

The City of Austin, Tx, as associated with the outstanding Airport System Revenue Bonds, (the "City") is filing the following Comprehensive Annual Financial Report solely to comply with contractual commitments, made in connection with the issuance of City securities to provide specified information. Descriptions of the securities, the source of payment and security for the securities, and risks associated with an investment in the securities at the time of issuance are described in the Official Statements related to the securities, as supplemented, copies of which are on file with the Municipal Securities Rulemaking Board. This report is not made in connection with a purchase or sale of securities by the City and accordingly does not contain all information material to a decision to purchase or sell the securities.

Any statement in this report which includes a matter of opinion, whether or not expressly so stated, is intended as such, and not as a representation of fact.

The information contained in this report is provided as of the respective dates and for the periods specified herein and is subject to change without notice, and the filing of this report does not, under any circumstances, imply that there has been no change in the affairs of the City since the specified date as of which such information is provided. *In particular, the dates as of and periods for which information is provided occurred before the worldwide COVID-19 pandemic and before realizing the economic impact of measures instituted to slow it. The pandemic has adversely affected travel, commerce, and financial markets globally and is expected to adversely affect economic output worldwide and in the area of the City. These affects may slow the growth of or reduce future property values [and the collection of sales and other excise taxes, charges, and fees within the City, as well as the assets of City pension funds, and increase City expenses,] to an extent that cannot currently be predicted, but could be material.* Accordingly, the historical information set forth in this report is not indicative of future results or performance due to these and other factors, including those discussed in the Official Statements referred to above.

In its continuing disclosure undertakings, the City has disclaimed any contractual or tort liability for damages resulting in whole or in part from any breach of the disclosure undertakings or from any statement made pursuant to the undertakings. See "Continuing Disclosure of Information" in the Official Statements.



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*

*Diana Thomas, CPA
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**

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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.

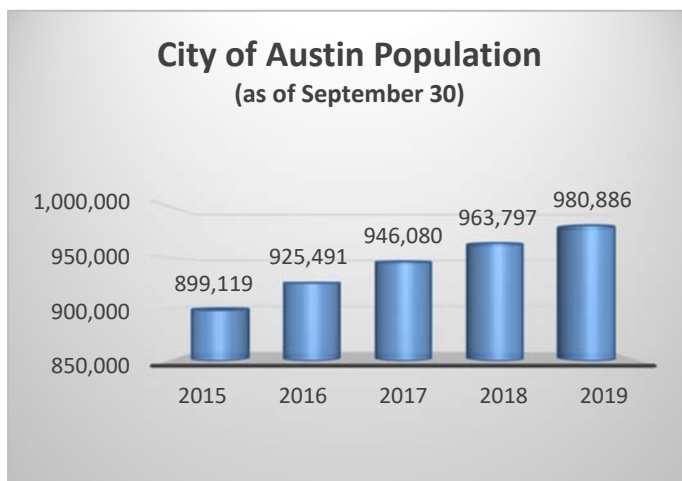
The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants, Deloitte & Touche LLP. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public 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*



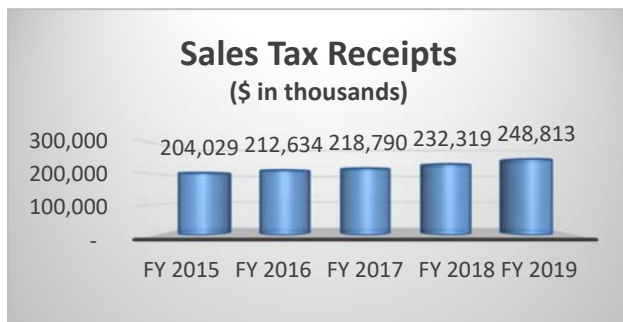
Downtown view from the Boardwalk at Lady Bird Lake

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.

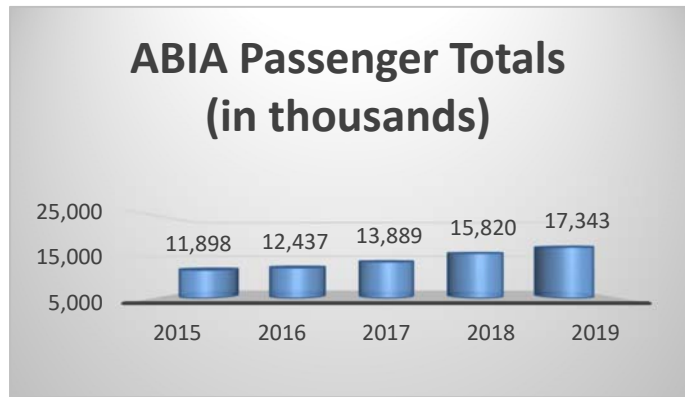


Sales Taxes – Consumer spending growth (as measured by sales tax collections) reflects Austin's population and economic growth. Sales tax collections in fiscal year 2019 experienced a 7.1% increase over fiscal year 2018. Since 2010, sales tax revenues have steadily increased and have grown by nearly 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."

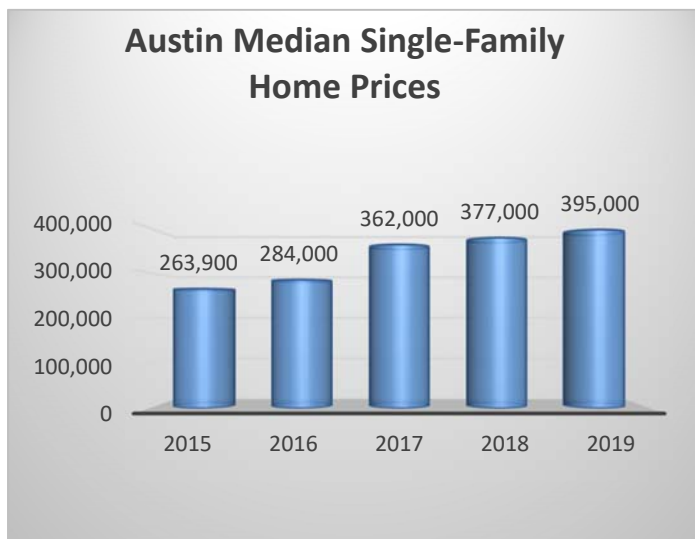
As a result of increased business and tourism travel, ABIA is seeing tremendous growth in international enplanements. As of the end of 2019, ABIA had eleven active non-stop international flights. Continued growth is driving the facility's 40-year master plan which calls for 32 additional gates in a new 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

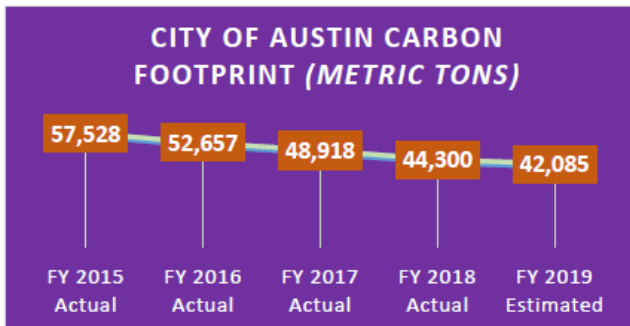
30 new police officers as called for in the department’s staffing plan. In addition, 32 fire fighter and 12 new paramedic positions are included to staff the new Moore’s Crossing Fire/EMS station. The Austin area has been ranked as the fifth highest for risk of wildfire in the western U.S. In response, 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.



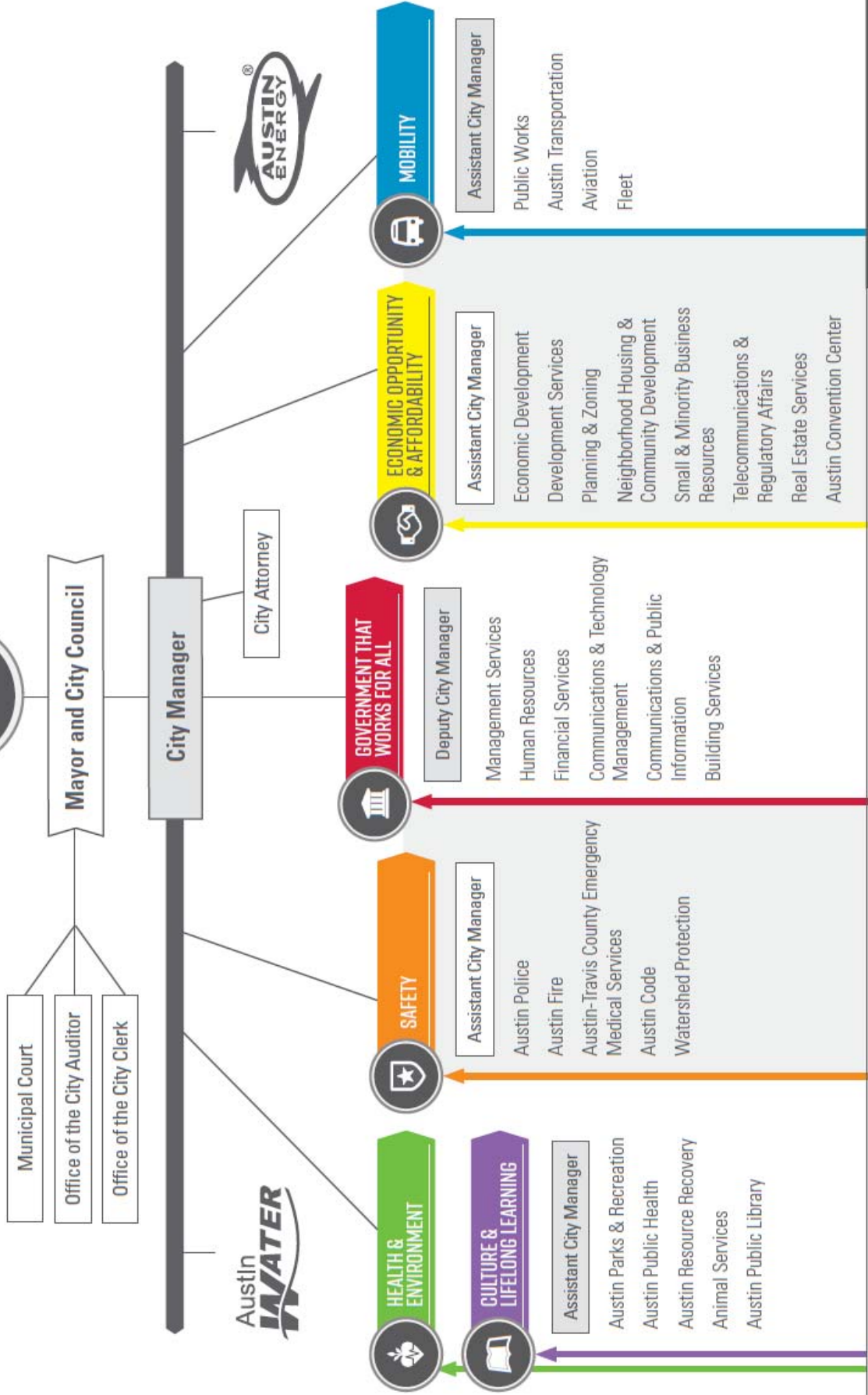
Elaine Hart, CPA
Chief Financial Officer



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

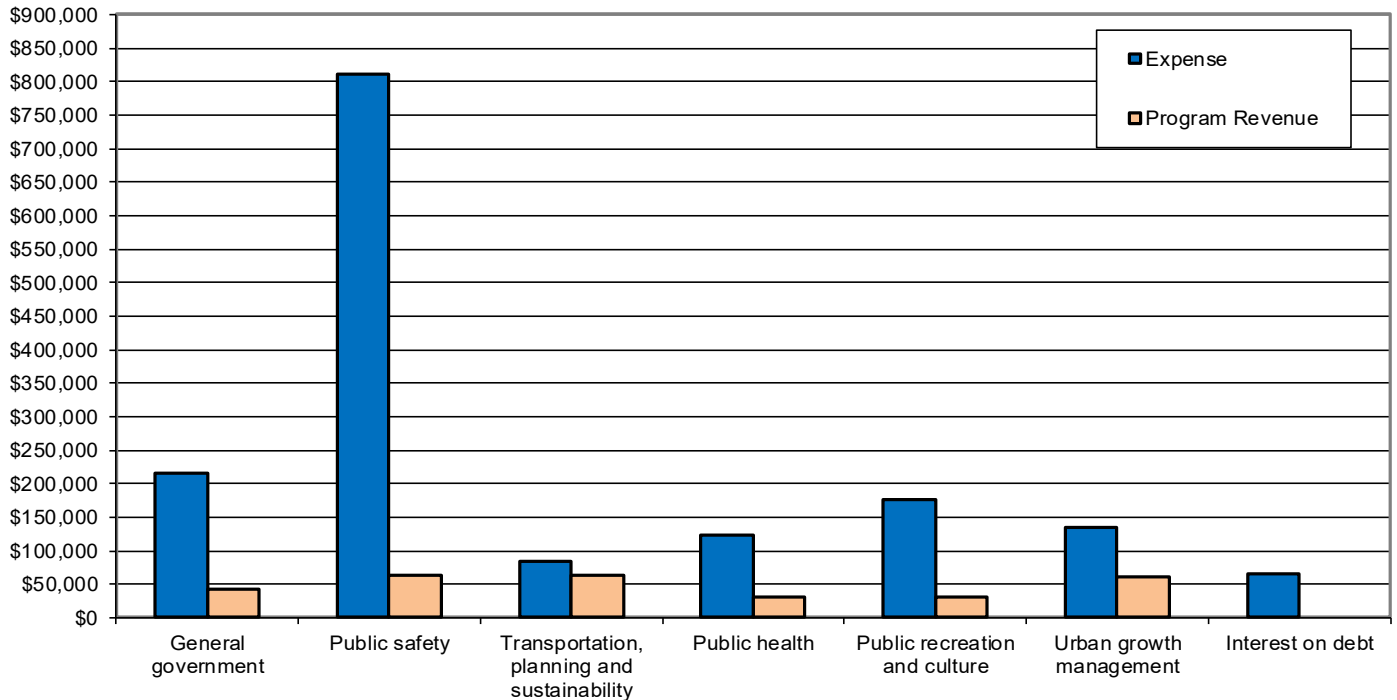
c -- Program revenues and expenses -- governmental activities

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)**

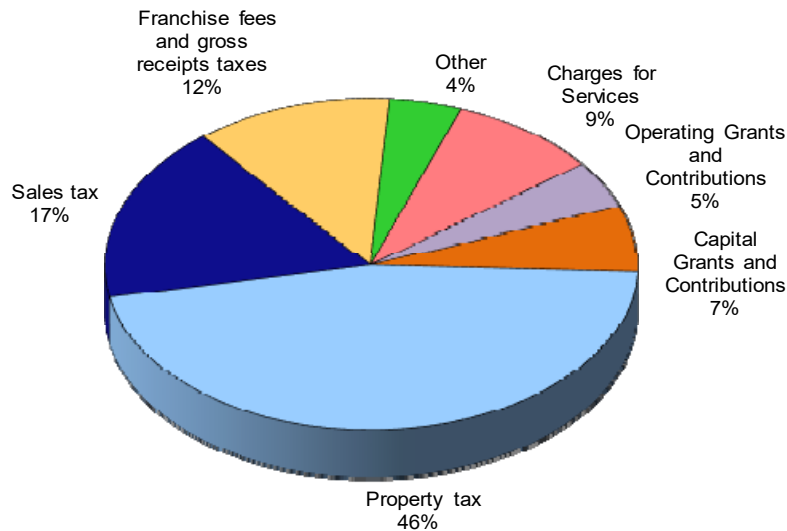


FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

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:

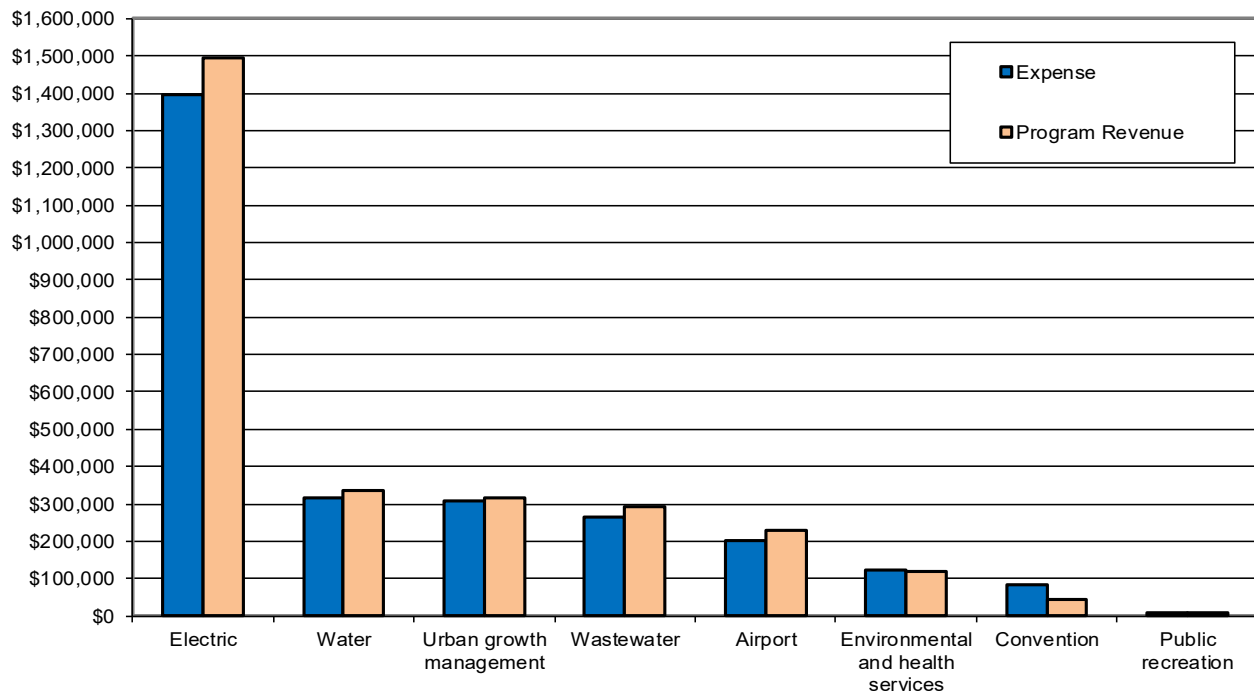
- Austin Energy net position increased \$9.9 million. Operating revenues increased primarily due to transmission revenue and interest income offset by an increase in power production expenses.
- Austin Water net position increased approximately \$7.9 million. Revenues decreased 3.2% largely due to the 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.

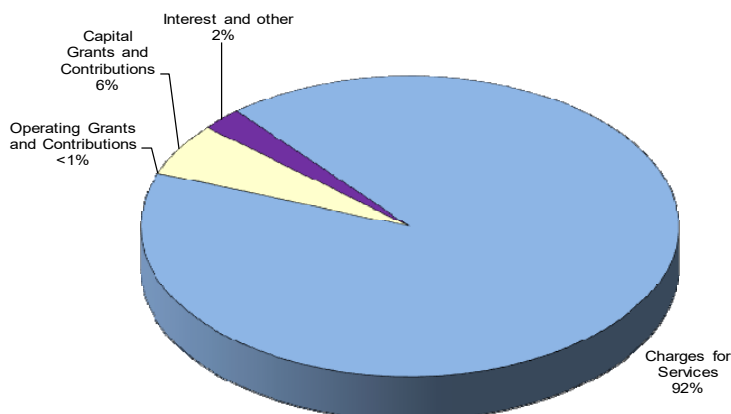
Government-wide Expenses and Program Revenues -- Business-type Activities
(Excludes General Revenues and Transfers)
(in thousands)



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 | 2,635 |
| 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 | <u>\$ 3,096</u> | <u>3,029</u> | <u>8,820</u> | <u>8,157</u> | <u>11,916</u> | <u>11,186</u> |

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 |
|--------------|--|-------|

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>\$ (276,854)</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

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|-----------------------------------|--------------------------------|
| 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 | 899,691 | 453,181 | 1,352,872 |
| 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 | 1,013,858 | 502,721 | 1,516,579 |
| 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) | 126,668 | 60,545 | 187,213 |
| 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 | \$ 235,636 | 377,526 | 613,162 |

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 Activities- Internal Service Funds |
|--|---------------------------------|-------------------|--|
| | Nonmajor Enterprise Funds | Total | |
| 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)

| | <u>Business-Type Activities</u> | | <u>Governmental Activities- Internal Service Funds</u> |
|---|--|----------------------|--|
| | <u>Nonmajor Enterprise Funds</u> | <u>Total</u> | |
| 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:

| <u>Fund</u> | <u>Inventory Valuation Method</u> |
|--------------------------|-----------------------------------|
| 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> |
|---------------------------|------------------|

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 Issue | 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 | <u>9,838</u> | <u>1,892</u> | <u>1,102</u> |
| 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):

| Source | City Employees | Police Officers | Fire Fighters | Total |
|--|-------------------|--------------------|---------------|------------------|
| 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 | 353,415 | 726,668 | 73,410 | 1,153,493 |
| 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 | \$ 7,678 | 15,156 | 4,824 | 27,658 |

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

| Fiscal Year Ended September 30 | City Employees | Police Officers | Fire Fighters | Total |
|--------------------------------------|-------------------|--------------------|---------------|----------------|
| 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 | \$ 256,862 | 685,407 | 53,222 | 995,491 |

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 or 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 | |
|---|-----------------------------|-------------------------------|-----------------------|----------------------|------------------|
| | | Amount | Classification | 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 | \$ 1,379,511 |

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 |
| | \$ 204,057 |

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 | • December 31 of each calendar year occurring during the fiscal year. |
| Notes | • Members and employers contribute based on statutorily fixed or negotiated rates. A funding period is solved for through open group projections. |
| Methods and Assumptions Used to Determine Contribution Rates | |
| Actuarial Cost Method | • Entry Age Normal (all years) |
| Asset Valuation Method | • 2017 forward - Expected actuarial value plus 20% recognition of prior years' differences between expected and actual investment income • 2016 and 2015 - 20% of market plus 80% of expected actuarial value |
| Inflation | • 2.75% for 2016 forward, 3.25% for 2015 |
| Salary Increases | • 4.00% to 6.25% for 2016 forward, 4.50% to 6.00% for 2015 |
| Investment Rate of Return | • 7.50% for 2016 forward, 7.75% for 2015 |
| Retirement Age | • 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 | • 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 | • 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

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| | <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 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 |
| 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 Principal | Interest | | Issuance of Tax Supported Debt | Bond Premiums | Transfers In | Transfers 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> | | | | | | | | | |
| Homestead Preservation | | | | | | | | | |
| Reinvestment Tax Increment | 750 | -- | -- | -- | -- | -- | -- | -- | 750 |
| Housing Assistance 2018 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Housing Loan | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Neighborhood Housing & Conservation | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 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> | | | | | | | | | |
| Austin Industrial Development Corporation (AIDC) | -- | -- | -- | -- | -- | -- | -- | 4 | 4 |
| Austin Lake Hills Water Quality | -- | -- | -- | -- | -- | -- | -- | 2 | 2 |
| 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 | Charges for Services/ 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> | | | | | | | |
| PARC 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)

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 | | | | | | | |
| 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- | Other Funds | Funds | Assets | Assets |
| | | | | ments | | | | |
| 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 | -- | -- | -- | -- |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public recreation and culture | -- | 1 | -- | 1 |
| Total expenditures | -- | 1 | -- | 1 |
| Excess (deficiency) of revenues over expenditures | -- | (1) | -- | (1) |
| Total other financing sources (uses) | -- | -- | -- | -- |
| 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 | \$ 50 | 9 | 1,011 | 1,070 |





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)

| | Austin Resource Recovery | Convention Center | Development Services |
|---|---|------------------------------|---------------------------------|
| 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 | 22,165 | 15,913 | 14,639 |
| Net cash provided (used) by operating activities | \$ 15,982 | (22,774) | 6,107 |
| 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 | 4,026 | 35,141 | (30) | 39,137 |
| 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 | (59) | (2,000) | -- | (2,059) |
| 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 | (7,878) | (21,304) | (32) | (29,214) |
| 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 | 329 | (9,893) | -- | (9,564) |
| 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 | \$ 20,489 | 6,581 | 63 | 27,133 |

(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)

| | Actual | Adjustments (1) (2) | Actual- Budget Basis | Budget | | Variance (3) Positive (Negative) |
|---|--------|------------------------|----------------------------|----------|-------|--|
| | | | | Original | Final | |
| Barton Springs Conservation | | | | | | |
| 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) |

| | Actual | Adjustments (1) (2) | Actual- Budget Basis | Budget | | Variance (3) Positive (Negative) |
|---|-----------|------------------------|----------------------------|----------|----------|--|
| | | | | Original | Final | |
| Budget Stabilization Reserve | | | | | | |
| 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 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Unreserved | 104,575 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 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 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 57,694 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Capital projects funds | 28,447 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Permanent funds | 764 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 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 |

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| 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 | | Percentage of Actual Taxable Value of Property (1) | Net General Bonded Debt Per Capita (2) |
|-------------------------------------|---------------------------------|--------------------------------|-----------|---|-------------------------------|--|---|
| | General Obligation Bonds | Other Tax Supported Debt | Total | Restricted for Repayment of Outstanding Debt Principal | Net General Bonded Debt | | |
| | \$ | \$ | \$ | \$ | \$ | % | \$ |
| 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 | N/A | N/A | N/A | N/A | N/A | 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 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 31,777 |
| Building inspections performed-development and regulation (2) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 356,370 |
| One-stop shop building permits issued (2) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 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.