	--	705	1,120	166	1,286
U.S. Department of Transportation	54,320	14,972	69,292	4,491	1,137	58,811	16,109	74,920	75,055	20,677	95,732
U.S. Health & Human Services	169,266	1,455	170,721	13,234	131	182,500	1,586	184,086	210,668	1,823	212,491
U.S. Department of Homeland Security	58,099	4,071	62,170	1,951	184	60,050	4,255	64,305	76,281	7,100	83,381
Corporation for National and Community Services	20	--	20	22	22	42	22	64	60	40	100
U.S. Housing/Urban Development	314,138	5,724	319,862	14,909	676	329,047	6,400	335,447	343,864	6,823	350,687
U.S. National Endowment for the Arts	191	94	285	2	--	193	94	287	202	108	310
U.S. National Science Foundation	76	10	86	48	8	124	18	142	125	20	145
Total federal grants	701,505	32,787	734,292	42,920	2,316	744,425	35,103	779,528	831,827	44,175	876,002
State grants											
Texas Governor's Office Criminal Justice Division	1,410	344	1,754	82	--	1,492	344	1,836	1,501	345	1,846
Texas Department of State Health Services	9,111	852	9,963	878	97	9,989	949	10,938	11,924	1,014	12,938
Texas Commission of the Arts	240	71	311	3	--	243	71	314	276	125	401
Texas Parks and Wildlife	1,883	1,844	3,727	1,526	1,526	3,409	3,370	6,779	3,709	3,789	7,498
Texas Department of Motor Vehicles	4,098	1,469	5,567	421	188	4,519	1,657	6,176	5,009	1,832	6,841
Texas Commission on Environmental Quality	7,447	5,539	12,986	321	--	7,768	5,539	13,307	8,026	5,577	13,603
Texas Department of Housing and Community Affairs	5,416	192	5,608	508	--	5,924	192	6,116	5,955	192	6,147
Total state grants	29,605	10,311	39,916	3,739	1,811	33,344	12,122	45,466	36,400	12,874	49,274
Other special revenue grants	3,870	--	3,870	904	38	4,774	38	4,812	6,687	549	7,236
Total all grants	\$ 734,980	43,098	778,078	47,563	4,165	782,543	47,263	829,806	874,914	57,598	932,512

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2019
(In thousands)

Assets									
	Pooled	Cash	Investments	Net	Receivable	Net	Due from Property	Other	Other
	Investments	Held by	Held by	Accounts	from Other	Notes	Other	Held for	Assets
	and Cash	Trustee,	Trustee,	Receivable	Govern-	Receivable	Funds	Resale	Assets
		Restricted	Restricted		ments				
General government									
<i>Municipal Court:</i>									
Municipal Court Building Security	\$ 74	--	--	--	--	--	--	--	--
Municipal Court Juvenile Case Manager	1,153	--	--	--	--	--	--	--	3
Municipal Court Technology	334	--	--	--	--	--	--	--	3
Total general government	1,561	--	--	--	--	--	--	--	6
Public safety									
<i>Police:</i>									
ARIC Sustainability	1,826	--	--	--	--	--	--	--	11
Auto Theft Interdiction	25	--	--	--	--	--	--	--	--
Municipal Court Traffic Safety	104	--	--	--	--	--	--	--	1
Police Benefit	224	--	--	--	--	--	--	--	--
Police Federal Dept. of Justice Asset Forfeiture	1,934	--	--	--	--	--	--	--	3
Police Federal Dept. of Treasury Asset Forfeiture	2,784	--	--	--	--	--	--	--	7
Police State Contraband Asset Forfeiture	2,536	--	--	--	--	--	--	--	6
Police State Gambling Asset Forfeiture	630	--	--	--	--	--	--	--	2
Total Police	10,063	--	--	--	--	--	--	--	30
<i>Fire:</i>									
Fire Miscellaneous	51	--	--	--	--	--	--	--	--
Total Fire	51	--	--	--	--	--	--	--	--
Total public safety	10,114	--	--	--	--	--	--	--	30
Transportation, planning, and sustainability									
<i>Public Works and Transportation:</i>									
Child Safety	258	--	--	--	--	--	--	--	1
Total Public Works and Transportation	258	--	--	--	--	--	--	--	1
Total transportation, planning, and sustainability	258	--	--	--	--	--	--	--	1
Public health									
<i>Health & Human Services:</i>									
Health Miscellaneous	163	--	--	--	--	--	--	--	--
Total Health & Human Services	163	--	--	--	--	--	--	--	--
<i>Other public health:</i>									
Animal Services	222	--	--	--	--	--	--	--	1
Animal Shelter Building	15	--	--	--	--	--	--	--	--
Total other public health	237	--	--	--	--	--	--	--	1
Total public health	\$ 400	--	--	--	--	--	--	--	1

City of Austin, Texas
Exhibit E-11

Assets	Liabilities					Deferred Inflows of Resources	Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
	Total Assets	Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities		Total Liabilities	Restr- icted	Com- mitted	Assi- gned	Unass- igned	
74	32	--	--	--	32	--	42	--	--	--	42	74
1,156	1	15	--	--	16	--	1,140	--	--	--	1,140	1,156
337	--	--	--	--	--	--	337	--	--	--	337	337
1,567	33	15	--	--	48	--	1,519	--	--	--	1,519	1,567
1,837	43	--	--	--	43	--	1,794	--	--	--	1,794	1,837
25	--	--	--	--	--	--	25	--	--	--	25	25
105	103	2	--	--	105	--	--	--	--	--	--	105
224	13	--	--	--	13	--	172	--	39	--	211	224
1,937	10	--	--	--	10	--	1,927	--	--	--	1,927	1,937
2,791	--	--	--	--	--	--	2,791	--	--	--	2,791	2,791
2,542	--	--	--	--	--	--	2,542	--	--	--	2,542	2,542
632	--	--	--	--	--	--	632	--	--	--	632	632
10,093	169	2	--	--	171	--	9,883	--	39	--	9,922	10,093
51	--	--	--	--	--	--	51	--	--	--	51	51
51	--	--	--	--	--	--	51	--	--	--	51	51
10,144	169	2	--	--	171	--	9,934	--	39	--	9,973	10,144
259	11	127	--	--	138	--	106	--	15	--	121	259
259	11	127	--	--	138	--	106	--	15	--	121	259
259	11	127	--	--	138	--	106	--	15	--	121	259
163	--	--	--	108	108	--	54	--	1	--	55	163
163	--	--	--	108	108	--	54	--	1	--	55	163
223	26	--	--	56	82	--	117	--	24	--	141	223
15	--	--	--	--	--	--	--	--	15	--	15	15
238	26	--	--	56	82	--	117	--	39	--	156	238
401	26	--	--	164	190	--	171	--	40	--	211	401

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2019
(In thousands)

	Assets								
	Pooled Investments and Cash	Cash Held by Trustee, Restricted	Investments Held by Trustee, Restricted	Net Accounts Receivable	Receivable from Other Govern- ments	Net Notes Receivable	Due from Other Funds	Property Held for Resale	Other Assets
Public recreation and culture									
<i>Austin Public Library:</i>									
Austin History Center	\$ 111	--	--	--	--	--	--	--	--
Friends of Austin Public Library	773	--	--	--	--	--	--	--	7
Special Library	3,347	--	--	59	--	--	--	--	--
Total Austin Public Library	4,231	--	--	59	--	--	--	--	7
<i>Parks and Recreation:</i>									
Adaptive Programs	--	--	--	--	--	--	--	--	--
PARD Miscellaneous	--	--	--	--	--	--	--	--	--
PARD Parking	79	--	--	--	--	--	--	--	--
Republic Square	--	--	--	--	--	--	--	--	--
Summer Musical	4	--	--	--	--	--	--	--	--
Teen Activity	--	--	--	--	--	--	--	--	--
Tennis League	--	--	--	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	--	--	--	--	--
Total Parks and Recreation	83	--	--	--	--	--	--	--	--
Total public recreation and culture	4,314	--	--	59	--	--	--	--	7
Urban growth management									
<i>Neighborhood Housing & Community Development:</i>									
Homestead Preservation									
Reinvestment Tax Increment	1,490	--	--	--	--	--	--	--	--
Housing Assistance 2018	--	--	--	--	--	--	--	--	--
Housing Loan	--	--	--	--	--	3,180	--	--	--
Neighborhood Housing & Conservation	2,385	--	--	--	--	--	1,917	--	--
UNO Housing Trust	1,585	--	--	--	33	--	--	--	4
Urban Renewal Agency	--	--	--	--	--	--	--	678	--
Total Neighborhood Housing & Community Development	5,460	--	--	--	33	3,180	1,917	678	4
<i>Development Services & Watershed Protection:</i>									
Austin Industrial Development Corporation (AIDC)	191	--	--	--	--	--	--	--	1
Austin Lake Hills Water Quality	100	--	--	--	--	--	--	--	--
Barton Springs Zone Mitigation	481	--	--	--	--	--	--	--	1
Fiscal Surety-Land Development	68,165	--	--	--	--	--	12,467	--	197
Planting for the Future	445	--	--	--	--	--	--	--	--
Riparian Zone Mitigation	856	--	--	--	--	--	--	--	2
Urban Forest Replenishment	3,799	--	--	--	--	--	--	--	9
Water Supply Mitigation	8	--	--	--	--	--	--	--	--
Total Development Services & Watershed Protection	\$ 74,045	--	--	--	--	--	12,467	--	210

City of Austin, Texas
Exhibit E-11

(Continued)

Assets	Liabilities					Deferred Inflows of Resources	Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
	Total Assets	Accounts Payable	Accrued Payroll	Due to Other Funds	Deposits and Other Liabilities		Total Liabilities	Restr- icted	Com- mitted	Assi- gned	Unass- igned	
111	--	--	--	--	--	--	111	--	--	--	111	111
780	--	--	--	--	--	--	774	--	6	--	780	780
3,406	1	--	--	--	1	--	3,405	--	--	--	3,405	3,406
4,297	1	--	--	--	1	--	4,290	--	6	--	4,296	4,297
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
79	--	--	--	--	--	--	--	--	79	--	79	79
--	--	--	--	--	--	--	--	--	--	--	--	--
4	4	--	--	--	4	--	--	--	--	--	--	4
--	--	--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--	--	--
83	4	--	--	--	4	--	--	--	79	--	79	83
4,380	5	--	--	--	5	--	4,290	--	85	--	4,375	4,380
1,490	--	--	--	--	--	--	740	750	--	--	1,490	1,490
--	220	--	1,917	--	2,137	--	--	--	--	(2,137)	(2,137)	--
3,180	--	--	--	--	--	--	3,180	--	--	--	3,180	3,180
4,302	--	--	--	--	--	--	4,302	--	--	--	4,302	4,302
1,622	--	--	--	--	--	--	1,538	--	84	--	1,622	1,622
678	--	--	--	--	--	--	--	678	--	--	678	678
11,272	220	--	1,917	--	2,137	--	9,760	1,428	84	(2,137)	9,135	11,272
192	--	--	--	--	--	--	--	192	--	--	192	192
100	--	--	--	--	--	--	--	100	--	--	100	100
482	--	--	--	--	--	--	--	464	18	--	482	482
80,829	94	--	--	80,431	80,525	--	--	--	304	--	304	80,829
445	--	--	--	--	--	--	445	--	--	--	445	445
858	--	--	--	--	--	--	--	825	33	--	858	858
3,808	7	--	--	--	7	--	--	3,598	203	--	3,801	3,808
8	--	--	--	--	--	--	--	8	--	--	8	8
86,722	101	--	--	80,431	80,532	--	445	5,187	558	--	6,190	86,722

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
For the year ended September 30, 2019
(In thousands)

	Assets								
	Pooled Investments and Cash	Cash Held by Trustee, Restricted	Investments Held by Trustee, Restricted	Net Accounts Receivable	Receivable from Other Govern- ments	Net Notes Receivable	Due from Property Other Funds	Held for Resale	Other Assets
<i>Other urban growth management:</i>									
Austin Cable Access (1)	\$ 7,894	--	--	--	--	--	--	--	109
Business Retention & Enhancement	179	--	--	422	--	--	--	--	--
City Hall	395	--	--	12	--	--	--	--	1
City Hall Retail Tenant Improvement	74	--	--	--	--	--	--	--	--
Cultural Arts (2)	4,332	--	--	--	--	--	--	--	27
Downtown Public Improvement District	4,788	--	--	321	--	--	--	--	733
East Sixth Street Public Improvement District	11	--	--	50	--	--	--	--	37
Estancia Hill Country Public Improvement District	179	--	1,756	15	--	--	--	--	--
Historic Preservation	6,681	--	--	--	--	--	--	--	18
Hotel-Motel Occupancy Tax	30	--	--	26,093	--	--	--	--	--
I-35 Parking Program	573	--	--	--	--	--	--	--	1
Indian Hills Public Improvement District	198	--	179	--	--	--	--	--	--
Mueller Development	102	--	--	2,708	--	--	--	--	--
Mueller Local Government Corporation	8,720	921	--	--	--	--	--	--	10
Mueller Tax Increment Financing	--	--	--	--	--	--	--	--	10
One Texas Center	--	--	--	--	--	--	--	--	--
Public Arts	13	--	--	--	--	--	--	--	--
Rainey Street District	105	--	--	--	--	--	--	--	--
Rutherford Lane Facility	1,021	--	--	--	--	--	--	--	3
Seaholm Tax Increment Financing	1,541	--	--	--	--	--	--	--	4
Second Street Tax Increment Financing (3)	177	--	--	--	--	--	--	--	--
Section 108 Family Business Loan	739	6,340	--	--	--	--	--	--	2,879
South Congress Public Improvement District	174	--	--	87	--	--	--	--	--
Tourism and Promotion	1,616	--	--	--	--	--	--	--	4
Vehicle Rental Tax	--	--	--	4,483	--	--	--	--	7
Waller Creek Reserve	17,062	--	--	--	--	--	1,259	--	33
Waller Creek Tax Increment Financing	--	--	--	--	--	--	--	--	12
Whisper Valley Public Improvement District	697	--	485	--	--	--	--	--	2
Wildland Conservation	1,793	--	--	--	--	--	--	--	4
Total other urban growth management	59,094	7,261	2,420	34,191	--	--	1,259	--	3,894
Total urban growth management	138,599	7,261	2,420	34,191	33	3,180	15,643	678	4,108
Total	\$ 155,246	7,261	2,420	34,250	33	3,180	15,643	678	4,153

(1) Previously reported as Cable TV.

(2) Previously reported as PARD Cultural Projects.

(3) Previously reported as Tax Increment Finance.

City of Austin, Texas
Exhibit E-11

(Continued)

Assets		Liabilities					Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Total Assets	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	
8,003	235	--	--	--	235	--	4,703	--	3,065	--	7,768	8,003
601	--	--	--	--	--	--	--	--	601	--	601	601
408	106	--	--	--	106	--	--	302	--	--	302	408
74	--	--	--	--	--	--	74	--	--	--	74	74
4,359	69	--	--	--	69	--	--	4,153	137	--	4,290	4,359
5,842	--	--	--	--	--	--	5,842	--	--	--	5,842	5,842
98	--	--	--	--	--	--	98	--	--	--	98	98
1,950	--	--	--	--	--	--	1,950	--	--	--	1,950	1,950
6,699	5	--	--	--	5	--	--	--	6,694	--	6,694	6,699
26,123	--	--	--	30	30	--	26,093	--	--	--	26,093	26,123
574	11	--	--	--	11	--	516	--	47	--	563	574
377	--	--	--	--	--	--	377	--	--	--	377	377
2,810	--	--	--	7	7	2,708	--	95	--	--	95	2,810
9,651	--	--	--	--	--	--	--	9,651	--	--	9,651	9,651
10	--	--	10	--	10	--	--	--	--	--	--	10
--	--	--	24	--	24	--	--	--	--	(24)	(24)	--
13	--	--	--	12	12	--	--	1	--	--	1	13
105	--	--	--	--	--	--	--	69	36	--	105	105
1,024	71	--	--	--	71	--	--	953	--	--	953	1,024
1,545	--	--	--	--	--	--	1,545	--	--	--	1,545	1,545
177	--	--	--	--	--	--	--	--	177	--	177	177
9,958	35	--	--	6,340	6,375	--	--	3,583	--	--	3,583	9,958
261	--	--	--	--	--	--	261	--	--	--	261	261
1,620	963	--	--	--	963	--	588	69	--	--	657	1,620
4,490	--	--	1,213	--	1,213	--	3,055	--	222	--	3,277	4,490
18,354	--	--	--	--	--	--	--	14,783	3,571	--	18,354	18,354
12	--	--	12	--	12	--	--	--	--	--	--	12
1,184	--	--	--	--	--	--	1,184	--	--	--	1,184	1,184
1,797	14	8	--	--	22	--	--	1,622	153	--	1,775	1,797
108,119	1,509	8	1,259	6,389	9,165	2,708	46,286	35,281	14,703	(24)	96,246	108,119
206,113	1,830	8	3,176	86,820	91,834	2,708	56,491	41,896	15,345	(2,161)	111,571	206,113
222,864	2,074	152	3,176	86,984	92,386	2,708	72,511	41,896	15,524	(2,161)	127,770	222,864

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(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	\$ --	--	166	--	--	--	--	1	167
Municipal Court Juvenile Case Manager	--	--	274	--	--	--	--	25	299
Municipal Court Technology	--	--	221	--	--	--	--	6	227
Total general government	--	--	661	--	--	--	--	32	693
Public safety									
<i>Police:</i>									
ARIC Sustainability	--	--	--	--	--	--	444	37	481
Auto Theft Interdiction	--	--	52	--	--	--	--	--	52
Municipal Court Traffic Safety	--	--	554	--	--	--	--	57	611
Police Benefit	--	--	--	--	--	--	129	--	129
Police Federal Dept. of Justice Asset Forfeiture	--	--	984	--	--	--	--	60	1,044
Police Federal Dept. of Treasury Asset Forfeiture	--	--	1,729	--	--	--	--	80	1,809
Police State Contraband Asset Forfeiture	--	--	244	--	--	--	--	51	295
Police State Gambling Asset Forfeiture	--	--	--	--	--	--	--	13	13
Total Police	--	--	3,563	--	--	--	573	298	4,434
<i>Fire:</i>									
Fire Miscellaneous	--	--	--	--	--	--	--	1	1
Total Fire	--	--	--	--	--	--	--	1	1
Total public safety	--	--	3,563	--	--	--	573	299	4,435
Transportation, planning, and sustainability									
<i>Public Works and Transportation:</i>									
Child Safety	--	--	1,490	--	--	--	--	3	1,493
Total Public Works and Transportation	--	--	1,490	--	--	--	--	3	1,493
Total transportation, planning, and sustainability	--	--	1,490	--	--	--	--	3	1,493
Public health									
<i>Health & Human Services:</i>									
Health Miscellaneous	--	--	--	--	--	--	--	--	--
Total Health & Human Services	--	--	--	--	--	--	--	--	--
<i>Other public health:</i>									
Animal Services	--	--	--	--	--	--	154	4	158
Animal Shelter Building	--	--	--	--	--	--	--	--	--
Total other public health	--	--	--	--	--	--	154	4	158
Total public health	\$ --	--	--	--	--	--	154	4	158

(1) Expenditures include capital outlay of \$1.43 million.

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		Issuance of	Bond	Transfers	Transfers			
	Principal	Interest		Tax Supported	Premiums	In	Out			
157	--	--	10	--	--	--	--	10	32	42
529	--	--	(230)	--	--	--	--	(230)	1,370	1,140
256	--	--	(29)	--	--	--	--	(29)	366	337
942	--	--	(249)	--	--	--	--	(249)	1,768	1,519
289	--	--	192	--	--	--	--	192	1,602	1,794
--	--	--	52	--	--	--	--	52	(27)	25
509	--	--	102	--	--	--	(102)	--	--	--
200	--	--	(71)	--	--	--	--	(71)	282	211
359	--	--	685	--	--	--	--	685	1,242	1,927
1,068	--	--	741	--	--	--	--	741	2,050	2,791
8	--	--	287	--	--	--	--	287	2,255	2,542
--	--	--	13	--	--	--	--	13	619	632
2,433	--	--	2,001	--	--	--	(102)	1,899	8,023	9,922
--	--	--	1	--	--	--	--	1	50	51
--	--	--	1	--	--	--	--	1	50	51
2,433	--	--	2,002	--	--	--	(102)	1,900	8,073	9,973
2,794	--	--	(1,301)	--	--	1,367	(25)	41	80	121
2,794	--	--	(1,301)	--	--	1,367	(25)	41	80	121
2,794	--	--	(1,301)	--	--	1,367	(25)	41	80	121
--	--	--	--	--	--	--	--	--	55	55
--	--	--	--	--	--	--	--	--	55	55
171	--	--	(13)	--	--	--	--	(13)	154	141
--	--	--	--	--	--	--	--	--	15	15
171	--	--	(13)	--	--	--	--	(13)	169	156
171	--	--	(13)	--	--	--	--	(13)	224	211

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(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	--	--	--	--	--	--	129	290	419
Special Library	--	--	--	--	1,195	--	285	--	1,480
Total Austin Public Library	--	--	--	--	1,195	--	429	290	1,914
<i>Parks and Recreation:</i>									
Adaptive Programs	--	--	--	--	--	--	--	--	--
PARD Miscellaneous	--	--	--	2	--	--	291	--	293
PARD Parking	--	--	--	--	--	--	--	1,244	1,244
Republic Square	--	--	--	--	--	--	--	--	--
Summer Musical	--	--	--	--	--	--	87	--	87
Teen Activity	--	--	--	--	--	--	1	--	1
Tennis League	--	--	--	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	--	--	--	--	--
Total parks and recreation	--	--	--	2	--	--	379	1,244	1,625
Total public recreation and culture	--	--	--	2	1,195	--	808	1,534	3,539
Urban growth management									
<i>Neighborhood Housing & Community Development:</i>									
<i>Homestead Preservation</i>									
Reinvestment Tax Increment	750	--	--	--	--	--	--	--	750
Housing Assistance 2018	--	--	--	--	--	--	--	--	--
Housing Loan	--	--	--	--	--	--	--	--	--
<i>Neighborhood Housing & Conservation</i>									
UNO Housing Trust	--	--	--	--	552	--	--	30	582
Urban Renewal Agency	--	--	--	--	--	--	--	--	--
Total Neighborhood Housing & Community Development	750	--	--	--	552	--	--	30	1,332
<i>Development Services & Watershed Protection:</i>									
<i>Austin Industrial Development Corporation (AIDC)</i>									
Austin Lake Hills Water Quality	--	--	--	--	--	--	--	4	4
Barton Springs Zone Mitigation	--	--	--	--	--	--	30	9	39
Fiscal Surety-Land Development	--	--	--	--	--	--	--	1,251	1,251
Planting for the Future	--	--	--	74	--	--	17	--	91
Riparian Zone Mitigation	--	--	--	--	--	--	72	16	88
Urban Forest Replenishment	--	--	--	--	--	--	1,165	93	1,258
Water Supply Mitigation	--	--	--	--	--	--	--	--	--
Total Development Services & Watershed Protection	\$ --	--	--	74	--	--	1,284	1,375	2,733

(1) Expenditures include capital outlay of \$1.43 million.

(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			
9	--	--	6	--	--	--	--	6	105	111
241	--	--	178	--	--	--	--	178	602	780
202	--	--	1,278	--	--	--	--	1,278	2,127	3,405
452	--	--	1,462	--	--	--	--	1,462	2,834	4,296
--	--	--	--	--	--	--	(10)	(10)	10	--
386	--	--	(93)	--	--	--	(1,096)	(1,189)	1,189	--
199	--	--	1,045	--	--	--	(966)	79	--	79
--	--	--	--	--	--	--	(1)	(1)	1	--
105	--	--	(18)	--	--	--	(383)	(401)	401	--
50	--	--	(49)	--	--	--	(87)	(136)	136	--
--	--	--	--	--	--	--	(2)	(2)	2	--
18	--	--	(18)	--	--	34	--	16	(16)	--
758	--	--	867	--	--	34	(2,545)	(1,644)	1,723	79
1,210	--	--	2,329	--	--	34	(2,545)	(182)	4,557	4,375
--	--	--	750	--	--	--	--	750	740	1,490
2,137	--	--	(2,137)	--	--	--	--	(2,137)	--	(2,137)
251	--	--	(251)	--	--	--	--	(251)	3,431	3,180
5,391	--	--	(5,391)	6,860	230	--	--	1,699	2,603	4,302
607	--	--	(25)	--	--	--	--	(25)	1,647	1,622
8	--	--	(8)	--	--	8	--	--	678	678
8,394	--	--	(7,062)	6,860	230	8	--	36	9,099	9,135
--	--	--	4	--	--	--	--	4	188	192
--	--	--	2	--	--	--	--	2	98	100
--	--	--	39	--	--	--	--	39	443	482
--	--	--	1,251	--	--	--	--	1,251	(947)	304
248	--	--	(157)	--	--	--	--	(157)	602	445
--	--	--	88	--	--	--	--	88	770	858
1,426	--	--	(168)	--	--	--	(1,000)	(1,168)	4,969	3,801
--	--	--	--	--	--	--	--	--	8	8
1,674	--	--	1,059	--	--	--	(1,000)	59	6,131	6,190

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

	Revenues								Total Revenues
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Licenses, Permits, and Inspections	Services/Charges for Goods	Intergov-ernmental	Contri-butions	Interest and Other	
<i>Other urban growth management:</i>									
Austin Cable Access (2)	\$ --	2,014	--	--	--	--	--	150	2,164
Business Retention & Enhancement	--	--	--	--	21	--	--	--	21
City Hall	--	--	--	--	1,465	--	--	6	1,471
City Hall Retail Tenant Improvement	--	--	--	--	--	--	--	2	2
Cultural Arts (3)	--	12,639	--	--	--	--	--	70	12,709
Downtown Public Improvement District	--	--	--	--	8,576	--	--	134	8,710
East Sixth Street Public Improvement District	--	--	--	--	104	--	--	4	108
Estancia Hill Country Public Improvement District	--	--	--	--	1,821	--	--	34	1,855
Historic Preservation	--	12,639	--	--	--	--	--	149	12,788
Hotel-Motel Occupancy Tax	--	81,664	--	--	--	--	--	--	81,664
I-35 Parking Program	--	--	--	--	280	--	--	13	293
Indian Hills Public Improvement District	--	--	--	--	387	--	--	12	399
Mueller Development	--	--	--	--	11	--	--	252	263
Mueller Local Government Corporation	--	--	--	--	--	--	--	89	89
Mueller Tax Increment Financing	6,218	--	--	--	--	--	--	26	6,244
One Texas Center	--	--	--	--	1,391	--	--	--	1,391
Public Arts	--	--	--	--	--	--	--	1	1
Rainey Street District	--	--	--	--	--	--	--	2	2
Rutherford Lane Facility	--	--	--	--	3,603	--	--	12	3,615
Seaholm Tax Increment Financing	1,485	--	--	--	--	--	--	9	1,494
Second Street Tax Increment Financing (4)	100	--	--	--	--	--	--	3	103
Section 108 Family Business Loan	--	--	--	--	--	106	--	116	222
South Congress Public Improvement District	--	--	--	--	234	--	--	4	238
Tourism and Promotion	--	4,809	--	--	--	--	--	22	4,831
Vehicle Rental Tax	--	12,341	--	--	--	--	--	34	12,375
Waller Creek Reserve	--	--	--	--	--	--	--	3,390	3,390
Waller Creek Tax Increment Financing	6,489	--	--	--	--	--	--	31	6,520
Whisper Valley Public Improvement District	--	--	--	--	1,968	--	--	51	2,019
Wildland Conservation	--	--	--	--	--	--	--	432	432
Total other urban growth management	14,292	126,106	--	--	19,861	106	--	5,048	165,413
Total urban growth management	15,042	126,106	--	74	20,413	106	1,284	6,453	169,478
Total	\$ 15,042	126,106	5,714	76	21,608	106	2,819	8,325	179,796

- (1) Expenditures include capital outlay of \$1.43 million.
(2) Previously reported as Cable TV.
(3) Previously reported as PARD Cultural Projects.
(4) Previously reported as Tax Increment Finance.

(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			
1,349	--	--	815	--	--	475	(250)	1,040	6,728	7,768
--	--	--	21	--	--	--	(527)	(506)	1,107	601
1,045	--	--	426	--	--	--	(300)	126	176	302
18	--	--	(16)	--	--	--	--	(16)	90	74
12,789	--	--	(80)	--	--	--	--	(80)	4,370	4,290
7,638	--	--	1,072	--	--	360	--	1,432	4,410	5,842
296	--	--	(188)	--	--	35	--	(153)	251	98
734	--	659	462	--	--	--	--	462	1,488	1,950
2,362	--	--	10,426	--	--	--	(8,349)	2,077	4,617	6,694
--	--	--	81,664	--	--	--	(78,220)	3,444	22,649	26,093
294	--	--	(1)	--	--	--	(102)	(103)	666	563
161	--	198	40	--	--	--	--	40	337	377
251	--	--	12	--	--	--	--	12	83	95
4	2,500	1,838	(4,253)	--	--	7,225	--	2,972	6,679	9,651
--	--	--	6,244	--	--	--	(6,244)	--	--	--
--	--	--	1,391	--	--	--	(1,500)	(109)	85	(24)
--	--	--	1	--	--	--	--	1	--	1
--	--	--	2	--	--	--	--	2	103	105
1,937	--	--	1,678	--	--	--	(1,531)	147	806	953
--	--	--	1,494	--	--	--	--	1,494	51	1,545
126	--	--	(23)	--	--	--	--	(23)	200	177
--	--	100	122	--	--	--	(503)	(381)	3,964	3,583
168	--	--	70	--	--	3	--	73	188	261
6,428	--	--	(1,597)	--	--	2,143	--	546	111	657
--	--	--	12,375	--	--	--	(11,509)	866	2,411	3,277
--	--	--	3,390	--	--	6,520	(6,849)	3,061	15,293	18,354
--	--	--	6,520	--	--	--	(6,520)	--	--	--
1,107	--	1,050	(138)	--	--	--	--	(138)	1,322	1,184
405	--	--	27	--	--	--	--	27	1,748	1,775
37,112	2,500	3,845	121,956	--	--	16,761	(122,404)	16,313	79,933	96,246
47,180	2,500	3,845	115,953	6,860	230	16,769	(123,404)	16,408	95,163	111,571
54,730	2,500	3,845	118,721	6,860	230	18,170	(126,076)	17,905	109,865	127,770

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-13

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
General government							
<i>Municipal Court:</i>							
Municipal Court Building Security							
Actual-budget basis	\$ 32	167	157	--	--	10	42
Budget	21	255	250	--	--	5	26
Variance-Positive (Negative)	11	(88)	93	--	--	5	16
Municipal Court Juvenile Case Manager							
Actual-budget basis	1,369	299	526	--	9	(236)	1,133
Budget	1,372	444	884	--	9	(449)	923
Variance-Positive (Negative)	(3)	(145)	358	--	--	213	210
Municipal Court Technology							
Actual-budget basis	214	227	111	--	--	116	330
Budget	312	347	600	--	--	(253)	59
Variance-Positive (Negative)	(98)	(120)	489	--	--	369	271
Public safety							
<i>Police:</i>							
Municipal Court Traffic Safety							
Actual-budget basis	--	611	508	--	103	--	--
Budget	--	1,698	1,353	--	311	34	34
Variance-Positive (Negative)	--	(1,087)	845	--	208	(34)	(34)
Police Federal Dept. of Justice Asset Forfeiture							
Actual-budget basis	818	1,044	45	--	--	999	1,817
Budget	458	--	458	--	--	(458)	--
Variance-Positive (Negative)	360	1,044	413	--	--	1,457	1,817
Police Federal Dept. of Treasury Asset Forfeiture							
Actual-budget basis	1,188	1,809	380	--	--	1,429	2,617
Budget	1,160	--	1,160	--	--	(1,160)	--
Variance-Positive (Negative)	28	1,809	780	--	--	2,589	2,617
Police State Contraband Asset Forfeiture							
Actual-budget basis	2,255	295	50	--	--	245	2,500
Budget	2,115	--	2,115	--	--	(2,115)	--
Variance-Positive (Negative)	140	295	2,065	--	--	2,360	2,500
Police State Gambling Asset Forfeiture							
Actual-budget basis	619	13	--	--	--	13	632
Budget	616	--	616	--	--	(616)	--
Variance-Positive (Negative)	3	13	616	--	--	629	632

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-13

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Transportation, planning, and sustainability							
<i>Public Works and Transportation:</i>							
Child Safety							
Actual-budget basis	\$ 69	1,493	2,770	1,367	39	51	120
Budget	114	1,499	2,877	1,367	39	(50)	64
Variance-Positive (Negative)	(45)	(6)	107	--	--	101	56
Public recreation and culture							
<i>Parks and Recreation:</i>							
PARD Parking							
Actual-budget basis	--	1,244	1,164	--	--	80	80
Budget	--	1,778	1,778	--	--	--	--
Variance-Positive (Negative)	--	(534)	614	--	--	80	80
Urban growth management							
<i>Neighborhood Housing & Community Development:</i>							
Homestead Preservation Reinvestment Tax Increment							
Actual-budget basis	740	750	--	--	--	750	1,490
Budget	740	674	--	--	--	674	1,414
Variance-Positive (Negative)	--	76	--	--	--	76	76
UNO Housing Trust							
Actual-budget basis	1,040	582	400	--	--	182	1,222
Budget	1,036	16	1,052	--	--	(1,036)	--
Variance-Positive (Negative)	4	566	652	--	--	1,218	1,222
<i>Other urban growth management:</i>							
Austin Cable Access							
Actual-budget basis	6,337	2,164	1,744	475	250	645	6,982
Budget	5,507	1,743	2,085	475	250	(117)	5,390
Variance-Positive (Negative)	830	421	341	--	--	762	1,592
Business Retention & Enhancement							
Actual-budget basis	1,107	--	--	--	527	(527)	580
Budget	527	--	--	--	527	(527)	--
Variance-Positive (Negative)	580	--	--	--	--	--	580
City Hall							
Actual-budget basis	79	1,471	1,021	--	300	150	229
Budget	(122)	1,466	1,000	--	300	166	44
Variance-Positive (Negative)	201	5	(21)	--	--	(16)	185

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
 Exhibit E-13

(Continued)

	Fund Balances at Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)		Excess of Sources Over Uses	Fund Balances at End of Year
				Transfer In	Transfer Out		
Urban growth management, continued							
Cultural Arts							
Actual-budget basis	\$ 3,215	70	13,001	12,639	--	(292)	2,923
Budget	3,028	25	13,270	11,203	--	(2,042)	986
Variance-Positive (Negative)	187	45	269	1,436	--	1,750	1,937
Downtown Public Improvement District							
Actual-budget basis	479	8,710	8,734	360	--	336	815
Budget	754	8,337	8,735	360	--	(38)	716
Variance-Positive (Negative)	(275)	373	1	--	--	374	99
East Sixth Street Public Improvement District							
Actual-budget basis	67	108	192	35	--	(49)	18
Budget	69	95	190	35	--	(60)	9
Variance-Positive (Negative)	(2)	13	(2)	--	--	11	9
Estancia Hill Country Public Improvement District							
Actual-budget basis	193	1,854	1,392	--	--	462	655
Budget	132	1,828	1,828	--	--	--	132
Variance-Positive (Negative)	61	26	436	--	--	462	523
Historic Preservation							
Actual-budget basis	4,458	149	2,661	12,639	8,349	1,778	6,236
Budget	4,122	--	3,166	11,203	8,349	(312)	3,810
Variance-Positive (Negative)	336	149	505	1,436	--	2,090	2,426
Hotel-Motel Occupancy Tax							
Actual-budget basis	--	111,752	--	--	108,308	3,444	3,444
Budget	--	96,024	--	--	96,024	--	--
Variance-Positive (Negative)	--	15,728	--	--	(12,284)	3,444	3,444
I-35 Parking Program							
Actual-budget basis	623	293	263	--	102	(72)	551
Budget	318	358	480	--	102	(224)	94
Variance-Positive (Negative)	305	(65)	217	--	--	152	457
Indian Hills Public Improvement District							
Actual-budget basis	195	399	357	--	--	42	237
Budget	216	390	390	--	--	--	216
Variance-Positive (Negative)	(21)	9	33	--	--	42	21
Mueller Tax Increment Financing							
Actual-budget basis	--	6,244	6,244	--	--	--	--
Budget	5	6,170	--	--	5,564	606	611
Variance-Positive (Negative)	(5)	74	(6,244)	--	5,564	(606)	(611)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
 Exhibit E-13

(Continued)

151

	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							
One Texas Center							
Actual-budget basis	\$ 85	1,391	--	--	1,500	(109)	(24)
Budget	62	1,445	--	--	1,500	(55)	7
Variance-Positive (Negative)	23	(54)	--	--	--	(54)	(31)
Rutherford Lane Facility							
Actual-budget basis	592	3,616	2,016	--	1,531	69	661
Budget	468	3,603	2,072	--	1,531	--	468
Variance-Positive (Negative)	124	13	56	--	--	69	193
Seaholm Tax Increment Financing							
Actual-budget basis	51	1,493	--	--	--	1,493	1,544
Budget	41	1,338	--	--	--	1,338	1,379
Variance-Positive (Negative)	10	155	--	--	--	155	165
Second Street Tax Increment Financing							
Actual-budget basis	107	3	127	100	--	(24)	83
Budget	84	--	140	100	--	(40)	44
Variance-Positive (Negative)	23	3	13	--	--	16	39
Section 108 Family Business Loan							
Actual-budget basis	670	760	122	--	603	35	705
Budget	691	3,482	3,000	--	660	(178)	513
Variance-Positive (Negative)	(21)	(2,722)	2,878	--	57	213	192
South Congress Public Improvement District							
Actual-budget basis	96	238	297	3	--	(56)	40
Budget	95	229	297	3	--	(65)	30
Variance-Positive (Negative)	1	9	--	--	--	9	10
Tourism and Promotion							
Actual-budget basis	110	22	6,428	6,952	--	546	656
Budget	--	17	6,428	6,411	--	--	--
Variance-Positive (Negative)	110	5	--	541	--	546	656
Vehicle Rental Tax							
Actual-budget basis	--	12,375	--	--	11,509	866	866
Budget	--	9,562	--	--	9,562	--	--
Variance-Positive (Negative)	--	2,813	--	--	(1,947)	866	866

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2019
(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							
Waller Creek Reserve							
Actual-budget basis	\$ 15,293	3,389	--	6,520	6,849	3,060	18,353
Budget	15,625	3,200	--	6,373	6,849	2,724	18,349
Variance-Positive (Negative)	(332)	189	--	147	--	336	4
Waller Creek Tax Increment Financing							
Actual-budget basis	--	6,520	--	--	6,520	--	--
Budget	(515)	6,888	--	--	6,373	515	--
Variance-Positive (Negative)	515	(368)	--	--	(147)	(515)	--
Whisper Valley Public Improvement District							
Actual-budget basis	892	2,019	2,158	--	--	(139)	753
Budget	910	1,979	1,979	--	--	--	910
Variance-Positive (Negative)	(18)	40	(179)	--	--	(139)	(157)
Wildland Conservation							
Actual-budget basis	1,717	432	647	--	--	(215)	1,502
Budget	936	260	654	--	--	(394)	542
Variance-Positive (Negative)	781	172	7	--	--	179	960
Total							
Actual-budget basis	\$ 44,710	174,006	53,515	41,090	146,499	15,082	59,792
Budget	40,897	155,150	58,857	37,530	137,950	(4,127)	36,770
Variance-Positive (Negative)	3,813	18,856	5,342	3,560	(8,549)	19,209	23,022



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, 2019
(In thousands)

City of Austin, Texas
Exhibit E-14

	General Obligation	HUD Section 108 Loans	Total
ASSETS			
Pooled investments and cash	\$ 507	--	507
Investments - restricted	31,224	--	31,224
Property taxes receivable, net of allowance	3,889	--	3,889
Accounts receivable, net of allowance	65	--	65
Interest Receivable	155	--	155
Advances to other funds	432	--	432
Total assets	<u>36,272</u>	<u>--</u>	<u>36,272</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Advances from other funds	307	--	307
Total liabilities	<u>307</u>	<u>--</u>	<u>307</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>3,811</u>	<u>--</u>	<u>3,811</u>
FUND BALANCES			
Restricted	32,154	--	32,154
Total fund balances	<u>32,154</u>	<u>--</u>	<u>32,154</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,272</u>	<u>--</u>	<u>36,272</u>

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the period ended September 30, 2019
(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	\$ 165,752	--	165,752
Penalty and interest	699	--	699
Total property taxes	<u>166,451</u>	<u>--</u>	<u>166,451</u>
Interest and other	6,063	168	6,231
Total revenues	<u>172,514</u>	<u>168</u>	<u>172,682</u>
EXPENDITURES			
Current:			
Debt service:			
Principal	125,241	422	125,663
Interest	60,483	242	60,725
Fees and commissions	23	8	31
Total expenditures	<u>185,747</u>	<u>672</u>	<u>186,419</u>
Excess (deficiency) of revenues over expenditures	(13,233)	(504)	(13,737)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	559	--	559
Transfers in	15,545	504	16,049
Total other financing sources (uses)	<u>16,104</u>	<u>504</u>	<u>16,608</u>
Net change in fund balances	2,871	--	2,871
Fund balances at beginning of year	29,283	--	29,283
Fund balances at end of year	<u>\$ 32,154</u>	<u>--</u>	<u>32,154</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, 2019
(In thousands)

	General Obligation			HUD Section 108 Loans			Total
	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual-Budget Basis
REVENUES							
Property taxes	\$ 166,451	164,964	1,487	--	--	--	166,451
Interest	4,540	1,647	2,893	--	--	--	4,540
Other revenue	2,104	1,119	985	168		168	2,272
Total revenues	173,095	167,730	5,365	168	--	168	173,263
EXPENDITURES							
Principal	141,170	141,556	386	422	422	--	141,592
Interest	64,307	65,828	1,521	242	402	160	64,549
Fees and commissions	23	30	7	8	4	(4)	31
Total expenditures	205,500	207,414	1,914	672	828	156	206,172
Excess (deficiency) of revenues over expenditures	(32,405)	(39,684)	7,279	(504)	(828)	324	(32,909)
OTHER FINANCING SOURCES (USES)							
Transfers in	35,630	32,171	3,459	504	828	(324)	36,134
Total other financing sources (uses)	35,630	32,171	3,459	504	828	(324)	36,134
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,225	(7,513)	10,738	--	--	--	3,225
Fund balances at beginning of year	28,803	28,254	549	--	--	--	28,803
Fund balances at end of year	\$ 32,028	20,741	11,287	--	--	--	32,028



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;
- 2018:* Funds authorized November 6, 2018, for various purposes; and
- Other:* Other funds established for various purposes.



**Capital Projects Funds
Combining Balance Sheet
September 30, 2019
(In thousands)**

	Assets							
	Pooled Investments and Cash	Net Accounts Receivable	Interest Receivable	Receivable from Other Govern- ments	Due from Other Funds	Advances to Other Funds	Other Assets	Total Assets
Funds Authorized September 8, 1984								
Street improvements	\$ 440	--	--	--	--	--	--	440
Total Funds Authorized in 1984	440	--	--	--	--	--	--	440
Funds Authorized July 26, 1985								
Neighborhood park and recreation	13,239	--	--	--	--	--	--	13,239
Total Funds Authorized in 1985	13,239	--	--	--	--	--	--	13,239
Funds Authorized September 3, 1987								
Street resurfacing	--	--	--	--	--	--	--	--
Total Funds Authorized in 1987	--	--	--	--	--	--	--	--
Funds Authorized August 10, 1992								
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	--	--	--	--
Barton Creek greenway	320	--	--	--	--	--	--	320
Total Funds Authorized in 1992	320	--	--	--	--	--	--	320
Funds Authorized November 3, 1998								
Cultural arts and land	13	--	--	--	--	--	--	13
Traffic signals	824	--	--	--	--	--	--	824
Public safety facilities	--	--	--	--	--	--	--	--
Parks and recreation facilities	17	--	--	--	--	--	--	17
Total Funds Authorized in 1998	854	--	--	--	--	--	--	854
Funds Authorized November 7, 2000								
Transportation mobility improvement	472	63	--	--	--	--	--	535
Total Funds Authorized in 2000	472	63	--	--	--	--	--	535
Funds Authorized November 7, 2006								
Transportation	333	--	--	--	--	--	--	333
Drainage & open spaces	4,112	2	--	--	--	--	--	4,114
Parks	484	--	--	--	--	--	--	484
Cultural facilities	1,252	--	--	--	--	--	--	1,252
Affordable housing	147	--	--	--	--	--	--	147
Central library	307	1	--	--	--	--	--	308
Public safety	5,040	--	--	--	--	--	--	5,040
Total Funds Authorized in 2006	\$ 11,675	3	--	--	--	--	--	11,678

Liabilities					Fund Balances					Total Liabilities, Deferred Inflows of Resources, and Fund Balances
Accounts Payable	Due to Other Funds	Advances from Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Assigned	Unassigned	Total Fund Balances	
--	--	--	--	--	--	--	440	--	440	440
--	--	--	--	--	--	--	440	--	440	440
127	--	--	--	127	--	13,041	71	--	13,112	13,239
127	--	--	--	127	--	13,041	71	--	13,112	13,239
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	320	--	--	320	320
--	--	--	--	--	--	320	--	--	320	320
--	--	--	--	--	--	13	--	--	13	13
8	--	--	--	8	--	816	--	--	816	824
--	--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	17	--	--	17	17
8	--	--	--	8	--	846	--	--	846	854
43	--	--	--	43	--	--	492	--	492	535
43	--	--	--	43	--	--	492	--	492	535
--	--	--	--	--	--	333	--	--	333	333
--	--	--	--	--	--	4,114	--	--	4,114	4,114
--	--	--	--	--	--	484	--	--	484	484
--	--	--	--	--	--	1,252	--	--	1,252	1,252
--	--	--	--	--	--	147	--	--	147	147
1	--	--	--	1	--	307	--	--	307	308
139	--	--	--	139	--	4,901	--	--	4,901	5,040
140	--	--	--	140	--	11,538	--	--	11,538	11,678

(Continued)

Capital Projects Funds
Combining Balance Sheet
September 30, 2019
(In thousands)

Assets								
	Pooled Investments and Cash	Net Accounts Receivable	Interest Receivable	Receivable from Other Govern- ments	Due from Other Funds	Advances to Other Funds	Other Assets	Total Assets
Funds Authorized November 2, 2010								
Mobility	\$ 1,197	--	--	--	--	--	--	1,197
Total Funds Authorized in 2010	1,197	--	--	--	--	--	--	1,197
Funds Authorized November 6, 2012								
Transportation	18	--	--	--	24,108	--	--	24,126
Open space	69	1	--	--	--	--	--	70
Parks	11,160	--	--	--	127	--	--	11,287
Public safety	3,757	--	--	--	--	--	--	3,757
Health	2,233	--	--	--	--	--	--	2,233
Library & cultural	--	--	--	--	--	--	--	--
Total Funds Authorized in 2012	17,237	1	--	--	24,235	--	--	41,473
Funds Authorized November 8, 2016								
Mobility	5,070	--	--	--	--	--	--	5,070
Total Funds Authorized in 2016	5,070	--	--	--	--	--	--	5,070
Funds Authorized November 6, 2018								
Library & cultural	--	--	--	--	--	--	--	--
Parks	--	--	--	--	--	--	--	--
Open space	--	--	--	--	--	--	--	--
Health	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	--	--
Total Funds Authorized in 2018	\$ --	--	--	--	--	--	--	--

(Continued)

Liabilities					Fund Balances				Total Liabilities, Deferred Inflows of Resources, and Fund Balances	
Accounts Payable	Due to Other Funds	Advances from Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Assigned	Unassigned		Total Fund Balances
70	--	--	--	70	--	1,127	--	--	1,127	1,197
70	--	--	--	70	--	1,127	--	--	1,127	1,197
462	--	--	--	462	--	23,664	--	--	23,664	24,126
--	--	--	--	--	--	70	--	--	70	70
2,817	--	--	--	2,817	--	8,470	--	--	8,470	11,287
248	--	--	--	248	--	3,509	--	--	3,509	3,757
405	--	--	--	405	--	1,828	--	--	1,828	2,233
464	127	--	--	591	--	--	--	(591)	(591)	--
4,396	127	--	--	4,523	--	37,541	--	(591)	36,950	41,473
3,266	--	--	--	3,266	--	1,804	--	--	1,804	5,070
3,266	--	--	--	3,266	--	1,804	--	--	1,804	5,070
--	19	--	--	19	--	--	--	(19)	(19)	--
2	1,008	--	--	1,010	--	--	--	(1,010)	(1,010)	--
21	22,733	--	--	22,754	--	--	--	(22,754)	(22,754)	--
--	88	--	--	88	--	--	--	(88)	(88)	--
--	16	--	--	16	--	--	--	(16)	(16)	--
--	243	--	--	243	--	--	--	(243)	(243)	--
23	24,107	--	--	24,130	--	--	--	(24,130)	(24,130)	--

(Continued)

**Capital Projects Funds
Combining Balance Sheet
September 30, 2019
(In thousands)**

Assets								
	Pooled	Net		Receivable		Advances		Total
	Investments	Accounts	Interest	from Other	Due from	to Other	Other	Assets
	and Cash	Receivable	Receivable	Govern- ments	Other Funds	Funds	Assets	Assets
Other funds								
ATD Transportation	\$ 2,588	--	6		--	--	--	2,594
TPSD general improvements	18,494	--	--	--	--	--	--	18,494
Library automation system	2,074	--	--	--	--	--	--	2,074
Fire/EMS/NW Austin MUD #1	--	--	--	--	--	--	--	--
General government projects	--	--	--	--	--	--	35,000	35,000
Health projects	36	--	--	--	--	--	--	36
Build Austin	--	--	--	6	--	--	--	6
CMTA Mobility	2,566	2,130	7	--	--	--	--	4,703
Park improvements	584	--	--	--	--	--	--	584
Parks and Recreation	9,819	--	--	--	--	--	--	9,819
Police and courts	415	--	--	--	--	--	--	415
Fire - general	16	--	--	--	--	--	--	16
CTM	19,567	--	--	--	--	22,071	--	41,638
GCP-PLD In Lieu Of Fee	10,256	--	49	--	3,805	6,262	--	20,372
Capital Rehabilitation	3,208	--	--	--	--	--	--	3,208
Public Works	--	436	--	--	--	--	--	436
GCP-PLD Development Fee	6,806	--	16	--	--	--	--	6,822
Watershed Protection	--	--	--	--	--	--	--	--
Great Streets	--	--	--	--	--	--	--	--
City Hall, plaza, parking garage	--	30	--	--	--	--	--	30
Colony Park	920	--	--	1	--	--	--	921
NPZ general	6,200	--	--	--	--	--	--	6,200
Economic Development	39	--	--	--	--	--	--	39
Waller Creek District	--	--	--	--	--	--	--	--
Waller Creek Tunnel	1,833	--	5	--	--	--	--	1,838
Fleet general improvements	587	--	--	--	--	--	--	587
Interest income fund	11,948	--	270	--	--	--	--	12,218
Total other funds	97,956	2,596	353	7	3,805	28,333	35,000	168,050
Totals	\$ 148,460	2,663	353	7	28,040	28,333	35,000	242,856

(Continued)

Liabilities					Fund Balances			Total Liabilities, Deferred Inflows of Resources, and Fund Balances		
Accounts Payable	Due to Other Funds	Advances from Other Funds	Deposits and Other Liabilities	Total Liabilities	Deferred Inflows of Resources	Restricted	Assigned		Unassigned	Total Fund Balances
--	--	--	--	--	--	--	2,594	--	2,594	2,594
260	--	--	--	260	--	876	17,358	--	18,234	18,494
37	--	--	--	37	--	727	1,310	--	2,037	2,074
--	--	--	--	--	--	--	--	--	--	--
524	--	21,457	423	22,404	--	--	12,596	--	12,596	35,000
--	--	--	--	--	--	--	36	--	36	36
--	--	3	--	3	--	3	--	--	3	6
77	--	--	--	77	440	3,959	227	--	4,186	4,703
61	--	--	--	61	--	--	523	--	523	584
648	--	--	--	648	--	--	9,171	--	9,171	9,819
--	--	--	--	--	--	415	--	--	415	415
1,399	--	--	--	1,399	--	--	--	(1,383)	(1,383)	16
525	--	--	--	525	--	--	41,113	--	41,113	41,638
--	--	--	--	--	--	16,264	4,108	--	20,372	20,372
261	--	--	--	261	--	--	2,947	--	2,947	3,208
489	--	911	--	1,400	--	--	--	(964)	(964)	436
103	--	--	--	103	--	3,961	2,758	--	6,719	6,822
--	--	--	--	--	--	--	--	--	--	--
--	--	5,962	--	5,962	--	--	--	(5,932)	(5,932)	30
4	--	--	--	4	--	--	917	--	917	921
91	--	--	--	91	--	--	6,109	--	6,109	6,200
--	--	--	--	--	--	--	39	--	39	39
954	3,806	--	--	4,760	--	--	--	(4,760)	(4,760)	--
--	--	--	--	--	--	1,654	184	--	1,838	1,838
--	--	--	--	--	--	587	--	--	587	587
--	--	--	--	--	--	--	12,218	--	12,218	12,218
5,433	3,806	28,333	423	37,995	440	28,446	114,208	(13,039)	129,615	168,050
13,506	28,040	28,333	423	70,302	440	94,663	115,211	(37,760)	172,114	242,856

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(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	\$ --	--	--	--	557
Total Funds Authorized in 1984	--	--	--	--	557
Funds Authorized					
July 26, 1985					
Neighborhood park and recreation	--	226	36	262	1,431
Total Funds Authorized in 1985	--	226	36	262	1,431
Funds Authorized					
September 3, 1987					
Street resurfacing	--	--	5	5	--
Total Funds Authorized in 1987	--	--	5	5	--
Funds Authorized					
August 10, 1992					
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	--
Barton Creek greenway	--	--	--	--	--
Total Funds Authorized in 1992	--	--	--	--	--
Funds Authorized					
November 3, 1998					
Cultural arts and land	--	--	--	--	26
Traffic signals	--	--	--	--	2,414
Public safety facilities	--	--	--	--	70
Parks and recreation facilities	--	--	--	--	23
Total Funds Authorized in 1998	--	--	--	--	2,533
Funds Authorized					
November 7, 2000					
Transportation mobility improvement	--	--	--	--	111
Total Funds Authorized in 2000	--	--	--	--	111
Funds Authorized					
November 7, 2006					
Transportation	--	--	51	51	--
Drainage & open spaces	--	--	--	--	386
Parks	--	--	--	--	721
Cultural facilities	--	--	--	--	--
Affordable housing	--	--	--	--	--
Central library	--	--	--	--	57
Public safety	--	--	--	--	909
Total Funds Authorized in 2006	\$ --	--	51	51	2,073

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)			
(557)	--	--	--	--	--	(557)	997	440
(557)	--	--	--	--	--	(557)	997	440
(1,169)	--	--	--	(3,588)	(3,588)	(4,757)	17,869	13,112
(1,169)	--	--	--	(3,588)	(3,588)	(4,757)	17,869	13,112
5	--	--	--	(261)	(261)	(256)	256	--
5	--	--	--	(261)	(261)	(256)	256	--
--	--	--	--	(1)	(1)	(1)	1	--
--	--	--	--	--	--	--	320	320
--	--	--	--	(1)	(1)	(1)	321	320
(26)	--	--	--	--	--	(26)	39	13
(2,414)	--	--	--	--	--	(2,414)	3,230	816
(70)	--	--	--	(1)	(1)	(71)	71	--
(23)	--	--	--	(6)	(6)	(29)	46	17
(2,533)	--	--	--	(7)	(7)	(2,540)	3,386	846
(111)	--	--	--	(137)	(137)	(248)	740	492
(111)	--	--	--	(137)	(137)	(248)	740	492
51	--	--	--	(260)	(260)	(209)	542	333
(386)	--	--	--	(248)	(248)	(634)	4,748	4,114
(721)	--	--	--	(122)	(122)	(843)	1,327	484
--	--	--	--	--	--	--	1,252	1,252
--	--	--	--	--	--	--	147	147
(57)	--	--	--	(5)	(5)	(62)	369	307
(909)	--	--	--	(201)	(201)	(1,110)	6,011	4,901
(2,022)	--	--	--	(836)	(836)	(2,858)	14,396	11,538

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
November 2, 2010					
Mobility	\$ --	--	--	--	1,020
Total Funds Authorized in 2010	--	--	--	--	1,020
Funds Authorized					
November 6, 2012					
Transportation	--	--	--	--	5,738
Open space	--	--	--	--	125
Parks	--	--	--	--	13,654
Public safety	--	--	--	--	9,336
Health	--	--	--	--	1,711
Library & cultural	--	--	--	--	5,959
Total Funds Authorized in 2012	--	--	--	--	36,523
Funds Authorized					
November 8, 2016					
Mobility	--	--	--	--	48,581
Total Funds Authorized in 2016	--	--	--	--	48,581
Funds Authorized					
November 6, 2018					
Library & cultural	--	--	--	--	19
Parks	--	--	--	--	1,010
Open space	--	--	--	--	22,754
Health	--	--	--	--	88
Public safety	--	--	--	--	16
Transportation	--	--	--	--	243
Total Funds Authorized in 2018	\$ --	--	--	--	24,130

(Continued)

Excess (Deficiency) of Revenues Over Expenditures	Other Financing Sources (Uses)					Net Change In Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
	Issuance of Tax Supported Debt	Bond Premiums	Transfers In	Transfers Out	Total Other Financing Sources(Uses)			
(1,020)	--	--	--	--	--	(1,020)	2,147	1,127
(1,020)	--	--	--	--	--	(1,020)	2,147	1,127
(5,738)	11,478	692	--	--	12,170	6,432	17,232	23,664
(125)	--	--	--	--	--	(125)	195	70
(13,654)	3,575	215	--	(43)	3,747	(9,907)	18,377	8,470
(9,336)	--	--	--	--	--	(9,336)	12,845	3,509
(1,711)	1,504	91	--	(14)	1,581	(130)	1,958	1,828
(5,959)	--	--	--	--	--	(5,959)	5,368	(591)
(36,523)	16,557	998	--	(57)	17,498	(19,025)	55,975	36,950
(48,581)	48,723	2,927	--	(5)	51,645	3,064	(1,260)	1,804
(48,581)	48,723	2,927	--	(5)	51,645	3,064	(1,260)	1,804
(19)	--	--	--	--	--	(19)	--	(19)
(1,010)	--	--	--	--	--	(1,010)	--	(1,010)
(22,754)	--	--	--	--	--	(22,754)	--	(22,754)
(88)	--	--	--	--	--	(88)	--	(88)
(16)	--	--	--	--	--	(16)	--	(16)
(243)	--	--	--	--	--	(243)	--	(243)
(24,130)	--	--	--	--	--	(24,130)	--	(24,130)

(Continued)

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

	Revenues			Total Revenues	Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other		Capital Outlay
Other funds					
ATD Transportation	\$ --	--	2,594	2,594	--
TPSD general improvements	--	3,194	--	3,194	2,318
Library automation system	--	--	--	--	292
Fire/EMS/NW Austin MUD #1	--	--	8	8	--
General government projects	--	1,000	96	1,096	22,426
Health projects	--	--	--	--	24
Build Austin	261	--	--	261	253
CMTA Mobility	2,353	--	56	2,409	1,501
Park improvements	242	--	--	242	739
Parks and Recreation	1,269	456	150	1,875	8,997
Police and courts	--	--	--	--	437
Fire - general	--	--	--	--	4,485
CTM	33	--	--	33	30,712
GCP-PLD In Lieu Of Fee	--	10,597	289	10,886	413
Capital Rehabilitation	--	--	--	--	2,544
Public Works	2,873	586	--	3,459	3,712
GCP-PLD Development Fee	--	2,647	98	2,745	691
Watershed Protection	--	--	--	--	--
Great Streets	--	--	--	--	6
City Hall, plaza, parking garage	--	--	--	--	--
Colony Park	35	--	334	369	150
NPZ general	--	--	--	--	800
Economic Development	--	--	--	--	--
Waller Creek District	--	--	--	--	4,760
Waller Creek Tunnel	--	--	41	41	32
Fleet general improvements	--	--	--	--	703
Interest income fund	--	--	3,919	3,919	--
Total other funds	7,066	18,480	7,585	33,131	85,995
Totals	\$ 7,066	18,706	7,677	33,449	202,954

(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)			
2,594	--	--	--	--	--	2,594	--	2,594
876	--	--	3,398	--	3,398	4,274	13,960	18,234
(292)	--	--	500	--	500	208	1,829	2,037
8	--	--	--	(790)	(790)	(782)	782	--
(21,330)	15,647	1,508	18,897	(211)	35,841	14,511	(1,915)	12,596
(24)	--	--	--	--	--	(24)	60	36
8	--	--	--	--	--	8	(5)	3
908	--	--	--	--	--	908	3,278	4,186
(497)	--	--	--	(98)	(98)	(595)	1,118	523
(7,122)	--	--	9,919	(7)	9,912	2,790	6,381	9,171
(437)	--	--	--	--	--	(437)	852	415
(4,485)	1,409	91	790	--	2,290	(2,195)	812	(1,383)
(30,679)	--	--	21,426	(1)	21,425	(9,254)	50,367	41,113
10,473	--	--	1,714	--	1,714	12,187	8,185	20,372
(2,544)	--	--	5,491	--	5,491	2,947	--	2,947
(253)	--	--	--	--	--	(253)	(711)	(964)
2,054	--	--	1,874	--	1,874	3,928	2,791	6,719
--	5,693	363	--	(6,056)	--	--	--	--
(6)	--	--	--	(2,438)	(2,438)	(2,444)	2,444	--
--	--	--	300	--	300	300	(6,232)	(5,932)
219	--	--	--	--	--	219	698	917
(800)	--	--	1,028	(783)	245	(555)	6,664	6,109
--	--	--	--	--	--	--	39	39
(4,760)	--	--	--	--	--	(4,760)	--	(4,760)
9	--	--	--	(200)	(200)	(191)	2,029	1,838
(703)	893	83	--	--	976	273	314	587
3,919	--	--	--	--	--	3,919	8,299	12,218
<u>(52,864)</u>	<u>23,642</u>	<u>2,045</u>	<u>65,337</u>	<u>(10,584)</u>	<u>80,440</u>	<u>27,576</u>	<u>102,039</u>	<u>129,615</u>
<u>(169,505)</u>	<u>88,922</u>	<u>5,970</u>	<u>65,337</u>	<u>(15,476)</u>	<u>144,753</u>	<u>(24,752)</u>	<u>196,866</u>	<u>172,114</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, 2019
(In thousands)

City of Austin, Texas
Exhibit E-19

	3M			
	Maintenance	Ellis Library	Perpetual	Total
	Endowment	Trust	Care	
ASSETS				
Pooled investments and cash	\$ 50	9	1,011	1,070
Total assets	<u>50</u>	<u>9</u>	<u>1,011</u>	<u>1,070</u>
FUND BALANCES				
Nonspendable:				
Permanent funds	50	9	1,011	1,070
Total fund balances	<u>50</u>	<u>9</u>	<u>1,011</u>	<u>1,070</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50</u>	<u>9</u>	<u>1,011</u>	<u>1,070</u>

Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2019
(In thousands)

City of Austin, Texas
Exhibit E-20

	3M			
	Maintenance Endowment	Ellis Library Trust	Perpetual Care	Total
REVENUES				
Interest and other	\$ --	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES				
Current:				
Public recreation and culture	--	1	--	1
Total expenditures	<u>--</u>	<u>1</u>	<u>--</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	--	(1)	--	(1)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(1)	--	(1)
Fund balances at beginning of year	50	10	1,011	1,071
Fund balances at end of year	<u>\$ 50</u>	<u>9</u>	<u>1,011</u>	<u>1,070</u>





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 activities involving collection and remediation of multiple residential and commercial waste streams.

Convention Center Fund – Accounts for activities related to the Convention Center and Palmer Events Center, as well as city-wide tourism.

Development Services Fund – Accounts for plan review, permit and inspection activities.

Drainage Fund – Accounts for activities including flood mitigation and water quality protection.

Golf Fund – Accounts for activities associated with the City-owned golf courses.

Transportation Fund – Accounts for activities involving street maintenance and repair, parking and mobility services.



Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2019
(In thousands)

	Austin Resource Recovery	Convention Center	Development Services
ASSETS			
Current assets:			
Cash	\$ 3	21	3
Pooled investments and cash	21,893	106,134	20,074
Pooled investments and cash - restricted	2,160	15,877	3,314
Total pooled investments and cash	24,053	122,011	23,388
Investments - restricted	--	11,848	--
Accounts receivable, net of allowance	9,109	1,986	--
Interest receivable	62	326	53
Receivable from other governments - restricted	--	--	--
Due from other funds	--	--	--
Inventories, at cost	--	65	--
Prepaid expenses	118	245	95
Total current assets	33,345	136,502	23,539
Noncurrent assets:			
Pooled investments and cash - restricted	--	111,152	--
Advances to other funds	--	--	--
Advances to other funds - restricted	137	9	--
Investments - restricted	--	10,263	--
Interest receivable - restricted	--	246	--
Depreciable capital assets, net	42,818	154,441	2,218
Nondepreciable capital assets	24,037	51,152	--
Total noncurrent assets	66,992	327,263	2,218
Total assets	100,337	463,765	25,757
DEFERRED OUTFLOWS OF RESOURCES	\$ 32,227	31,399	27,790

	<u>Drainage</u>	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash	1	5	2	35
Pooled investments and cash	182,597	1	56,513	387,212
Pooled investments and cash - restricted	--	--	--	21,351
Total pooled investments and cash	182,597	1	56,513	408,563
Investments - restricted	--	--	--	11,848
Accounts receivable, net of allowance	4,733	--	7,581	23,409
Interest receivable	487	2	132	1,062
Receivable from other governments - restricted	616	--	--	616
Due from other funds	957	--	--	957
Inventories, at cost	--	--	3,068	3,133
Prepaid expenses	61	41	731	1,291
Total current assets	189,452	49	68,027	450,914
Noncurrent assets:				
Pooled investments and cash - restricted	13,624	639	--	125,415
Advances to other funds	79	--	--	79
Advances to other funds - restricted	--	--	--	146
Investments - restricted	--	--	--	10,263
Interest receivable - restricted	--	--	--	246
Depreciable capital assets, net	126,309	10,486	19,772	356,044
Nondepreciable capital assets	295,911	6,290	2,931	380,321
Total noncurrent assets	435,923	17,415	22,703	872,514
Total assets	625,375	17,464	90,730	1,323,428
DEFERRED OUTFLOWS OF RESOURCES				
	20,385	1,950	40,167	153,918

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2019
(In thousands)

	Austin Resource Recovery	Convention Center	Development Services
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,503	2,401	870
Accounts and retainage payable from restricted assets	1,233	95	--
Accrued payroll	1,931	1,005	1,501
Accrued compensated absences	1,856	1,446	1,874
Due to other funds	--	--	--
Accrued interest payable from restricted assets	--	658	--
Interest payable on other debt	189	58	--
Bonds payable	5,095	1,564	--
Bonds payable from restricted assets	--	13,965	--
Other postemployment benefits liability	2,451	1,202	1,667
Customer and escrow deposits payable from restricted assets	2,160	3,677	3,314
Accrued landfill closure and postclosure costs	2,363	--	--
Other liabilities payable from restricted assets	--	--	--
Total current liabilities	18,781	26,071	9,226
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	646	--	--
Advances from other funds	--	--	--
Bonds payable, net of discount and inclusive of premium	16,168	118,440	--
Net pension liability	70,755	36,676	54,250
Other postemployment benefits liability	98,637	48,384	67,083
Accrued landfill closure and postclosure costs	9,899	--	--
Derivative instruments - interest rate swaps	--	8,810	--
Total noncurrent liabilities	196,105	212,310	121,333
Total liabilities	214,886	238,381	130,559
DEFERRED INFLOWS OF RESOURCES			
	11,602	5,089	7,434
NET POSITION			
Net investment in capital assets	54,390	81,249	2,218
Restricted for:			
Bond reserve	--	7,269	--
Capital projects	--	111,399	--
Debt service	137	13,974	--
Operating reserve	--	5,161	--
Renewal and replacement	--	1,018	--
Unrestricted	(148,451)	31,624	(86,664)
Total net position	(93,924)	251,694	(84,446)
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	10,173	3,908	1,668
Total net position - Business-type activities	\$ (83,751)	255,602	(82,778)

(Continued)

	<u>Drainage</u>	<u>Golf</u>	<u>Transportation</u>	<u>Total</u>
LIABILITIES				
Current liabilities:				
Accounts payable	881	6	3,787	9,448
Accounts and retainage payable from restricted assets	5,098	--	26	6,452
Accrued payroll	1,232	183	2,359	8,211
Accrued compensated absences	1,772	218	2,979	10,145
Due to other funds	--	957	301	1,258
Accrued interest payable from restricted assets	--	--	--	658
Interest payable on other debt	130	1	123	501
Bonds payable	2,389	61	3,379	12,488
Bonds payable from restricted assets	--	--	--	13,965
Other postemployment benefits liability	1,394	163	2,578	9,455
Customer and escrow deposits payable from restricted assets	302	--	--	9,453
Accrued landfill closure and postclosure costs	--	--	--	2,363
Other liabilities payable from restricted assets	414	--	--	414
Total current liabilities	<u>13,612</u>	<u>1,589</u>	<u>15,532</u>	<u>84,811</u>
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	--	50	--	696
Advances from other funds	--	--	1,503	1,503
Bonds payable, net of discount and inclusive of premium	34,166	--	7,735	176,509
Net pension liability	47,373	5,043	79,007	293,104
Other postemployment benefits liability	56,097	6,545	103,780	380,526
Accrued landfill closure and postclosure costs	--	--	--	9,899
Derivative instruments - interest rate swaps	--	--	--	8,810
Total noncurrent liabilities	<u>137,636</u>	<u>11,638</u>	<u>192,025</u>	<u>871,047</u>
Total liabilities	<u>151,248</u>	<u>13,227</u>	<u>207,557</u>	<u>955,858</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>5,732</u>	<u>667</u>	<u>10,583</u>	<u>41,107</u>
NET POSITION				
Net investment in capital assets	380,635	16,715	11,589	546,796
Restricted for:				
Bond reserve	--	--	--	7,269
Capital projects	13,322	639	--	125,360
Debt service	--	--	--	14,111
Operating reserve	--	--	--	5,161
Renewal and replacement	--	--	--	1,018
Unrestricted	94,823	(11,834)	(98,832)	(219,334)
Total net position	<u>488,780</u>	<u>5,520</u>	<u>(87,243)</u>	<u>480,381</u>
Reconciliation to government-wide Statement of Net Position				
Adjustment to consolidate internal service activities	3,846	618	7,079	27,292
Total net position - Business-type activities	<u>492,626</u>	<u>6,138</u>	<u>(80,164)</u>	<u>507,673</u>

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2019
(In thousands)

	Austin Resource Recovery	Convention Center	Development Services
OPERATING REVENUES			
User fees and rentals	\$ 117,998	43,600	57,276
Total operating revenues	<u>117,998</u>	<u>43,600</u>	<u>57,276</u>
OPERATING EXPENSES			
Operating expenses before depreciation	114,145	73,270	65,691
Depreciation and amortization	<u>10,036</u>	<u>9,017</u>	<u>117</u>
Total operating expenses	<u>124,181</u>	<u>82,287</u>	<u>65,808</u>
Operating income (loss)	<u>(6,183)</u>	<u>(38,687)</u>	<u>(8,532)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	816	6,002	219
Interest on revenue bonds and other debt	(704)	(4,982)	--
Other nonoperating revenue (expense)	<u>(393)</u>	<u>1,452</u>	<u>(94,232)</u>
Total nonoperating revenues (expenses)	<u>(281)</u>	<u>2,472</u>	<u>(94,013)</u>
Income (loss) before contributions and transfers	(6,464)	(36,215)	(102,545)
Capital contributions	214	--	1,574
Transfers in	--	90,140	16,551
Transfers out	<u>(747)</u>	<u>(2,434)</u>	<u>(26)</u>
Change in net position	<u>(6,997)</u>	<u>51,491</u>	<u>(84,446)</u>
Beginning net position	<u>(86,927)</u>	<u>200,203</u>	<u>--</u>
Ending net position	<u>\$ (93,924)</u>	<u>251,694</u>	<u>(84,446)</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	(6,997)	51,491	(84,446)
Adjustment to consolidate internal service activities	3,599	955	1,668
Change in net position - Business-type activities	<u>\$ (3,398)</u>	<u>52,446</u>	<u>(82,778)</u>

	Drainage	Golf	Transportation	Total
OPERATING REVENUES				
User fees and rentals	96,498	7,060	133,006	455,438
Total operating revenues	<u>96,498</u>	<u>7,060</u>	<u>133,006</u>	<u>455,438</u>
OPERATING EXPENSES				
Operating expenses before depreciation	74,909	8,626	135,985	472,626
Depreciation and amortization	6,333	678	4,256	30,437
Total operating expenses	<u>81,242</u>	<u>9,304</u>	<u>140,241</u>	<u>503,063</u>
Operating income (loss)	<u>15,256</u>	<u>(2,244)</u>	<u>(7,235)</u>	<u>(47,625)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenues	5,214	16	1,439	13,706
Interest on revenue bonds and other debt	(1,322)	(1)	(275)	(7,284)
Other nonoperating revenue (expense)	(1,716)	(1)	(269)	(95,159)
Total nonoperating revenues (expenses)	<u>2,176</u>	<u>14</u>	<u>895</u>	<u>(88,737)</u>
Income (loss) before contributions and transfers	17,432	(2,230)	(6,340)	(136,362)
Capital contributions	26,498	226	493	29,005
Transfers in	6,056	1,000	998	114,745
Transfers out	(17)	--	(3,096)	(6,320)
Change in net position	<u>49,969</u>	<u>(1,004)</u>	<u>(7,945)</u>	<u>1,068</u>
Beginning net position	<u>438,811</u>	<u>6,524</u>	<u>(79,298)</u>	<u>479,313</u>
Ending net position	<u><u>488,780</u></u>	<u><u>5,520</u></u>	<u><u>(87,243)</u></u>	<u><u>480,381</u></u>
Reconciliation to government-wide Statement of Activities				
Change in net position	49,969	(1,004)	(7,945)	1,068
Adjustment to consolidate internal service activities	1,780	111	2,537	10,650
Change in net position - Business-type activities	<u>51,749</u>	<u>(893)</u>	<u>(5,408)</u>	<u>11,718</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2019
(In thousands)

	Austin		
	Resource	Convention	Development
	Recovery	Center	Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 116,583	42,015	60,590
Cash received from other funds	1,409	--	--
Cash payments to suppliers for goods and services	(20,805)	(27,558)	(4,638)
Cash payments to other funds	(27,870)	(7,621)	(8,411)
Cash payments to employees for services	(53,335)	(29,610)	(41,434)
Net cash provided (used) by operating activities	15,982	(22,774)	6,107
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES:			
Transfers in	--	90,140	16,551
Transfers out	(747)	(2,428)	--
Collections from other sources	--	1,782	--
Contributions from other funds	--	--	1,354
Loans to other funds	--	--	--
Loan repayments to other funds	--	--	--
Loan repayments from other funds	66	17	--
Collections from other governments	171	--	--
Net cash provided (used) by noncapital financing activities	(510)	89,511	17,905
CASH FLOWS FROM CAPITAL AND RELATED			
FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	4,590	--	--
Principal paid on long-term debt	(6,238)	(14,893)	--
Interest paid on revenue bonds and other debt	(819)	(4,700)	--
Acquisition and construction of capital assets	(17,672)	(7,842)	(787)
Contributions from state and federal governments	24	--	--
Contributions in aid of construction	--	--	--
Bond issuance costs	(30)	--	--
Bond premiums	440	--	--
Net cash provided (used) by capital and related financing activities	(19,705)	(27,435)	(787)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	(17,392)	--
Proceeds from sale and maturities of investment securities	--	17,853	--
Interest on investments	754	5,429	166
Net cash provided (used) by investing activities	754	5,890	166
Net increase (decrease) in cash and cash equivalents	(3,479)	45,192	23,391
Cash and cash equivalents, beginning	27,535	187,992	--
Cash and cash equivalents, ending	\$ 24,056	233,184	23,391

	Drainage	Golf	Transportation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	93,590	7,060	131,540	451,378
Cash received from other funds	3,281	--	187	4,877
Cash payments to suppliers for goods and services	(18,251)	(1,981)	(34,298)	(107,531)
Cash payments to other funds	(13,693)	(1,094)	(23,453)	(82,142)
Cash payments to employees for services	(34,386)	(4,845)	(63,037)	(226,647)
Net cash provided (used) by operating activities	30,541	(860)	10,939	39,935
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	6,056	1,000	998	114,745
Transfers out	(17)	--	(2,991)	(6,183)
Collections from other sources	--	--	--	1,782
Contributions from other funds	--	--	--	1,354
Loans to other funds	(79)	--	--	(79)
Loan repayments to other funds	(348)	(191)	(301)	(840)
Loan repayments from other funds	191	--	--	274
Collections from other governments	76	--	33	280
Net cash provided (used) by noncapital financing activities	5,879	809	(2,261)	111,333
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	--	--	4,590
Principal paid on long-term debt	(2,290)	(124)	(3,853)	(27,398)
Interest paid on revenue bonds and other debt	(1,756)	(6)	(482)	(7,763)
Acquisition and construction of capital assets	(34,096)	(77)	(891)	(61,365)
Contributions from state and federal governments	--	--	--	24
Contributions in aid of construction	3,395	226	--	3,621
Bond issuance costs	--	--	--	(30)
Bond premiums	--	--	--	440
Net cash provided (used) by capital and related financing activities	(34,747)	19	(5,226)	(87,881)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	--	--	--	(17,392)
Proceeds from sale and maturities of investment securities	--	--	--	17,853
Interest on investments	4,727	15	1,307	12,398
Net cash provided (used) by investing activities	4,727	15	1,307	12,859
Net increase (decrease) in cash and cash equivalents	6,400	(17)	4,759	76,246
Cash and cash equivalents, beginning	189,822	662	51,756	457,767
Cash and cash equivalents, ending	196,222	645	56,515	534,013

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2019
(In thousands)

	<u>Austin</u>		
	<u>Resource</u>	<u>Convention</u>	<u>Development</u>
	<u>Recovery</u>	<u>Center</u>	<u>Services</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (6,183)	(38,687)	(8,532)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	10,036	9,017	117
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	356	(1,590)	--
Increase (decrease) in allowance for doubtful accounts	20	--	--
(Increase) decrease in inventory	--	32	--
(Increase) decrease in prepaid expenses and other assets	(113)	(119)	(95)
(Increase) decrease in deferred outflows	(6,237)	(2,703)	(12,884)
Increase (decrease) in accounts payable	(465)	1,440	870
Increase (decrease) in accrued payroll and compensated absences	179	149	215
Increase (decrease) in customer deposits	(382)	5	3,314
Increase (decrease) in net pension liability	18,777	10,057	15,125
Increase (decrease) in other postemployment benefits liability	(8,240)	(3,690)	3,608
Increase (decrease) in other liabilities	(227)	(10)	--
Increase (decrease) in deferred inflows	8,461	3,325	4,369
Total adjustments	<u>22,165</u>	<u>15,913</u>	<u>14,639</u>
Net cash provided (used) by operating activities	<u>\$ 15,982</u>	<u>(22,774)</u>	<u>6,107</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Capital assets contributed from other funds	\$ 190	--	1,574
Capital assets contributed to other funds	--	(189)	--
Amortization of bond (discounts) premiums	227	450	--
Amortization of deferred gain (loss) on refundings	(15)	(875)	--
Gain (loss) on disposal of assets	(480)	(140)	--
Transfers to other funds	--	(6)	(26)

(Continued)

	Drainage	Golf	Transportation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET				
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	15,256	(2,244)	(7,235)	(47,625)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	6,333	678	4,256	30,437
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	337	--	(1,337)	(2,234)
Increase (decrease) in allowance for doubtful accounts	36	--	58	114
(Increase) decrease in inventory	--	--	4	36
(Increase) decrease in prepaid expenses and other assets	19	--	(606)	(914)
(Increase) decrease in deferred outflows	(7,047)	(374)	(13,128)	(42,373)
Increase (decrease) in accounts payable	140	(6)	(364)	1,615
Increase (decrease) in accrued payroll and compensated absences	163	5	420	1,131
Increase (decrease) in customer deposits	--	--	--	2,937
Increase (decrease) in net pension liability	11,575	1,257	23,359	80,150
Increase (decrease) in other postemployment benefits liability	176	(615)	(1,708)	(10,469)
Increase (decrease) in other liabilities	(4)	--	--	(241)
Increase (decrease) in deferred inflows	3,557	439	7,220	27,371
Total adjustments	<u>15,285</u>	<u>1,384</u>	<u>18,174</u>	<u>87,560</u>
Net cash provided (used) by operating activities	<u>30,541</u>	<u>(860)</u>	<u>10,939</u>	<u>39,935</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Capital assets contributed from other funds	23,103	--	493	25,360
Capital assets contributed to other funds	(1,758)	--	--	(1,947)
Amortization of bond (discounts) premiums	463	2	160	1,302
Amortization of deferred gain (loss) on refundings	(37)	--	--	(927)
Gain (loss) on disposal of assets	--	(1)	(296)	(917)
Transfers to other funds	--	--	(105)	(137)





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, 2019
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
ASSETS					
Current assets:					
Cash	\$ --	--	--	--	--
Pooled investments and cash	3,992	3,340	115,277	13,328	17,172
Cash held by trustee - restricted	--	--	2,581	--	--
Accounts receivable, net of allowance	83	1,786	--	9	47
Interest receivable	10	11	--	77	45
Receivables from other governments	--	--	1,200	--	--
Inventories, at cost	--	--	--	1,884	--
Prepaid expenses	17	767	--	23	2,346
Total current assets	4,102	5,904	119,058	15,321	19,610
Noncurrent assets:					
Pooled investments and cash - restricted	--	--	--	5,407	--
Advances to other funds	--	--	--	17	--
Depreciable capital assets, net	399	17,492	--	8,315	14,289
Nondepreciable capital assets	--	32	--	250	--
Total noncurrent assets	399	17,524	--	13,989	14,289
Total assets	4,501	23,428	119,058	29,310	33,899
DEFERRED OUTFLOWS OF RESOURCES					
	--	--	--	222	--
LIABILITIES					
Current liabilities:					
Accounts payable	28	797	5,964	3,214	3,777
Accrued payroll	878	254	--	738	1,273
Accrued compensated absences	1,144	363	--	905	1,777
Claims payable	--	--	16,187	--	--
Accrued interest payable from restricted assets	--	--	--	8	--
Bonds payable	--	--	--	368	--
Capital lease obligations payable	--	--	--	--	--
Customer and escrow deposits payable from restricted assets	--	--	--	--	--
Other liabilities	--	--	2,482	--	--
Total current liabilities	2,050	1,414	24,633	5,233	6,827
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	111	--	--	--
Claims payable	--	--	--	--	--
Bonds payable, net of discount and inclusive of premium	--	--	--	1,859	--
Capital lease obligations payable	--	--	--	--	--
Asset retirement obligations	--	--	--	518	--
Total noncurrent liabilities	--	111	--	2,377	--
Total liabilities	2,050	1,525	24,633	7,610	6,827
DEFERRED INFLOWS OF RESOURCES					
	--	--	--	--	--
NET POSITION					
Net investment in capital assets	399	17,524	--	6,338	14,289
Restricted for:					
Capital projects	--	--	--	5,407	--
Unrestricted	2,052	4,379	94,425	10,177	12,783
Total net position	\$ 2,451	21,903	94,425	21,922	27,072

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
ASSETS					
Current assets:					
Cash	--	11	--	--	11
Pooled investments and cash	10,913	41,179	4,681	38,711	248,593
Cash held by trustee - restricted	--	--	--	--	2,581
Accounts receivable, net of allowance	--	13	376	--	2,314
Interest receivable	--	92	15	--	250
Receivables from other governments	--	--	--	--	1,200
Inventories, at cost	--	--	507	--	2,391
Prepaid expenses	--	1,105	31	--	4,289
Total current assets	10,913	42,400	5,610	38,711	261,629
Noncurrent assets:					
Pooled investments and cash - restricted	--	--	--	--	5,407
Advances to other funds	--	2	--	--	19
Depreciable capital assets, net	--	2,965	31,784	--	75,244
Nondepreciable capital assets	--	21	262	--	565
Total noncurrent assets	--	2,988	32,046	--	81,235
Total assets	10,913	45,388	37,656	38,711	342,864
DEFERRED OUTFLOWS OF RESOURCES					
	--	--	--	--	222
LIABILITIES					
Current liabilities:					
Accounts payable	32	15,054	396	348	29,610
Accrued payroll	--	3,726	201	--	7,070
Accrued compensated absences	--	5,213	232	--	9,634
Claims payable	1,565	--	--	5,548	23,300
Accrued interest payable from restricted assets	--	--	--	--	8
Bonds payable	--	18	--	--	386
Capital lease obligations payable	--	--	4,158	--	4,158
Customer and escrow deposits payable from restricted assets	--	633	--	--	633
Other liabilities	--	20	505	--	3,007
Total current liabilities	1,597	24,664	5,492	5,896	77,806
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	13	--	--	124
Claims payable	607	--	--	23,333	23,940
Bonds payable, net of discount and inclusive of premium	--	14	--	--	1,873
Capital lease obligations payable	--	--	5,722	--	5,722
Asset retirement obligations	--	--	--	--	518
Total noncurrent liabilities	607	27	5,722	23,333	32,177
Total liabilities	2,204	24,691	11,214	29,229	109,983
DEFERRED INFLOWS OF RESOURCES					
	--	--	--	--	--
NET POSITION					
Net investment in capital assets	--	2,954	22,166	--	63,670
Restricted for:					
Capital projects	--	--	--	--	5,407
Unrestricted	8,709	17,743	4,276	9,482	164,026
Total net position	8,709	20,697	26,442	9,482	233,103

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2019
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
OPERATING REVENUES					
Billings to departments	\$ 24,386	17,753	168,884	55,524	71,352
Employee contributions	--	--	44,823	--	--
Operating revenues from other governments	--	4,820	--	321	--
Other operating revenues	4,176	--	1,314	670	38
Total operating revenues	28,562	22,573	215,021	56,515	71,390
OPERATING EXPENSES					
Operating expenses before depreciation	27,705	17,896	180,972	52,344	61,734
Depreciation and amortization	121	1,872	--	1,025	3,260
Total operating expenses	27,826	19,768	180,972	53,369	64,994
Operating income (loss)	736	2,805	34,049	3,146	6,396
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	90	71	509	782	335
Interest on bonds and other debt	--	--	--	(100)	--
Other nonoperating revenues (expenses)	--	--	--	(26)	--
Total nonoperating revenues (expenses)	90	71	509	656	335
Income (loss) before contributions and transfers	826	2,876	34,558	3,802	6,731
Capital contributions	--	871	--	496	4,374
Transfers in	105	--	--	26	207
Transfers out	(120)	(3,211)	--	(2,369)	(6,837)
Change in net position	811	536	34,558	1,955	4,475
Beginning net position, as restated	1,640	21,367	59,867	19,967	22,597
Ending net position	\$ 2,451	21,903	94,425	21,922	27,072

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
OPERATING REVENUES					
Billings to departments	5,750	130,894	18,579	12,076	505,198
Employee contributions	--	--	--	--	44,823
Operating revenues from other governments	--	--	366	--	5,507
Other operating revenues	3	3,306	2,694	--	12,201
Total operating revenues	5,753	134,200	21,639	12,076	567,729
OPERATING EXPENSES					
Operating expenses before depreciation	185	129,031	11,724	13,182	494,773
Depreciation and amortization	--	542	5,827	--	12,647
Total operating expenses	185	129,573	17,551	13,182	507,420
Operating income (loss)	5,568	4,627	4,088	(1,106)	60,309
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	54	785	108	248	2,982
Interest on bonds and other debt	--	(2)	--	--	(102)
Other nonoperating revenues (expenses)	--	(3)	(191)	--	(220)
Total nonoperating revenues (expenses)	54	780	(83)	248	2,660
Income (loss) before contributions and transfers	5,622	5,407	4,005	(858)	62,969
Capital contributions	--	287	8,064	--	14,092
Transfers in	--	--	441	--	779
Transfers out	--	(3,545)	(7,686)	--	(23,768)
Change in net position	5,622	2,149	4,824	(858)	54,072
Beginning net position, as restated	3,087	18,548	21,618	10,340	179,031
Ending net position	8,709	20,697	26,442	9,482	233,103

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2019
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 4,352	4,719	54,249	1,011	534
Cash received from other funds	24,386	17,753	168,884	55,524	71,352
Cash payments to suppliers for goods and services	(2,238)	(10,780)	(10,464)	(25,002)	(27,507)
Cash payments to other funds	(2,480)	(667)	(2,420)	(7,965)	(496)
Cash payments to employees for services	(23,055)	(6,731)	--	(19,982)	(32,036)
Cash payments to claimants/beneficiaries	--	--	(162,630)	--	--
Net cash provided (used) by operating activities	965	4,294	47,619	3,586	11,847
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	(120)	(3,211)	--	(2,369)	(6,837)
Net cash provided (used) by noncapital financing activities	(120)	(3,211)	--	(2,369)	(6,837)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	--	--	(342)	--
Interest paid on revenue bonds and other debt	--	--	--	(111)	--
Acquisition and construction of capital assets	(53)	--	--	(1,584)	(255)
Net cash provided (used) by capital and related financing activities	(53)	--	--	(2,037)	(255)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	80	60	509	705	290
Net cash provided (used) by investing activities	80	60	509	705	290
Net increase (decrease) in cash and cash equivalents	872	1,143	48,128	(115)	5,045
Cash and cash equivalents, beginning	3,120	2,197	69,730	18,850	12,127
Cash and cash equivalents, ending	\$ 3,992	3,340	117,858	18,735	17,172

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	3	3,714	3,482	--	72,064
Cash received from other funds	5,750	130,894	18,579	12,076	505,198
Cash payments to suppliers for goods and services	(997)	(10,737)	(5,209)	(5,070)	(98,004)
Cash payments to other funds	(363)	(10,708)	(968)	(1,908)	(27,975)
Cash payments to employees for services	--	(101,500)	(4,973)	--	(188,277)
Cash payments to claimants/beneficiaries	(1,082)	--	--	(4,228)	(167,940)
Net cash provided (used) by operating activities	3,311	11,663	10,911	870	95,066
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	--	(3,545)	(7,686)	--	(23,768)
Net cash provided (used) by noncapital financing activities	--	(3,545)	(7,686)	--	(23,768)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	(14)	--	--	(356)
Interest paid on revenue bonds and other debt	--	(2)	--	--	(113)
Acquisition and construction of capital assets	--	(81)	(16)	--	(1,989)
Net cash provided (used) by capital and related financing activities	--	(97)	(16)	--	(2,458)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	54	691	93	248	2,730
Net cash provided (used) by investing activities	54	691	93	248	2,730
Net increase (decrease) in cash and cash equivalents	3,365	8,712	3,302	1,118	71,570
Cash and cash equivalents, beginning	7,548	32,478	1,379	37,593	185,022
Cash and cash equivalents, ending	10,913	41,190	4,681	38,711	256,592

(Continued)

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2019
(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)	\$ 736	2,805	34,049	3,146	6,396
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	121	1,872	--	1,025	3,260
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	(101)	8,756	9	457
Increase (decrease) in allowance for doubtful accounts	176	--	--	17	--
(Increase) decrease in receivable from other governments	--	--	(644)	2	39
(Increase) decrease in inventory	--	--	--	452	--
(Increase) decrease in prepaid expenses and other assets	20	(403)	--	(23)	(910)
(Increase) decrease in advance to other funds	--	--	--	(8)	--
(Increase) decrease in deferred outflows	--	--	--	24	--
Increase (decrease) in accounts payable	(216)	62	5,387	(1,146)	2,425
Increase (decrease) in accrued payroll and compensated absences	128	59	--	91	180
Increase (decrease) in claims payable	--	--	(338)	--	--
Increase (decrease) in due to other governments	--	--	--	(3)	--
Increase (decrease) in customer deposits	--	--	--	--	--
Increase (decrease) in other liabilities	--	--	409	--	--
Total adjustments	229	1,489	13,570	440	5,451
Net cash provided (used) by operating activities	\$ 965	4,294	47,619	3,586	11,847
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	\$ --	871	--	496	4,374
Amortization of bond discounts and premiums	--	--	--	34	--
Amortization of deferred gain (loss) on refundings	--	--	--	(23)	--
Gain (loss) on disposal of assets	--	--	--	--	--
Transfers from other funds	105	--	--	26	207

(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)	5,568	4,627	4,088	(1,106)	60,309
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	--	542	5,827	--	12,647
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	(2)	411	--	9,530
Increase (decrease) in allowance for doubtful accounts	--	--	--	--	193
(Increase) decrease in receivable from other governments	--	410	11	--	(182)
(Increase) decrease in inventory	--	--	110	--	562
(Increase) decrease in prepaid expenses and other assets	--	(752)	(27)	--	(2,095)
(Increase) decrease in advance to other funds	--	--	--	--	(8)
(Increase) decrease in deferred outflows	--	--	--	--	24
Increase (decrease) in accounts payable	11	6,226	202	104	13,055
Increase (decrease) in accrued payroll and compensated absences	--	417	27	--	902
Increase (decrease) in claims payable	(2,268)	--	--	1,872	(734)
Increase (decrease) in due to other governments	--	--	--	--	(3)
Increase (decrease) in customer deposits	--	459	--	--	459
Increase (decrease) in other liabilities	--	(264)	262	--	407
Total adjustments	(2,257)	7,036	6,823	1,976	34,757
Net cash provided (used) by operating activities	3,311	11,663	10,911	870	95,066
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed from other funds	--	287	8,064	--	14,092
Amortization of bond discounts and premiums	--	--	--	--	34
Amortization of deferred gain (loss) on refundings	--	--	--	--	(23)
Gain (loss) on disposal of assets	--	(3)	(191)	--	(194)
Transfers from other funds	--	--	441	--	779





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, 2019
(In thousands)

City of Austin, Texas
Exhibit H-1

	Assets				Liabilities			Net Position Held in Trust
	Pooled Investments and Cash	Interest Receivable	Other Assets	Total Assets	Accounts Payable	Other Liabilities	Total Liabilities	
General government								
Unclaimed Property	\$ 1,809	4	--	1,813	--	1,642	1,642	171
Total general government	1,809	4	--	1,813	--	1,642	1,642	171
Transportation, planning, and sustainability								
Public School Energy Assistance	22	--	--	22	20	--	20	2
Voluntary Utility Assistance	--	--	--	--	--	--	--	--
Total transportation, planning, and sustainability	22	--	--	22	20	--	20	2
Public recreation and culture								
First Step - A Community Project	15	--	--	15	--	--	--	15
Science Fest	5	--	--	5	3	--	3	2
Total public recreation and culture	20	--	--	20	3	--	3	17
Urban growth management								
Leveraged Loan Pool	463	1	122	586	--	--	--	586
Telecommunity Partnership	16	--	--	16	--	--	--	16
Total urban growth management	479	1	122	602	--	--	--	602
Total	\$ 2,330	5	122	2,457	23	1,642	1,665	792

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2019
(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	\$ --	35	35	2	33	138	171
Total general government	<u>--</u>	<u>35</u>	<u>35</u>	<u>2</u>	<u>33</u>	<u>138</u>	<u>171</u>
Transportation, planning, and sustainability							
Public School Energy Assistance	21	1	22	20	2	--	2
Voluntary Utility Assistance	2,379	--	2,379	2,379	--	--	--
Total transportation, planning, and sustainability	<u>2,400</u>	<u>1</u>	<u>2,401</u>	<u>2,399</u>	<u>2</u>	<u>--</u>	<u>2</u>
Public recreation and culture							
First Step - A Community Project	--	1	1	--	1	14	15
Science Fest	111	--	111	109	2	--	2
Total public recreation and culture	<u>111</u>	<u>1</u>	<u>112</u>	<u>109</u>	<u>3</u>	<u>14</u>	<u>17</u>
Urban growth management							
Leveraged Loan Pool	--	10	10	--	10	576	586
Telecommunity Partnership	--	--	--	--	--	16	16
Total urban growth management	<u>--</u>	<u>10</u>	<u>10</u>	<u>--</u>	<u>10</u>	<u>592</u>	<u>602</u>
Total	<u>\$ 2,511</u>	<u>47</u>	<u>2,558</u>	<u>2,510</u>	<u>48</u>	<u>744</u>	<u>792</u>

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended September 30, 2019
(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	\$ 58	24	64	18
Total assets	<u>58</u>	<u>24</u>	<u>64</u>	<u>18</u>
Liabilities				
Deposits and other liabilities	58	--	40	18
Total liabilities	<u>58</u>	<u>--</u>	<u>40</u>	<u>18</u>
<u>Estancia Hill Country Debt Management</u>				
Assets				
Pooled investments and cash	85	--	39	46
Investments held by trustee	1,339	5,572	5,114	1,797
Total assets	<u>1,424</u>	<u>5,572</u>	<u>5,153</u>	<u>1,843</u>
Liabilities				
Deposits and other liabilities	1,424	5,599	5,180	1,843
Total liabilities	<u>1,424</u>	<u>5,599</u>	<u>5,180</u>	<u>1,843</u>
<u>Indian Hills Debt Management</u>				
Assets				
Investments held by trustee	277	360	358	279
Total assets	<u>277</u>	<u>360</u>	<u>358</u>	<u>279</u>
Liabilities				
Deposits and other liabilities	277	360	358	279
Total liabilities	<u>277</u>	<u>360</u>	<u>358</u>	<u>279</u>
<u>Municipal Courts</u>				
Assets				
Pooled investments and cash	1,177	4,766	4,921	1,022
Total assets	<u>1,177</u>	<u>4,766</u>	<u>4,921</u>	<u>1,022</u>
Liabilities				
Accounts payable	--	4,533	4,533	--
Due to other governments	961	8,018	8,142	837
Deposits and other liabilities	216	1,283	1,314	185
Total liabilities	<u>1,177</u>	<u>13,834</u>	<u>13,989</u>	<u>1,022</u>
<u>Neighborhood Revitalization</u>				
Assets				
Pooled investments and cash	236	--	--	236
Total assets	<u>236</u>	<u>--</u>	<u>--</u>	<u>236</u>
Liabilities				
Deposits and other liabilities	236	--	--	236
Total liabilities	<u>236</u>	<u>--</u>	<u>--</u>	<u>236</u>
<u>Whisper Valley Debt Management</u>				
Assets				
Pooled investments and cash	--	72	41	31
Investments held by trustee	1,485	1,918	1,983	1,420
Total assets	<u>1,485</u>	<u>1,990</u>	<u>2,024</u>	<u>1,451</u>
Liabilities				
Deposits and other liabilities	1,485	1,999	2,033	1,451
Total liabilities	<u>1,485</u>	<u>1,999</u>	<u>2,033</u>	<u>1,451</u>
<u>Total Agency Funds</u>				
Assets				
Pooled investments and cash	1,556	4,862	5,065	1,353
Investments held by trustee	3,101	7,850	7,455	3,496
Total assets	<u>4,657</u>	<u>12,712</u>	<u>12,520</u>	<u>4,849</u>
Liabilities				
Accounts payable	--	4,533	4,533	--
Due to other governments	961	8,018	8,142	837
Deposits and other liabilities	3,696	9,241	8,925	4,012
Total liabilities	<u>\$ 4,657</u>	<u>21,792</u>	<u>21,600</u>	<u>4,849</u>





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.

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, 2019
(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	\$ 685	6,581	60	7,326
Accounts receivable, net of allowance	272	2,437	--	2,709
Inventories, at cost	49	143	--	192
Prepaid expenses	98	803	1	902
Total current assets	1,104	9,964	61	11,129
Noncurrent assets:				
Cash - restricted	--	--	3	3
Investments - restricted	--	67,029	--	67,029
Cash held by trustee - restricted	19,804	--	--	19,804
Depreciable capital assets, net	23,824	162,704	171	186,699
Nondepreciable capital assets	499	9,834	--	10,333
Other long-term assets	32	304	--	336
Total noncurrent assets	44,159	239,871	171	284,204
Total assets	45,263	249,835	235	295,333
DEFERRED OUTFLOWS OF RESOURCES				
	--	14,605	--	14,605
LIABILITIES				
Current liabilities:				
Accounts payable	281	5,857	152	6,290
Accrued payroll	168	--	91	259
Accrued interest payable from restricted assets	562	4,797	--	5,359
Bonds payable	630	8,110	--	8,740
Other liabilities	2,462	2,852	100	5,414
Total current liabilities	4,103	21,616	343	26,062
Noncurrent liabilities, net of current portion:				
Bonds payable, net of discount and inclusive of premium	51,155	204,389	--	255,544
Total noncurrent liabilities	51,155	204,389	--	255,544
Total liabilities	55,258	226,005	343	281,606
DEFERRED INFLOWS OF RESOURCES				
	--	1,051	--	1,051
NET POSITION				
Net investment in capital assets	(8,350)	1,541	171	(6,638)
Restricted for:				
Debt service	643	34,284	--	34,927
Unrestricted (deficit)	(2,288)	1,559	(279)	(1,008)
Total net position	\$ (9,995)	37,384	(108)	27,281

(1) Data as of December 31, 2018, 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, 2019
(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	\$ 15,106	83,179	--	98,285
Operating grants and contributions	--	--	499	499
Operating revenues from primary government	--	--	1,623	1,623
Total operating revenues	<u>15,106</u>	<u>83,179</u>	<u>2,122</u>	<u>100,407</u>
OPERATING EXPENSES				
Operating expenses before depreciation	10,979	48,936	2,494	62,409
Depreciation and amortization	1,120	10,620	36	11,776
Total operating expenses	<u>12,099</u>	<u>59,556</u>	<u>2,530</u>	<u>74,185</u>
Operating income (loss)	<u>3,007</u>	<u>23,623</u>	<u>(408)</u>	<u>26,222</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenues	324	837	--	1,161
Interest on revenue bonds and other debt	(1,727)	(8,271)	--	(9,998)
Other nonoperating revenue (expense)	--	(2,000)	--	(2,000)
Total nonoperating revenues (expenses)	<u>(1,403)</u>	<u>(9,434)</u>	<u>--</u>	<u>(10,837)</u>
Income (loss) before extraordinary item	1,604	14,189	(408)	15,385
Extraordinary item - mold remediation	(1,593)	--	--	(1,593)
Change in net position	11	14,189	(408)	13,792
Beginning net position	(10,006)	23,195	300	13,489
Ending net position	<u>\$ (9,995)</u>	<u>37,384</u>	<u>(108)</u>	<u>27,281</u>

(1) Data as of the year ended December 31, 2018, 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, 2019
(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	\$ 15,181	83,787	--	98,968
Cash payments to suppliers for goods and services	(7,296)	(30,215)	(636)	(38,147)
Cash payments to employees for services	(3,859)	(18,431)	(1,516)	(23,806)
Cash received from other governments	--	--	1,623	1,623
Cash received from donors	--	--	499	499
Net cash provided (used) by operating activities	<u>4,026</u>	<u>35,141</u>	<u>(30)</u>	<u>39,137</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Payment to primary government	--	(2,000)	--	(2,000)
Interest paid on long-term debt	(44)	--	--	(44)
Principal paid on long-term debt	(15)	--	--	(15)
Net cash provided (used) by noncapital financing activities	<u>(59)</u>	<u>(2,000)</u>	<u>--</u>	<u>(2,059)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt	(665)	(2,770)	--	(3,435)
Interest paid on revenue bonds and other debt	(2,046)	(9,664)	--	(11,710)
Acquisition and construction of capital assets	(3,311)	(8,870)	(32)	(12,213)
Bond issuance costs	(263)	--	--	(263)
Payments for mold remediation	(1,593)	--	--	(1,593)
Net cash provided (used) by capital and related financing activities	<u>(7,878)</u>	<u>(21,304)</u>	<u>(32)</u>	<u>(29,214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Purchase) sale of investment securities	--	(10,730)	--	(10,730)
Interest on investments	329	837	--	1,166
Net cash provided (used) by investing activities	<u>329</u>	<u>(9,893)</u>	<u>--</u>	<u>(9,564)</u>
Net increase (decrease) in cash and cash equivalents	(3,582)	1,944	(62)	(1,700)
Cash and cash equivalents, beginning	24,071	4,637	125	28,833
Cash and cash equivalents, ending	<u>\$ 20,489</u>	<u>6,581</u>	<u>63</u>	<u>27,133</u>

(Continued)

(1) Data as of the year ended December 31, 2018, 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, 2019
(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 (LOSS) TO NET				
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,007	23,623	(408)	26,222
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,120	10,620	36	11,776
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	75	608	--	683
(Increase) decrease in inventory	(1)	4	--	3
(Increase) decrease in prepaid expenses and other assets	14	(446)	53	(379)
Increase (decrease) in accounts payable	26	95	141	262
Increase (decrease) in accrued payroll and compensated absences	(106)	--	48	(58)
Increase (decrease) in customer deposits	--	134	--	134
Increase (decrease) in other liabilities	(109)	503	100	494
Total adjustments	<u>1,019</u>	<u>11,518</u>	<u>378</u>	<u>12,915</u>
Net cash provided (used) by operating activities	<u>\$ 4,026</u>	<u>35,141</u>	<u>(30)</u>	<u>39,137</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Amortization of bond (discounts) premiums	\$ --	(2,291)	--	(2,291)
Amortization of deferred gain (loss) on refundings	--	930	--	930

(1) Data as of the year ended December 31, 2018, 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, 2019
(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 Barton Springs Conservation, Budget Stabilization Reserve, Community Development Incentives, Economic Development, Economic Incentives Reserve, Emergency Reserve, Long Center Capital Improvements, Music Venue Assistance Program, Neighborhood Housing-Housing Trust, Pay for Success, Planning and Zoning Technology, 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	\$ 752,340	100	752,440	734,622	734,622	17,818
Franchise fees	35,294	18	35,312	35,310	35,310	2
Fines, forfeitures and penalties	8,694	--	8,694	12,369	12,369	(3,675)
Licenses, permits and inspections	16,504	--	16,504	15,948	15,948	556
Charges for services/goods	63,284	3,469	66,753	66,932	67,107	(354)
Interest and other	18,787	(6,819)	11,968	7,343	7,343	4,625
Total revenues	894,903	(3,232)	891,671	872,524	872,699	18,972
EXPENDITURES						
General government						
Municipal Court	24,290	1,103	25,393	25,849	26,163	770
Public safety						
Emergency Medical Services	76,251	11,729	87,980	88,337	88,530	550
Fire	176,967	22,417	199,384	198,479	198,479	(905)
Police	357,211	54,860	412,071	417,280	417,467	5,396
Public health						
Animal Services	11,960	1,699	13,659	13,912	13,912	253
Public Health	39,774	3,531	43,305	43,788	43,788	483
Social Services	35,008	1,580	36,588	37,294	36,600	12
Public recreation and culture						
Austin Public Library	46,857	4,926	51,783	52,168	52,168	385
Parks and Recreation	82,687	9,158	91,845	92,072	92,247	402
Urban growth management						
Neighborhood Housing and Community Development	5,233	1,881	7,114	7,748	7,748	634
Planning and Zoning	6,565	1,915	8,480	9,044	9,044	564
General city responsibilities (4)	119,648	(111,458)	8,190	8,301	8,301	111
Total expenditures	982,451	3,341	985,792	994,272	994,447	8,655
Excess (deficiency) of revenues over expenditures	(87,548)	(6,573)	(94,121)	(121,748)	(121,748)	27,627
OTHER FINANCING SOURCES (USES)						
Transfers in	159,165	(1,579)	157,586	157,586	157,586	--
Transfers out	(23,947)	(41,165)	(65,112)	(35,838)	(35,838)	(29,274)
Total other financing sources (uses)	135,218	(42,744)	92,474	121,748	121,748	(29,274)
Excess (deficiency) of revenues and other sources over expenditures and other uses	47,670	(49,317)	(1,647)	--	--	(1,647)
Special items - land sale	10,201	(10,201)	--	--	--	--
Fund balances at beginning of year	186,367	(155,687)	30,680	--	--	30,680
Fund balances at end of year	\$ 244,238	(215,205)	29,033	--	--	29,033

(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, 2019
(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	\$ 17	--	17	--	--	17
Total revenues	17	--	17	--	--	17
EXPENDITURES						
Urban growth management						
Other urban growth management	--	214	214	100	100	(114)
Total expenditures	--	214	214	100	100	(114)
Excess (deficiency) of revenues over expenditures	17	(214)	(197)	(100)	(100)	(97)
OTHER FINANCING SOURCES (USES)						
Transfers in	--	53	53	53	53	--
Total other financing sources (uses)	--	53	53	53	53	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	17	(161)	(144)	(47)	(47)	(97)
Fund balances at beginning of year	10	53	63	193	778	(715)
Fund balances at end of year	\$ 27	(108)	(81)	146	731	(812)

Budget Stabilization Reserve	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
General government						
Municipal Court	\$ 20	(20)	--	1,825	1,825	1,825
Public safety						
Police	404	615	1,019	1,019	1,019	--
Public health						
Public Health	--	--	--	180	180	180
Public recreation and culture						
Parks and Recreation	320	(32)	288	563	563	275
Urban growth management						
Neighborhood Housing and Community Development	247	(8)	239	250	250	11
General city responsibilities (4)	92	(52)	40	335	335	295
Total expenditures	1,083	503	1,586	4,172	4,172	2,586
Excess (deficiency) of revenues over expenditures	(1,083)	(503)	(1,586)	(4,172)	(4,172)	2,586
OTHER FINANCING SOURCES (USES)						
Transfers in	527	29,875	30,402	1,128	1,128	29,274
Transfers out	(20,535)	(2,185)	(22,720)	(22,720)	(22,720)	--
Total other financing sources (uses)	(20,008)	27,690	7,682	(21,592)	(21,592)	29,274
Excess (deficiency) of revenues and other sources over expenditures and other uses	(21,091)	27,187	6,096	(25,764)	(25,764)	31,860
Fund balances at beginning of year	72,100	27,311	99,411	87,628	87,628	11,783
Fund balances at end of year	\$ 51,009	54,498	105,507	61,864	61,864	43,643

(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, 2019
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Community Development Incentives

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Public health						
Public health	\$ 70	(35)	35	35	35	--
Public recreation and culture						
Parks and Recreation	40	--	40	40	40	--
Urban growth management						
Other urban growth mangement	154	(24)	130	150	150	20
Total expenditures	264	(59)	205	225	225	20
Excess (deficiency) of revenues and other sources over expenditures and other uses	(264)	59	(205)	(225)	(225)	20
Fund balances at beginning of year	(530)	814	284	225	225	59
Fund balances at end of year	\$ (794)	873	79	--	--	79

Economic Development

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 220	--	220	133	133	87
Total revenues	220	--	220	133	133	87
EXPENDITURES						
Urban growth management						
Other urban growth mangement	17,918	1,504	19,422	20,429	20,429	1,007
Total expenditures	17,918	1,504	19,422	20,429	20,429	1,007
Excess (deficiency) of revenues over expenditures	(17,698)	(1,504)	(19,202)	(20,296)	(20,296)	1,094
OTHER FINANCING SOURCES (USES)						
Transfers in	12,980	6,691	19,671	19,671	19,671	--
Transfers out	(93)	--	(93)	(93)	(93)	--
Total other financing sources (uses)	12,887	6,691	19,578	19,578	19,578	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(4,811)	5,187	376	(718)	(718)	1,094
Fund balances at beginning of year	(13,616)	12,398	(1,218)	718	718	(1,936)
Fund balances at end of year	\$ (18,427)	17,585	(842)	--	--	(842)

(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, 2019
 (In thousands)**

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

(Continued)

Economic Incentives Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 231	--	231	50	50	181
Total revenues	231	--	231	50	50	181
EXPENDITURES						
Urban growth management						
Other urban growth management	7,579	978	8,557	11,305	11,305	2,748
Total expenditures	7,579	978	8,557	11,305	11,305	2,748
Excess (deficiency) of revenues over expenditures	(7,348)	(978)	(8,326)	(11,255)	(11,255)	2,929
OTHER FINANCING SOURCES (USES)						
Transfers in	--	11,595	11,595	11,595	11,595	--
Transfers out	(981)	--	(981)	(981)	(981)	--
Total other financing sources (uses)	(981)	11,595	10,614	10,614	10,614	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(8,329)	10,617	2,288	(641)	(641)	2,929
Fund balances at beginning of year	(98,060)	100,659	2,599	11,332	11,332	(8,733)
Fund balances at end of year	\$ (106,389)	111,276	4,887	10,691	10,691	(5,804)

Emergency Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
OTHER FINANCING SOURCES (USES)						
Transfers out	\$ --	(370)	(370)	(370)	(370)	--
Total other financing sources (uses)	--	(370)	(370)	(370)	(370)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(370)	(370)	(370)	(370)	--
Fund balances at beginning of year	58,217	3,817	62,034	62,034	62,034	--
Fund balances at end of year	\$ 58,217	3,447	61,664	61,664	61,664	--

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	\$ 243	57	300	300	300	--
Total expenditures	243	57	300	300	300	--
Excess (deficiency) of revenues over expenditures	(243)	(57)	(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	(243)	243	--	--	--	--
Fund balances at beginning of year	(1,084)	1,084	--	--	--	--
Fund balances at end of year	\$ (1,327)	1,327	--	--	--	--

(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, 2019
(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	\$ 6	6	12	10	10	2
Total revenues	6	6	12	10	10	2
EXPENDITURES						
Urban growth management						
Other urban growth management	158	(66)	92	202	202	110
Total expenditures	158	(66)	92	202	202	110
Excess (deficiency) of revenues over expenditures	(152)	72	(80)	(192)	(192)	112
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	(152)	172	20	(92)	(92)	112
Fund balances at beginning of year	(211)	411	200	212	212	(12)
Fund balances at end of year	\$ (363)	583	220	120	120	100

Neighborhood Housing-Housing Trust	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 3,190	--	3,190	35	35	3,155
Total revenues	3,190	--	3,190	35	35	3,155
EXPENDITURES						
Urban growth management						
Neighborhood Housing and Community Development	4,162	3,819	7,981	9,234	9,234	1,253
Total expenditures	4,162	3,819	7,981	9,234	9,234	1,253
Excess (deficiency) of revenues over expenditures	(972)	(3,819)	(4,791)	(9,199)	(9,199)	4,408
OTHER FINANCING SOURCES (USES)						
Transfers in	--	5,250	5,250	5,250	5,250	--
Total other financing sources (uses)	--	5,250	5,250	5,250	5,250	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(972)	1,431	459	(3,949)	(3,949)	4,408
Fund balances at beginning of year	4,054	1,210	5,264	3,949	3,949	1,315
Fund balances at end of year	\$ 3,082	2,641	5,723	--	--	5,723

(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, 2019
(In thousands)

City of Austin, Texas
Exhibit J-1

(Continued)

Pay for Success

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
General city responsibilities (4)	\$ --	--	--	--	1,200	1,200
Total expenditures	--	--	--	--	1,200	1,200
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	--	--	--	(1,200)	1,200
Fund balance at beginning of year	--	1,200	1,200	1,200	1,200	--
Fund balances at end of year	\$ --	1,200	1,200	1,200	--	1,200

Planning and Zoning Technology

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Licenses, permits and inspections	\$ 68	--	68	--	35	33
Interest and other	1	--	1	--	--	1
Total revenues	69	--	69	--	35	34
Excess (deficiency) of revenues over expenditures	69	--	69	--	35	34
OTHER FINANCING SOURCES (USES)						
Transfers in	126	--	126	--	--	126
Total other financing sources (uses)	126	--	126	--	--	126
Excess (deficiency) of revenues and other sources over expenditures and other uses	195	--	195	--	35	160
Fund balances at beginning of year	--	--	--	--	--	--
Fund balances at end of year	\$ 195	--	195	--	35	160

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.
- (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, 2019
(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	\$ 1,055	--	1,055	605	605	450
Total revenues	<u>1,055</u>	<u>--</u>	<u>1,055</u>	<u>605</u>	<u>605</u>	<u>450</u>
Excess (deficiency) of revenues over expenditures	1,055	--	1,055	605	605	450
OTHER FINANCING SOURCES (USES)						
Transfers out	(574)	--	(574)	(574)	(574)	--
Total other financing sources (uses)	<u>(574)</u>	<u>--</u>	<u>(574)</u>	<u>(574)</u>	<u>(574)</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	481	--	481	31	31	450
Fund balances at beginning of year	1,187	--	1,187	999	999	188
Fund balances at end of year	<u>\$ 1,668</u>	<u>--</u>	<u>1,668</u>	<u>1,030</u>	<u>1,030</u>	<u>638</u>

- (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, 2019
(In thousands)**

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

	Receivables from Other Governments		Liabilities and Fund Balances			
	Total Assets	Other Liabilities	Total Liabilities	Fund Balances	Total Liabilities and Fund Balances	
AUSTIN ENERGY RELATED						
U.S. Department of Energy	\$ 2,063	2,063	2,063	2,063	--	2,063
Texas Commission on Environmental Quality	--	--	--	--	--	--
American Public Power Association	8	8	8	8	--	8
Total Austin Energy	2,071	2,071	2,071	2,071	--	2,071
AIRPORT RELATED						
U.S. Department of Homeland Security	79	79	79	79	--	79
U.S. Department of Transportation	10,468	10,468	10,468	10,468	--	10,468
U.S. Environmental Protection Agency	--	--	--	--	--	--
Total Airport	10,547	10,547	10,547	10,547	--	10,547
DRAINAGE RELATED						
U.S. Department of Homeland Security	--	--	--	--	--	--
U.S. Environmental Protection Agency	--	--	--	--	--	--
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	--	--	--	--	--	--
Total Austin Resource Recovery	--	--	--	--	--	--
Total grants, enterprise related	\$ 12,699	12,699	12,699	12,699	--	12,699

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

**Enterprise Related Grants
Combining Schedule of Expenditures
From Inception to September 30, 2019
(In thousands)**

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	In-Kind			In-Kind		In-Kind			In-Kind		
	Grant	Match	Total	Grant	Match	Grant	Match	Total	Grant	Match	Total
AUSTIN ENERGY RELATED											
U.S. Department of Energy	\$ 32,825	5,173	37,998	1,051	231	33,876	5,404	39,280	34,053	5,708	39,761
Texas Commission on Environmental Quality	1,000	2,116	3,116	--	186	1,000	2,302	3,302	1,000	2,304	3,304
American Public Power Association	84	--	84	4	--	88	--	88	92	--	92
Total Austin Energy	33,909	7,289	41,198	1,055	417	34,964	7,706	42,670	35,145	8,012	43,157
AIRPORT RELATED											
U.S. Department of Homeland Security	17,079	--	17,079	624	--	17,703	--	17,703	18,408	--	18,408
U.S. Department of Transportation	95,325	29,504	124,829	13,331	4,444	108,656	33,948	142,604	142,430	43,170	185,600
U.S. Environmental Protection Agency	--	--	--	111	--	111	--	111	121	--	121
Total Airport	112,404	29,504	141,908	14,066	4,444	126,470	33,948	160,418	160,959	43,170	204,129
DRAINAGE RELATED											
U.S. Department of Homeland Security	8,898	3,787	12,685	30	10	8,928	3,797	12,725	18,935	7,133	26,068
U.S. Environmental Protection Agency	1,159	166	1,325	5	--	1,164	166	1,330	1,203	168	1,371
Texas Water Development Board	163	103	266	33	--	196	103	299	498	301	799
Total Drainage	10,220	4,056	14,276	68	10	10,288	4,066	14,354	20,636	7,602	28,238
AUSTIN RESOURCE RECOVERY RELATED											
U.S. Environmental Protection Agency	493	2	495	119	--	612	2	614	1,520	164	1,684
Total Austin Resource Recovery	493	2	495	119	--	612	2	614	1,520	164	1,684
Total grants, enterprise related	\$ 157,026	40,851	197,877	15,308	4,871	172,334	45,722	218,056	218,260	58,948	277,208

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

**Schedule of General Obligation Bonds
Authorized and Unissued
Year ended September 30, 2019
(In thousands)**

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

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2019
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	12,170	17,609
11-06-12	Park and Recreation improvements	77,680	59,190	3,790	14,700
11-06-12	Public safety facility improvements	31,079	28,065	--	3,014
11-06-12	Health and Human Service facility improvements	11,148	9,550	1,595	3
11-06-12	Library, museum, and cultural arts facility improvements	13,442	9,840	--	3,602
11-05-13	Affordable housing	65,000	55,000	7,000	3,000
11-08-16	Mobility Transportation	720,000	43,000	51,500	625,500
11-06-18	Affordable housing	250,000	--	--	250,000
11-06-18	Library, museum, and cultural arts facility improvements	128,000	--	--	128,000
11-06-18	Park and Recreation Improvements	149,000	--	--	149,000
11-06-18	Open Space and Watershed Protection	184,000	--	--	184,000
11-06-18	Health and Human Service facility improvements	16,000	--	--	16,000
11-06-18	Public safety facility Improvements	38,000	--	--	38,000
11-06-18	Mobility Transportation	160,000	--	--	160,000
		\$ 2,156,508	464,088	76,055	1,616,365

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, 2019
(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, 2019
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 (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
05-02-98	Aquifer preservation	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 (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, 2019
(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, 2019
AUSTIN WATER (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
04-06-85	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 (Wastewater)		741,960	38,011	309,281	--	394,668
Total Utility		2,668,256	79,011	1,096,602	--	1,492,643
AIRPORT						
11-03-87	Relocation/construction of new airport	728,000	--	30,000	--	698,000
05-01-93	Construction of new municipal airport at Bergstrom AFB site	400,000	--	362,205	--	37,795
Total Airport		1,128,000	--	392,205	--	735,795
CONVENTION CENTER						
07-29-89	New convention center	69,000	--	68,240	--	760
Total Convention Center		69,000	--	68,240	--	760
Total revenue bonds		\$ 3,865,256	79,011	1,557,047	--	2,229,198

Source: Bond sale official statements

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



STATISTICAL SECTION - UNAUDITED

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

City of Austin, Texas
Table 1

	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	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	1,844,751
Restricted	71,716	92,650	82,916	103,246	118,335	133,984	124,695	140,299	146,496	215,091
Unrestricted (deficit)	(58,002)	(164,152)	(334,332)	(397,244)	(431,349)	(1,117,293)	(1,211,495)	(1,394,092)	(2,135,186)	(2,336,696)
Total governmental activities net position	<u>1,558,548</u>	<u>1,490,544</u>	<u>1,415,237</u>	<u>1,355,433</u>	<u>1,308,194</u>	<u>662,050</u>	<u>632,904</u>	<u>455,353</u>	<u>(253,209)</u>	<u>(276,854)</u>
Business-type activities										
Net investment in capital assets	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	2,366,162
Restricted	502,211	550,516	554,215	535,490	524,653	642,052	690,459	702,749	795,049	1,015,860
Unrestricted	403,346	438,240	392,904	466,167	587,362	560,321	737,150	915,825	789,217	646,000
Total business-type activities net position	<u>2,904,310</u>	<u>3,037,720</u>	<u>3,051,742</u>	<u>3,197,015</u>	<u>3,328,362</u>	<u>3,426,337</u>	<u>3,678,307</u>	<u>3,976,814</u>	<u>3,959,485</u>	<u>4,028,022</u>
Primary government										
Net investment in capital assets	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	4,210,913
Restricted	573,927	643,166	637,131	638,736	642,988	776,036	815,154	843,048	941,545	1,230,951
Unrestricted (deficit)	345,344	274,088	58,572	68,923	156,013	(556,972)	(474,345)	(478,267)	(1,345,969)	(1,690,696)
Total primary government net position	<u>4,462,858</u>	<u>4,528,264</u>	<u>4,466,979</u>	<u>4,552,448</u>	<u>4,636,556</u>	<u>4,088,387</u>	<u>4,311,211</u>	<u>4,432,167</u>	<u>3,706,276</u>	<u>3,751,168</u>

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)

City of Austin, Texas
Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities:										
General government	89,315	99,780	124,735	97,675	118,074	131,993	177,302	192,231	200,125	201,747
Public safety	455,760	485,611	536,132	580,074	576,118	601,112	657,846	719,032	704,566	810,140
Transportation, planning, and sustainability	65,565	74,835	64,247	78,594	83,971	77,349	66,739	72,517	72,240	83,967
Public health	63,215	61,865	75,799	73,186	80,796	85,326	100,195	119,278	117,578	123,304
Public recreation and culture	91,732	106,488	104,026	104,951	117,441	134,567	147,191	161,226	173,333	175,567
Urban growth management	143,884	129,258	93,593	137,478	136,110	135,386	179,081	156,180	176,453	133,763
Interest on debt	44,889	45,154	46,417	48,400	49,617	55,855	61,500	61,879	65,147	64,986
Total governmental expenses	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	1,593,474
Business-type activities:										
Electric	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	1,397,591
Water	169,708	178,712	223,228	231,774	232,778	294,624	244,907	281,787	312,276	314,899
Wastewater	166,979	170,514	194,650	214,580	221,216	219,320	237,450	219,609	286,736	263,362
Airport	92,780	102,774	101,991	107,389	108,291	120,015	135,860	158,863	184,084	202,366
Convention	51,818	54,231	56,142	62,884	58,763	65,657	63,796	75,377	80,990	84,673
Environmental and health services	66,380	91,151	87,450	81,544	92,997	97,690	102,994	108,658	111,184	121,987
Public recreation	9,715	5,209	5,624	7,185	6,765	8,824	8,266	8,736	9,009	9,195
Urban growth management	106,618	110,996	114,270	129,583	125,983	135,360	173,360	183,532	196,817	308,303
Total business-type expenses	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	2,702,376
Total primary government expenses	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	4,295,850
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,902	8,126	17,285	15,223	17,890	15,434	15,915	21,345	27,276	26,806
Public safety	47,530	52,998	51,009	53,826	62,832	65,221	65,087	57,728	57,950	57,620
Transportation, planning, and sustainability	3,792	3,823	4,158	4,431	5,214	5,006	4,572	1,698	1,503	1,490
Public health	7,561	7,592	5,106	9,510	9,720	10,351	9,160	12,374	8,109	8,239
Public recreation and culture	3,456	7,891	7,576	8,753	8,205	8,330	8,781	11,251	12,401	11,558
Urban growth management	38,895	21,305	28,613	32,917	37,848	56,366	78,530	72,244	66,161	26,166
Operating grants and contributions	66,831	66,348	57,818	48,567	50,333	45,470	47,430	45,162	42,489	66,439
Capital grants and contributions	50,546	51,182	35,880	64,781	66,856	70,484	95,486	90,256	107,865	78,826
Total governmental program revenues	226,513	219,265	207,445	238,008	258,898	276,662	324,961	312,058	323,754	277,144
Business-type activities:										
Charges for services:										
Electric	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	1,447,300
Water	171,457	243,382	229,454	240,081	240,526	277,180	301,860	324,562	304,182	287,454
Wastewater	189,192	204,666	213,253	236,700	232,067	239,811	259,974	274,518	270,884	264,116

(Continued)

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

City of Austin, Texas
Table 2
(Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airport	100,223	106,978	114,318	123,021	128,766	142,353	159,866	178,433	197,426	213,458
Convention	14,784	18,486	19,200	22,783	25,087	28,657	33,221	40,196	33,752	43,600
Environmental and health services	74,399	75,981	75,499	81,833	84,655	96,622	103,420	109,274	115,499	117,998
Public recreation	8,864	5,260	5,239	6,069	5,849	5,736	6,480	6,705	7,278	7,060
Urban growth management	108,312	115,850	123,477	131,561	141,755	154,337	176,163	204,439	214,244	286,780
Operating grants and contributions	--	--	10,950	3,749	1,489	1,039	739	861	876	785
Capital grants and contributions	31,703	47,850	50,064	64,124	65,550	110,580	144,139	137,464	122,396	164,700
Total business-type revenues	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	2,833,251
Total primary government revenues	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	3,110,395
Net (Expense)/Revenue										
Governmental activities	(727,847)	(783,726)	(837,504)	(882,350)	(903,229)	(944,926)	(1,064,893)	(1,170,285)	(1,185,688)	(1,316,330)
Business-type activities	96,142	217,155	104,020	230,765	194,507	262,532	362,872	324,399	217,354	130,875
Total primary government net expense	(631,705)	(566,571)	(733,484)	(651,585)	(708,722)	(682,394)	(702,021)	(845,886)	(968,334)	(1,185,455)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	341,812	355,185	381,582	420,000	448,083	476,439	507,485	554,631	616,745	671,614
Sales tax	144,710	151,125	164,193	176,198	189,464	204,029	212,634	218,790	232,319	248,813
Franchise fees and gross receipts tax	87,996	95,029	99,011	114,147	128,032	141,368	147,773	151,670	159,754	175,182
Interest and other	31,960	19,364	15,884	23,888	21,275	21,951	41,708	26,950	34,333	53,330
Transfers	96,031	97,100	101,527	87,761	62,215	70,865	121,838	40,693	73,664	133,907
Special items	--	--	--	--	15,830	11,983	4,309	--	--	10,201
Total general revenues and transfers	702,509	717,803	762,197	821,994	864,899	926,635	1,035,747	992,734	1,116,815	1,293,047
Business-type activities:										
Interest and other	13,935	11,274	11,529	2,269	5,717	10,498	10,936	14,801	27,730	71,569
Transfers	(96,031)	(97,100)	(101,527)	(87,761)	(62,215)	(70,865)	(121,838)	(40,693)	(73,664)	(133,907)
Total business-type activities	(82,096)	(85,826)	(89,998)	(85,492)	(56,498)	(60,367)	(110,902)	(25,892)	(45,934)	(62,338)
Total primary government	620,413	631,977	672,199	736,502	808,401	866,268	924,845	966,842	1,070,881	1,230,709
Change in Net Position										
Governmental activities	(25,338)	(65,923)	(75,307)	(60,356)	(38,330)	(18,291)	(29,146)	(177,551)	(68,873)	(23,283)
Business-type activities	14,046	131,329	14,022	145,273	138,009	202,165	251,970	298,507	171,420	68,537
Total primary government	(11,292)	65,406	(61,285)	84,917	99,679	183,874	222,824	120,956	102,547	45,254

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

City of Austin, Texas
Table 3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Function/Program										
Governmental activities:										
General government	11,831	17,491	31,179	29,603	29,150	24,715	29,665	29,022	44,526	28,514
Public safety	57,135	63,617	59,997	60,221	74,805	71,035	71,626	64,937	67,314	64,235
Transportation, planning, and sustainability	17,928	42,282	24,942	51,095	55,324	61,405	80,375	75,165	83,068	63,260
Public health	34,369	31,185	28,122	30,307	29,390	29,524	28,822	33,034	29,742	30,045
Public recreation and culture	9,536	11,544	13,145	14,343	17,233	15,390	17,685	23,050	24,840	30,371
Urban growth management	95,714	53,146	50,060	52,439	52,996	74,593	96,788	86,850	74,264	60,719
Subtotal governmental activities	<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>	<u>277,144</u>
Business-type activities:										
Electric	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	1,492,881
Water	180,918	257,346	241,205	262,212	264,265	312,102	349,195	369,506	351,089	337,352
Wastewater	190,625	213,339	221,561	249,564	246,569	261,680	290,717	304,260	297,869	290,883
Airport	108,022	112,457	124,042	128,301	134,208	151,368	163,432	193,769	205,635	227,535
Convention	14,784	18,499	19,234	23,149	25,138	28,657	33,221	40,196	33,752	43,600
Environmental and health services	75,033	77,008	78,694	83,080	84,807	96,674	103,538	109,546	115,768	118,331
Public recreation	12,809	5,410	5,404	6,776	6,626	6,206	6,701	6,995	7,508	7,286
Urban growth management	111,887	124,133	129,464	141,799	150,246	176,169	198,151	208,165	219,826	315,383
Subtotal business-type activities	<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>	<u>2,833,251</u>
Total primary government	<u><u>2,073,123</u></u>	<u><u>2,286,857</u></u>	<u><u>2,228,771</u></u>	<u><u>2,436,188</u></u>	<u><u>2,551,797</u></u>	<u><u>2,684,413</u></u>	<u><u>2,881,051</u></u>	<u><u>2,950,642</u></u>	<u><u>2,990,814</u></u>	<u><u>3,110,395</u></u>

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

City of Austin, Texas
Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund										
Reserved	4,135	N/A								
Unreserved	104,575	N/A								
Nonspendable	N/A	1,109	862	774	950	949	546	727	2,064	1,771
Assigned	N/A	14,109	16,255	18,459	25,887	26,123	28,700	29,618	37,561	53,441
Unassigned	N/A	119,035	113,046	127,859	156,659	150,091	131,743	141,469	173,309	180,424
Total general fund	<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>	<u>235,636</u>
All Other Governmental Funds										
Reserved	174,820	N/A								
Unreserved, reported in:										
Special revenue funds	57,694	N/A								
Capital projects funds	28,447	N/A								
Permanent funds	764	N/A								
Nonspendable	N/A	1,040	1,040	1,040	1,052	1,070	1,070	1,070	1,070	1,070
Restricted	N/A	175,522	174,773	160,483	162,000	175,977	186,395	214,582	223,062	243,746
Committed	N/A	18,139	19,716	22,921	27,486	40,196	42,508	40,652	45,169	41,896
Assigned	N/A	76,956	82,511	80,219	64,142	75,821	107,833	109,692	108,333	130,735
Unassigned	N/A	(36,582)	(38,012)	(47,512)	(70,581)	(51,622)	(14,876)	(25,369)	(11,113)	(39,921)
Total all other governmental funds	<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>	<u>377,526</u>

Note: The City implemented GASB Statement No. 54 in fiscal year 2011, which changed the reporting requirements for fund balances.

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

**City of Austin, Texas
Table 5**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Property taxes	340,804	355,262	381,611	419,965	446,876	474,704	509,104	554,411	616,424	671,238
Sales taxes	144,710	151,125	164,193	176,198	189,464	204,029	212,634	218,790	232,319	248,813
Franchise fees and other taxes	88,321	94,920	98,903	114,039	128,032	141,368	147,773	151,670	159,754	175,182
Fine, forfeitures, and penalties	24,571	24,077	20,251	21,128	22,520	22,884	20,079	17,628	15,764	14,408
Licenses, permits, and inspections	15,716	18,653	22,664	28,669	33,719	39,805	50,186	61,450	54,424	16,648
Charges for services/goods	64,594	55,170	56,397	63,568	72,924	86,576	98,911	81,368	84,315	85,381
Intergovernmental	86,557	78,250	76,233	76,085	79,407	62,622	56,746	59,572	65,632	73,829
Property owners' participation and contributions	6,937	6,624	6,624	10,167	12,718	12,763	14,554	14,659	16,355	21,525
Interest and other	35,563	19,270	15,932	24,345	21,393	21,517	38,334	27,050	34,254	45,848
Total revenues	807,773	803,351	842,808	934,164	1,007,053	1,066,268	1,148,321	1,186,598	1,279,241	1,352,872
Expenditures										
General government	66,287	69,024	74,846	84,504	91,668	102,222	118,773	128,708	138,011	145,587
Public safety	421,958	449,355	483,458	497,371	528,670	565,070	576,461	593,406	597,085	619,308
Transportation, planning, and sustainability	10,634	9,983	7,556	16,007	14,053	7,032	7,039	5,125	5,162	5,734
Public health	53,229	55,508	65,861	69,418	74,310	80,630	92,076	101,025	106,016	108,635
Public recreation and culture	74,089	86,595	80,818	92,282	99,780	110,745	116,531	126,599	134,575	133,422
Urban growth management	100,218	75,865	80,021	97,840	106,715	116,912	155,459	127,982	150,635	108,175
Debt service:										
Principal	70,424	78,568	71,906	69,625	69,768	71,532	80,859	87,367	99,572	128,163
Interest	44,590	44,892	46,188	48,199	49,367	55,794	61,388	61,862	64,674	64,570
Fees and commissions	17	13	16	17	6	9	13	13	27	31
Capital outlay	166,491	160,682	178,380	214,294	257,420	186,870	142,822	130,783	139,324	202,954
Total expenditures	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	1,516,579
Excess (deficiency) of revenues over expenditures	(200,164)	(227,134)	(246,242)	(255,393)	(284,704)	(230,548)	(203,100)	(176,272)	(155,840)	(163,707)
Other financing sources (uses)										
Issuance of tax supported debt	15,000	118,778	145,175	131,499	154,444	159,939	142,775	130,665	118,216	96,341
Issuance of refunding bonds	--	79,342	58,347	--	107,923	--	139,690	54,970	--	--
Bond premiums	--	14,929	8,207	8,452	16,212	20,093	33,305	35,430	17,237	6,200
Payment to escrow agent	--	(94,271)	(66,554)	--	(113,836)	--	(159,589)	(68,744)	--	--
Transfers in	197,669	179,476	178,768	209,161	221,868	239,666	248,331	222,540	242,856	272,354
Transfers out	(93,957)	(70,146)	(76,838)	(99,667)	(114,385)	(150,123)	(140,407)	(170,067)	(155,455)	(187,682)
Total other financing sources (uses)	118,712	228,108	247,105	249,445	272,226	269,575	264,105	204,794	222,854	187,213
Special item	--	--	--	--	15,830	11,983	4,309	--	--	10,201
Net change in fund balances	(81,452)	974	863	(5,948)	3,352	51,010	65,314	28,522	67,014	33,707
Debt service as a percentage of noncapital expenditures	13.8%	13.6%	12.9%	11.5%	11.2%	11.3%	11.5%	11.9%	12.5%	12.7%

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

City of Austin, Texas
Table 6

Fiscal Year Ended Sept. 30	Franchise Fees and Other Taxes						Total \$
	Property Tax	Sales Tax	Franchise Fees	Hotel-Motel Occupancy Tax	Mixed Drink Tax	Vehicle Rental Tax	
	\$	\$	\$	\$	\$	\$	
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
2019	671,238	248,813	37,308	111,751	13,782	12,341	1,095,233
Change 2010-2019	96.96%	71.94%	4.59%	175.25%	127.84%	105.68%	

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

**City of Austin, Texas
Table 7**

Fiscal Year Ended	Valuation Date	Ratio of Taxable Value to Appraised Value	Total Appraised Value at January 1	Less Exemptions (October 1)	Total Taxable Value (October 1)	Percent of Growth In Taxable Value	Tax Rate (per \$100 Valuation)			
							General Fund	Debt Service Fund	Total	Percentage Change in Tax Rate
Sept. 30	(January 1)	%	\$	\$	\$	%	\$	\$	\$	%
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	80.53	188,936,370,655	36,788,864,886	152,147,505,769	9.92	0.3308	0.1095	0.4403	(1.01)
2020	2019	(1) 80.82	206,451,682,556	39,606,454,957	166,845,227,599	9.66	0.3337	0.1094	0.4431	0.64

228

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
Sept. 30	(January 1)	\$	\$	%	\$	\$	%	\$	%
2010	2009	340,762,916	337,268,213	98.97	1,889,812	339,158,025	99.53	10,591,712	3.11
2011	2010	354,798,046	351,707,776	99.13	1,278,872	352,986,648	99.49	11,589,297	3.27
2012	2011	381,126,366	378,351,758	99.27	1,677,160	380,028,918	99.71	12,177,159	3.20
2013	2012	418,888,224	416,202,468	99.36	1,153,394	417,355,862	99.63	12,662,032	3.02
2014	2013	446,227,175	442,872,352	99.25	1,253,345	444,125,697	99.53	13,037,334	2.92
2015	2014	474,418,331	470,959,014	99.27	612,646	471,571,660	99.40	14,469,523	3.05
2016	2015	507,203,935	504,891,858	99.54	(1,274,811)	503,617,047	99.29	13,711,114	2.70
2017	2016	553,891,970	551,107,380	99.50	(1,091,359)	550,016,021	99.30	13,903,694	2.51
2018	2017	615,686,143	612,423,673	99.47	(116,183)	612,307,490	99.45	14,403,647	2.34
2019	2018	669,905,468	666,262,136	99.46	--	666,262,136	99.46	15,104,516	2.25
2020	2019	(1) 739,291,203	**	**	**	**	**	**	**

** Information not yet available for fiscal year 2020.

Note: Appraisal district appraises property at market value.

(1) Appraised value at January 1, 2019, is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.

(2) The total amount of outstanding delinquencies for all prior years as of fiscal year end.

**Assessed Taxable Property Value by Class
Last Ten Fiscal Years (In thousands)**

**City of Austin, Texas
Table 8**

Fiscal Year Sept. 30	Single Family Property	Multi- Family Property	Land	Commercial Property	Personal Property	Total Assessed Taxable Value	Tax Rates (per \$100 Assessed Value)
	\$	\$	\$	\$	\$	\$	\$
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
2019	67,383,868	27,728,130	2,392,338	44,758,799	10,403,146	152,666,281	0.4403

Source: July certified tax rolls received from Travis, Williamson, and Hays Central Appraisal Districts. Excludes exemptions and appeal adjustments made between January 1 appraisal date and July certified roll date.

Note: Does not reflect appeal adjustments between July and October 1 assessment date. See Table 7 for additional property tax information.

Property Taxes and Tax Levies for Direct and Overlapping Governments with Applicable Percentages Over 10% Last Ten Fiscal Years

Government	Tax Rates (per \$100 Assessed Value) for Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	0.4209	0.4571	0.4811	0.5029	0.5027	0.4809	0.4589	0.4418	0.4448	0.4403
Austin Community College	0.0946	0.0951	0.0948	0.0951	0.0949	0.0942	0.1005	0.1020	0.1008	0.1048
Austin Independent School District	1.2020	1.2270	1.2420	1.2420	1.2420	1.2220	1.2020	1.1920	1.1920	1.1920
Del Valle Independent School District	1.4800	1.5300	1.5300	1.5300	1.4700	1.4700	1.5300	1.5200	1.4600	1.3900
Eanes Independent School District	1.2025	1.2025	1.2125	1.2125	1.2125	1.2125	1.2125	1.2125	1.2000	1.2000
Leander Independent School District	1.4223	1.4548	1.4998	1.5119	1.5119	1.5119	1.5119	1.5119	1.5119	1.5100
Manor Independent School District	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150	1.5150
North Austin MUD #1	0.3801	0.3819	0.3719	0.3450	0.3450	0.3399	0.3170	0.2890	0.2880	0.2830
Northwest Austin MUD #1 (1)	0.2427	--	--	--	--	--	--	--	--	--
Northwest Travis County RD #3 (2)	0.1250	0.1450	0.1550	0.1300	0.1223	--	--	--	--	--
Pflugerville Independent School District	1.4600	1.4600	1.4800	1.5400	1.5400	1.5400	1.5400	1.5400	1.5400	1.5200
Round Rock Independent School District	1.3800	1.3800	1.3350	1.3800	1.3674	1.3375	1.3325	1.3325	1.3048	1.3048
Travis County (3)	0.4215	0.4658	0.4855	0.5001	0.4946	0.4563	0.4169	0.3838	0.3690	0.3542
Travis County Healthcare District	0.0674	0.0719	0.0789	0.0789	0.1290	0.1264	0.1178	0.1105	0.1074	0.1052

Government	Tax Levies (in 000's) for Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	340,763	354,798	381,126	418,888	446,227	474,418	507,204	553,892	615,686	669,905
Austin Community College	82,756	79,524	80,596	84,766	90,079	99,308	121,203	140,069	176,161	192,533
Austin Independent School District	735,582	730,909	746,896	775,231	834,029	918,306	1,030,642	1,174,333	1,448,359	1,499,002
Del Valle Independent School District	46,563	43,736	44,867	46,004	51,559	53,414	60,093	67,076	86,276	95,577
Eanes Independent School District	115,036	110,042	111,792	116,443	123,749	135,138	148,545	164,250	184,415	184,029
Leander Independent School District	185,502	185,883	195,248	204,896	219,988	248,089	273,849	305,591	336,487	370,356
Manor Independent School District	43,116	38,829	40,609	48,860	47,605	63,098	58,687	70,423	81,305	84,640
North Austin MUD #1	2,859	2,750	2,713	2,660	2,661	2,968	3,131	293	329	357
Northwest Austin MUD #1 (1)	1,173	--	--	--	--	--	--	--	--	--
Northwest Travis County RD #3 (2)	582	576	607	565	568	--	--	--	--	--
Pflugerville Independent School District	108,097	104,112	105,197	111,719	118,412	133,432	147,355	166,578	215,566	227,624
Round Rock Independent School District	284,082	273,120	268,675	287,687	288,217	332,436	360,251	360,251	401,198	428,841
Travis County (3)	417,426	441,859	466,691	503,068	529,149	543,863	568,520	592,824	671,334	762,876
Travis County Healthcare District	66,842	68,303	75,928	79,480	138,132	150,765	160,701	170,812	199,366	218,019

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

Note:

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

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

**City of Austin, Texas
Table 10**

		Fiscal Year Ended September 30					
		2019			2010		
Taxpayer	Type of Property	January 1, 2018 Assessed	Rank	Percent of Total Assessed Valuation of	January 1, 2009 Assessed	Rank	Percent of Total Assessed Valuation of
		Valuation		152,147,505,769	Valuation		\$ 80,960,540,976
		\$		%	\$		%
Samsung Austin Semiconductor LLC	Manufacturing	1,204,238,259	1	0.79	1,389,941,494	1	1.72
Columbia/St. Davids Health Care	Hospital/Medical	548,627,142	2	0.36	345,093,926	4	0.43
Finley Company	Commercial	460,673,703	3	0.30			
Apple	Manufacturing	457,508,626	4	0.30			
CSHV-401 Congress LLC	Commercial	401,326,200	5	0.26			
Domain Retail Property Owner LP	Commercial	374,743,907	6	0.25			
GW Block 23 Office LLC	Commercial	359,218,785	7	0.24			
Riata Holdings LP	Commercial	331,596,135	8	0.22			
TPG-300 West 6th Street LLC	Commercial	320,553,888	9	0.21	530,752,756	2	0.66
Cousins-One Congress Plaza LLC	Commercial	314,372,182	10	0.21			
Freescale Semiconductor, Inc.	Manufacturing				358,196,892	3	0.44
Dell Computer Corporation	Manufacturing				338,765,215	5	0.42
Advanced Micro Devices, Inc.	Manufacturing				281,357,924	6	0.35
IBM Corporation	Manufacturing				253,136,376	7	0.31
Spansion LLC	Manufacturing				237,133,802	8	0.29
Shopping Center at Gateway LP	Commercial				211,160,347	9	0.26
Brandywine Acquisition Partners LP	Commercial				202,117,918	10	0.25
Total assessed valuation		4,772,858,827		3.14	4,147,656,650		5.12

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)
	%	%	%
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
2019	1.00	1.00	6.25

Sources: Capital Metro, Comptroller of Public Accounts, and City of Austin

(1) City of Austin 1% sales tax levy effective January 1, 1968

(2) Capital Metro 1% sales tax levy effective October 1, 1995

(3) State of Texas 6.25% sales tax levy effective July 1, 1990

**Taxable Sales by Category
Last Ten Fiscal Years (In thousands)**

**City of Austin, Texas
Table 12**

	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing, hunting	5,914	4,680	4,212	4,804	5,510	7,214	4,915	4,242	4,011	3,843 (1)
Mining	2,854	2,264	6,549	15,455	52,267	30,534	26,795	46,343	172,990	190,630
Construction	368,296	389,154	471,658	551,199	628,533	685,990	749,637	848,118	945,933	1,016,009
Manufacturing	1,041,686	1,433,983	1,644,016	1,755,428	1,747,367	1,931,586	2,058,115	2,457,267	2,984,357	3,316,239
Transportation, warehousing, utilities	345,173	328,250	512,542	565,999	439,136	414,567	386,898	358,473	399,501	379,389
Wholesale trade	827,894	845,952	804,224	854,964	993,560	1,047,647	1,109,486	1,172,724	1,230,287	1,319,717
Retail trade	5,557,165	5,804,678	6,225,353	6,413,528	6,632,916	7,015,660	7,257,673	7,226,265	7,428,115	7,841,419
Finance, insurance, real estate	204,472	190,633	237,753	260,982	273,513	305,481	439,690	410,974	460,642	455,264
Services	1,189,812	1,257,576	1,395,058	1,510,025	1,555,087	1,657,323	1,821,721	2,013,333	2,110,864	2,246,913
Public administration	443,604	446,197	472,311	504,887	519,273	544,881	542,879	514,568	531,250	512,688
Other	2,150,536	2,360,598	2,659,664	2,987,032	3,298,976	3,608,581	3,860,724	4,060,071	4,335,686	5,634,678
Total taxable sales by category	12,137,406	13,063,965	14,433,340	15,424,303	16,146,138	17,249,464	18,258,533	19,112,378	20,603,636	22,916,789 (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 and hunting, data not available for fourth quarter of fiscal year 2017, fourth quarter of fiscal year 2018 and all four quarters of fiscal year 2019. Figures are estimates. For fourth quarter of 2017, average taken using third quarter of 2017 and first quarter of 2018. For 2019 estimates, third quarter of 2018 figure used.

(2) Data not available for third quarter of fiscal year 2019. Average for first three quarters used.

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

Fiscal Year Ended Sept. 30	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capital Lease Obligations	Total Governmental Activities
	\$	\$	\$	\$	\$
2010	789,619	71,586	38,295	716	900,216
2011	842,708	62,426	32,994	433	938,561
2012	877,811	95,426	44,570	159	1,017,966
2013	902,750	114,798	67,788	--	1,085,336
2014	974,855	135,829	85,036	--	1,195,720
2015	1,030,680	165,350	102,396	--	1,298,426
2016	1,108,558	166,201	101,012	--	1,375,771
2017	1,109,766	214,394	111,868	--	1,436,028
2018	1,123,455	239,446	94,064	9,880	1,466,845
2019	1,081,774	235,667	93,938	9,880	1,421,259

Fiscal Year Ended Sept. 30	Business-type 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	16,233	40,169	50,064	18,178	299,797	28,000	3,643,111	--	1,628	4,097,180
2011	25,398	40,903	54,854	11,274	359,792	28,000	3,694,277	--	1,258	4,215,756
2012	34,661	34,456	52,298	10,605	305,026	--	3,944,795	--	1,218	4,383,059
2013	31,381	33,658	55,508	9,915	193,991	--	4,204,201	--	1,176	4,529,830
2014	33,701	27,232	65,854	9,195	241,456	--	4,298,643	--	1,135	4,677,216
2015	28,852	40,695	54,686	8,450	200,581	--	4,600,817	--	1,089	4,935,170
2016	24,073	58,814	45,537	7,655	129,916	--	4,578,492	--	1,040	4,845,527
2017	20,303	55,242	32,895	7,116	146,097	--	4,881,202	--	989	5,143,844
2018	16,217	52,277	26,518	6,905	254,767	--	4,701,801	--	934	5,059,419
2019	12,820	49,585	21,010	6,115	129,300	--	5,627,352	--	878	5,847,060

Fiscal Year Ended Sept. 30	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
\$	%	\$	
2010	4,997,396	0.14	6,419
2011	5,154,317	0.13	6,398
2012	5,401,025	0.14	6,578
2013	5,615,166	0.12	6,672
2014	5,872,936	0.12	6,689
2015	6,233,596	0.13	6,933
2016	6,221,298	0.11	6,722
2017	6,579,872	0.12	6,955
2018	6,526,264	0.11	6,771
2019	7,268,319	0.11	7,410

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	Net General Bonded Debt	Percentage of	Net General
	General Obligation Bonds	Other Tax Supported Debt	Total	Restricted for Repayment of Outstanding Debt Principal		Actual Taxable Value of Property (1)	Bonded Debt Per Capita (2)
	\$	\$	\$	\$	\$	%	\$
2010	805,852	218,292	1,024,144	21,958	1,002,186	1.24	1,287.23
2011	868,106	202,451	1,070,557	20,806	1,049,751	1.35	1,302.97
2012	912,472	237,356	1,149,828	17,627	1,132,201	1.43	1,379.03
2013	934,131	281,667	1,215,798	17,068	1,198,730	1.44	1,424.26
2014	1,008,556	323,146	1,331,702	18,368	1,313,334	1.48	1,495.82
2015	1,059,532	371,577	1,431,109	21,725	1,409,384	1.43	1,567.52
2016	1,132,631	379,219	1,511,850	21,629	1,490,221	1.35	1,610.20
2017	1,130,069	421,515	1,551,584	24,587	1,526,997	1.22	1,614.03
2018	1,139,672	419,210	1,558,882	29,283	1,529,599	1.11	1,587.06
2019	1,094,594	406,315	1,500,909	32,154	1,468,755	0.97	1,497.38

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, 2019**

**City of Austin, Texas
Table 15**

Name of Governmental Unit	Net Debt Outstanding as of September 30, 2019 (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	1,081,774		
Certificates of obligation	235,667		
Contractual obligations	93,938		
Capital leases	9,880		
Total direct debt	<u>1,421,259</u> (1)	100.00	<u>1,421,259</u>
Overlapping debt			
Greater than 10%:			
Austin Community College	404,420	70.46	284,954
Austin Independent School District	1,134,204	95.65	1,084,866
Avery Ranch Road District #1	5,625	100.00	5,625
Del Valle Independent School District	185,210	71.90	133,166
Eanes Independent School District	155,035	36.76	56,991
Leander Independent School District	1,074,905	14.68	157,796
Manor Independent School District	305,905	65.49	200,337
Northtown MUD	17,925	21.91	3,927
Northwoods Road District #1	10,185	100.00	10,185
Pearson Place Road District	5,085	100.00	5,085
Pflugerville Independent School District	596,945	35.14	209,766
Round Rock Independent School District	738,210	35.26	260,293
Travis County	1,066,091	73.91	787,948
Travis County Healthcare District	8,350	73.91	6,171
Williamson County	801,710	11.60	92,998
Subtotal greater than 10%	<u>6,509,805</u>		<u>3,300,108</u>
Less than 10%:			
Hays County	508,913	0.53	2,697
Travis County Mud #8	10,416	0.80	83
Travis County WC & ID #10	43,170	3.74	1,615
Subtotal less than 10%	<u>562,499</u>		<u>4,395</u>
Total overlapping debt	<u>7,072,304</u>		<u>3,304,503</u>
Total direct and overlapping debt	<u>8,493,563</u>		<u>4,725,762</u>
Ratio of total direct and overlapping debt to assessed valuation (2)		3.11 %	
Per capita of total direct and overlapping debt (3)		\$ 4,817.85	

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 \$152,147,505,769 provided by the Travis, Williamson, and Hays Central Appraisal Districts.

(3) Based on 2019 population of 980,886.

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

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed taxable value (1)	\$ 150,626,031
Debt limit (2)	22,183,034
Debt applicable to limit:	
General obligation debt	1,389,575
Less: Amount set aside for repayment of general obligation debt	<u>(32,154)</u>
Total net debt applicable to limit	<u>1,357,421</u>
Legal debt margin	<u><u>\$ 20,825,613</u></u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt limit	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	22,183,034
Total net debt applicable to limit	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	1,357,421
Legal debt margin	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	20,825,613
Total net debt applicable to the limit as a percentage of debt limit	8.23%	9.02%	9.55%	9.58%	9.68%	9.26%	8.61%	7.67%	6.95%	6.12%

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, 2019, of \$152,147,505,769 at a 99% collection rate.

(2) Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2019, for collections on \$150,626,031 results in tax revenues of \$2,259,391. This revenue could service the debt on \$22,183,034 issued as 8% 20-year serial bonds with level debt service payments.

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

**City of Austin, Texas
Table 17**

Fiscal Year Ended Sept. 30	Electric Revenue Bonds						Water and Wastewater Revenue Bonds					
	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
				Principal	Interest					Principal	Interest	
	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	
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
2019	1,471,267	1,105,466	365,801	37,007	54,364	4.00	560,168	261,004	299,164	33,888	129,707	1.83

Fiscal Year Ended Sept. 30	Airport Revenue Bonds						Convention Center Revenue Bonds						
	Service Charges (1)	Other Available Funds (5)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	User Fees and Revenue Transfers (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
					Principal	Interest					Principal	Interest	
	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	
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
2019	191,166	6,107	118,610	78,663	14,836	9,593	3.22	138,439	66,280	72,159	13,440	4,109	4.11

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, 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**

**City of Austin, Texas
Table 18**

Fiscal Year Ended Sept. 30	City of Austin Population (1)	Area of Incorporation (Sq. Miles) (1)	Population MSA (2)	Income (MSA) (thousands of dollars) (2)	Median Household Income MSA (3)	Per Capita Personal Income MSA (2)	Unemployment Rate (MSA) (4)
				\$	\$	\$	%
2010	778,560	306	1,727,528	70,355,303	48,460	40,726	7.0
2011	805,662	308	1,780,605	77,881,693	46,689	43,739	6.6
2012	821,012	319	1,834,926	85,635,903	46,818	46,670	5.7
2013	841,649	321	1,883,901	88,950,627	46,436	47,216	5.2
2014	878,002	321	1,943,409	97,181,958	49,227	50,006	4.2
2015	899,119	323	2,002,591	103,244,100	52,519	51,555	3.4
2016	925,491	326	2,062,211	107,664,294	56,163	52,208	3.3
2017	946,080	325	2,115,230	117,458,116	56,849	55,530	3.1
2018	963,797	326	2,168,316	127,439,164	63,191	58,773	2.9
2019	980,886	327	2,187,161 (6)	138,650,094 (5)	65,950 (6)	63,400 (5)	2.6
2010-2019 Change	25.99%	6.74%	26.61%	97.07%	36.09%	55.67%	

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, 2019.

(2) Source: Bureau of Economic Analysis for all years except 2019 which will not be available until first quarter 2020.

(3) Source: Claritas, a Nielsen company.

(4) Source: Bureau of Labor Statistics, United States Dept. of Labor as of September 30, 2019.

(5) Data not available for 2019. Figures are estimated.

(6) Source: Nielsen SiteReports.

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

**City of Austin, Texas
Table 19**

		Fiscal Year Ended September 30					
		2019			2010		
10 Largest Employers	Industry	Rank	Employees	Percent	Rank	Employees	Percent
				of MSA			of MSA
				Total (1)			Total
				%			%
State Government	Government	1	38,589 (2)	3.52	1	38,538	4.90
The University of Texas at Austin	Education	2	27,426 (8)	2.50	2	24,864	3.16
City of Austin	Government	3	14,471 (5)	1.32	4	11,815	1.50
H-E-B	Retail	4	13,901 (4)	1.27	8	10,904	1.39
Federal Government	Government	5	13,400 (6)	1.22	7	11,100	1.41
Dell Computer Corporation	Computers	6	13,000 (9)	1.19	3	14,000	1.78
Austin Independent School District	Education	7	11,098 (3)	1.01	5	11,570	1.47
St. David's Healthcare Partnership	Healthcare	8	10,665 (4)	0.97	9	6,600	0.84
Ascension Seton	Healthcare	9	10,513 (4)	0.96	6	11,500	1.46
Samsung Austin Semiconductor	Semiconductor	10	8,935 (10)	0.82			
IBM Corporation	Computers				10	6,239 (7)	0.81
			<u>161,998</u>	<u>14.78</u>		<u>147,130</u>	<u>18.72</u>

Notes:

- (1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 1,095,500 for 2019 and 787,000 for 2010.
- (2) Texas State Auditor's Office: Regular and Part Time State Employees for 2019 in Bastrop, Caldwell, Hays, Travis and Williamson Counties.
- (3) Texas Education Agency 2018-2019 Texas Academic Performance Report for AISD District Number 227901.
- (4) Austin Chamber of Commerce - Top Employers for Austin MSA - Fall 2019.
- (5) 2019-20 City of Austin Approved Budget, page 505 (Personnel Summary: 2018-19 Amended column).
- (6) Bureau of Labor Statistics Federal Government employees in Austin MSA in September 2019.
- (7) 2019 and 2010 Principal Employers - Current Year and Nine Years Ago, IBM Corporation Rank 10 in 2010
- (8) The University of Texas at Austin: Appointments and WD Filled Positions.
- (9) Austin Business Journal January 2019
- (10) Austin Business Journal November 2018

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

**City of Austin, Texas
Table 20**

Function/Program	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
General government	169	169	173	177	232	235	238	239	240	254
Public safety	3,938	4,046	4,117	4,219	4,281	4,401	4,523	4,664	4,676	4,732
Transportation, planning, and sustainability	4	4	4	7	9	14	14	14	14	14
Public health	517	517	520	513	513	532	575	592	598	641
Public recreation and culture	846	890	887	917	985	1,009	1,075	1,088	1,096	1,122
Urban growth management	378	387	378	386	411	417	449	472	474	533
Total governmental employees	5,852	6,013	6,079	6,219	6,431	6,608	6,874	7,069	7,098	7,296
Business-type activities										
Electric	1,738	1,737	1,722	1,719	1,682	1,676	1,674	1,718	1,749	1,774
Water	530	535	535	553	592	587	590	604	611	623
Wastewater	540	535	534	541	566	560	558	566	574	577
Airport	345	345	347	351	362	379	415	456	489	538
Convention	244	239	239	239	251	250	266	277	296	300
Environmental and health services	461	461	467	499	523	522	546	573	608	610
Public recreation	88	41	33	33	38	41	41	41	41	41
Urban growth management	632	649	681	693	767	775	809	881	923	989
Total business-type employees	4,578	4,542	4,558	4,628	4,781	4,790	4,899	5,116	5,291	5,452
Internal Services (1)	1,450	1,482	1,487	1,524	1,570	1,579	1,598	1,640	1,649	1,723
Total full-time equivalent employees	11,880	12,037	12,124	12,371	12,782	12,977	13,371	13,825	14,038	14,471

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
General government										
Municipal court cases filed	369,053	341,036	323,513	364,930	369,906	351,757	323,504	306,689	239,367	185,602
Number of warrants prepared	138,379	134,038	89,969	88,401	88,400	82,311	71,159	66,391	51,271	50,450
Jail cases prepared	134,018	122,279	103,126	93,949	96,744	92,765	92,946	95,145	85,949	71,457
Public safety										
Number of incidents responded to by patrol officers	N/A	N/A	638,006	623,768	595,292	572,623	572,303	570,707	600,053	686,263
Number of citation violations issued by APD officers	N/A	N/A	152,971	187,033	184,254	156,088	143,173	128,925	89,149	73,139
Fire emergency responses	75,676	81,982	84,473	86,641	89,538	89,563	81,973	86,665	87,934	92,612
Fire responses	2,172	3,208	2,086	2,404	2,129	2,066	2,120	2,505	2,540	2,283
Fire inspections	25,622	25,368	23,837	29,602	32,619	35,154	36,259	36,393	31,187	26,232
EMS response units dispatched	115,637	122,701	128,334	133,160	138,881	157,827	159,992	145,489	131,207	134,427
EMS 911 calls received	110,703	114,625	117,310	127,772	126,638	140,212	143,804	146,448	143,353	139,020
EMS ground patient transports	61,267	71,577	75,510	75,123	76,791	82,987	78,725	78,164	74,924	75,618
Transportation, planning, and sustainability										
Number of new protected bicycle lanes	N/A	N/A	N/A	N/A	1.7	3.1	3.9	3.1	3.4	6.9
Number of traffic counts performed	N/A	N/A	N/A	N/A	535	605	1,227	662	1,405	544
Number of parking spaces in the system	N/A	7,364	8,184	8,626						
Public health										
Number of animals sheltered	24,026	19,752	19,392	19,760	19,137	18,630	17,431	17,284	16,406	18,873
Birth and death certificates	84,017	63,979	57,841	61,918	69,678	71,293	74,946	75,565	71,054	73,683
STD patient clinic visits	13,869	14,187	13,033	12,927	12,956	13,722	13,860	12,740	9,236	11,234
Number of Shots for Tots Clinics vaccine visits (ages 0-18)	17,084	9,934	7,960	6,994	7,583	7,541	8,156	8,373	7,322	3,400
Number of food benefits to WIC participants	458,032	439,316	421,637	406,774	389,071	365,230	344,296	287,562	276,748	274,521
Participants receiving basic needs services	7,635	9,016	7,531	10,320	11,037	10,536	18,545	18,747	22,357	20,103
Food establishment permits issued	5,909	9,452	10,137	13,968	12,445	12,779	13,227	14,485	13,561	13,866
Number of HIV/STD tests provided in outreach settings	N/A	4,428	3,396	2,221	2,374	2,151	2,558	1,613	2,430	2,807
Public recreation and culture										
Volumes in library collection (1)	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	2,098,116
Library volumes borrowed (1)	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	7,500,734
Registered library borrowers	483,099	519,788	494,015	497,527	508,397	542,358	570,446	597,545	640,104	702,023
Meals served to senior citizens	64,032	63,299	65,965	62,053	63,718	78,147	79,183	81,452	90,185	93,713
Visits to educational and cultural facilities	N/A	N/A	388,650	302,778	329,734	256,526	307,136	356,389	395,917	351,304
Pool visits	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	1,509,654

(Continued)

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

**City of Austin, Texas
Table 21**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Urban growth management										
One-stop shop customers served by development assistance (2)	26,597	28,983	32,362	31,477	33,116	32,273	36,036	35,237	31,969	N/A
Number of neighborhood plan amendments submitted per year	N/A	N/A	N/A	N/A	21	26	22	22	23	29
Zoning applications processed	145	137	129	140	149	169	139	144	149	159
Building inspections performed-development and regulation (2)	150,228	161,519	186,737	220,881	228,576	240,632	277,246	312,830	331,393	N/A
One-stop shop building permits issued (2)	91,996	96,205	108,494	109,492	101,012	70,432	74,902	67,504	68,778	N/A
Repair services provided to homeowners	N/A	N/A	708	533	692	622	708	603	421	423
Housing related services provided	N/A	N/A	1,411	861	931	934	1,185	1,011	956	613
Svcs provided through housing/community development activities	N/A	N/A	3,337	2,438	2,613	2,590	2,896	2,740	2,408	1,777
Business-type activities										
Electric										
Electric sales (in millions of KWH)	11,976	12,779	12,534	12,305	12,572	12,674	12,874	12,983	13,410	13,446
Number of metered customers	413,870	417,865	422,375	430,582	439,403	450,479	461,345	472,701	485,204	496,258
Water										
Actual water pumpage (millions of gallons)	43,827	52,824	47,094	45,902	43,239	43,481	44,687	47,312	48,521	47,312
Average daily consumption (thousands of gallons)	108,600	135,576	117,182	115,555	105,994	103,261	108,887	112,791	113,545	129,664
Average daily consumption per capita	135	162	142	136	125	122	122	126	124	120
Peak daily capacity (thousands of gallons)	286,000	286,000	285,000	285,000	285,000	285,000	335,000	335,000	335,000	335,000
Wastewater										
Average daily sewage treatment (millions of gallons)	99	84	104	95	102	105	109	104	99	106
Combined daily capacity (thousands of gallons)	135,000	135,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Airport										
Enplanements	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	8,464,615
Deplanements	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	8,442,060
Cargo (in millions of pounds)	156	152	155	157	156	158	168	189	183	180
Convention										
Convention contracts executed	251	307	303	306	353	292	279	240	260	266
Vehicles parked	429,993	467,908	509,313	548,221	648,970	726,759	730,279	761,756	708,815	838,937
Environmental and health services										
Tons of trash collected	130,851	126,497	129,653	124,183	127,924	130,784	129,266	131,815	128,829	130,307
Tons of recyclables collected	52,479	52,236	54,009	53,702	55,494	57,324	58,903	58,689	58,647	59,290
Tons of brush collected	7,350	6,853	7,720	7,359	6,692	7,776	9,036	7,367	6,292	6,447
Tons of bulk items collected	7,710	7,503	7,844	8,681	9,068	9,672	12,144	11,334	10,431	11,298
Tons of yard trimmings collected	22,456	24,777	21,712	25,898	27,357	28,680	32,605	34,316	32,244	37,265
Public recreation										
Golf rounds played	200,446	216,789	195,000	201,086	190,244	181,285	196,972	208,118	202,600	191,042
Youth sports participants	N/A	N/A	N/A	18,475	23,769	26,165	22,196	14,581	18,690	20,139

(Continued)

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

**City of Austin, Texas
Table 21**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Urban growth management										
Linear feet of streams restored each year (3)	N/A	N/A	N/A	N/A	N/A	1,375	7,202	5,304	2,155	2,984
Number of buildings, properties, & roadways with reduced flood risk (3)	N/A	N/A	N/A	N/A	N/A	N/A	321	82	41	51
Tons of stormwater pollution removed by treatment facilities (3)	N/A	N/A	N/A	N/A	776	778	784	785	786	787
Lane miles of preventative street maintenance completed	954	706	701	857	803	607	659	637	721	606
Signs installed/maintained	N/A	N/A	17,012	11,484	11,404	11,807	16,942	23,093	22,810	22,654
Traffic sign installations	31,754	1,812	3,834	4,308	2,037	2,025	3,673	3,143	2,250	2,464
Traffic counts performed	N/A	N/A	223	704	535	605	1,227	662	1,405	544
One-stop shop customers served by development assistance (2)	N/A	31,777								
Building inspections performed-development and regulation (2)	N/A	356,370								
One-stop shop building permits issued (2)	N/A	71,039								
Internal services activities (4)										
Internal services										
Units auctioned off	473	247	340	319	379	491	361	307	335	446
Fleet work orders completed	N/A	N/A	N/A	N/A	N/A	48,968	49,878	51,087	50,310	55,217
Payment transactions processed	218,778	200,605	158,413	170,450	185,463	187,938	174,116	180,556	172,735	160,513
Payroll payments	425,679	444,255	432,216	438,945	453,686	466,928	474,170	487,292	492,045	501,025
Units of mail processed	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	2,257,500
Employees enrolled in medical benefit plans	10,770	10,916	11,049	11,219	11,551	11,873	11,991	12,365	12,580	12,857
Requests for council action processed	2,024	2,133	2,284	2,476	2,284	2,135	2,533	2,278	2,166	2,192
Active construction projects managed in-house	366	418	380	387	357	336	336	355	348	400
Land parcels acquired	244	169	104	135	160	264	250	122	112	80

Source: Various City departments; budget documents and performance reports

N/A: Information not available

- (1) Library measures include physical and virtual counts starting in FY 2019
- (2) Measures related to Development Services are reflected in business-type activities beginning in FY 2019.
- (3) Newly implemented performance measure.
- (4) Internal service activities are allocated to other programs and functions on a government-wide basis.

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

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Public safety										
Police stations	5	5	5	5	5	5	5	5	5	5
Police zones	9	9	9	9	9	9	9	9	9	9
Patrol units	359	349	349	345	372	360	365	360	364	365
Fire stations	45	45	45	45	45	45	45	45	45	46
EMS stations	35	35	35	37	37	37	37	37	42	42
Public health										
Health facilities (sq. ft.)	400,426	404,059	381,806	383,306	383,306	383,306	389,221	389,221	389,221	389,221
Program vehicles	76	76	82	83	90	85	109	111	116	116
Public recreation and culture										
Libraries	23	23	23	23	22	22	22	22	22	22
District parks	13	13	14	15	15	15	15	14	14	14
Metropolitan parks	11	12	11	11	11	11	11	11	11	11
Natural preserves	15	15	15	15	15	15	14	14	15	16
Greenbelts	40	40	39	39	40	43	44	48	50	48
Neighborhood parks	96	79	79	82	84	85	86	90	91	94
Special parks (museums, etc.)	39	39	38	40	40	42	41	37	35	40
Youth entertainment complexes	1	1	1	1	1	1	1	1	1	1
Recreation centers	20	20	20	20	22	23	23	23	23	23
Open fields	93	103	105	100	101	101	101	78	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)	193	199	199	185	203	208	227	234	230	208
Tennis courts	110	110	115	116	124	124	124	124	122	127
Swimming pools	51	52	52	52	51	51	51	51	51	51
Business-type activities										
Electric										
Overhead distribution (miles)	5,475	5,450	5,403	5,361	5,263	5,104	5,017	4,961	4,916	4,892
Underground distribution (miles)	5,844	5,912	5,995	6,068	6,167	6,338	6,500	6,630	6,735	6,774
Water										
Treatment plants	2	2	2	2	2	3	3	3	3	3
Water mains (miles)	3,634	3,657	3,682	3,711	3,713	3,807	3,845	3,884	3,929	3,942
Booster pumps	46	45	41	41	39	40	44	44	47	47
Fire hydrants	32,576	33,533	33,839	34,041	36,217	37,518	38,265	39,445	40,154	40,792
Wastewater										
Sanitary sewers (miles)	2,650	2,650	2,664	2,692	2,692	2,776	2,806	2,848	2,890	2,915
Connections	198,116	199,005	202,444	202,690	204,378	212,760	214,373	215,879	216,699	225,760

(Continued)

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

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities, continued										
Airport										
Buildings maintained (sq. ft.)	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,361,831	2,361,831	2,361,831	2,361,831	2,712,429
Facility (terminal) maintained (sq. ft.)	1,016,000	1,016,000	687,940	687,940	687,940	743,641	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	89	67	69	66	64	66	67	67	69	69
Recycle collection trucks	38	36	36	38	41	43	45	46	46	46
Public recreation										
Golf courses	5	5	5	5	6	6	5	6	6	6
Athletic fields	174	174	176	169	172	172	172	172	172	168
Softball fields	37	32	32	34	35	35	35	35	35	35
Urban growth management										
Residential ponds	803	820	840	860	865	873	894	994	1,040	1,045
Street (miles)	7,348	7,550	7,435	7,498	7,618	7,582	7,663	7,825	7,851	7,863
Bridges	427	438	438	438	447	450	450	436	449	449
Traffic signals	902	925	954	975	1,000	1,016	1,029	1,057	1,080	1,093
Metered parking spaces	5,026	5,076	5,508	6,015	6,072	7,300	7,600	8,217	8,394	8,626
Internal Services (1)										
Fleet facilities (sq. ft.)	127,916	127,916	127,916	127,916	127,916	127,916	127,916	127,916	127,916	127,916
City facilities insured	1,193	1,040	1,052	1,060	1,134	1,134	1,253	1,241	1,283	1,285
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.



CITY OF AUSTIN

CONTROLLER'S OFFICE

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The City of Austin is in compliance with the Americans with Disabilities Act.
Reasonable modifications and equal access to communications will be provided upon request.