



City of Austin, Texas

\$31,585,000

Public Improvement Bonds, Series 2006

\$24,150,000

Certificates of Obligation, Series 2006

\$14,120,000

Public Property Finance Contractual Obligations, Series 2006



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Pricing Report
August 31, 2006



\$31,585,000 Public Improvement Bonds, Series 2006
\$24,150,000 Certificates of Obligation, Series 2006
\$14,120,000 Public Property Finance Contractual Obligations, Series 2006

Public Improvements Bonds - Proceeds from the sale of the Bonds will be used to finance various capital improvements, and to pay certain costs of issuance of the Bonds.

Certificates of Obligation - Proceeds from the sale of the Certificates will be used to finance various capital improvements and to pay certain costs of issuance of the Certificates.

Public Property Finance Contractual Obligations - Proceeds from the sale of the Contractual Obligations will be used to purchase certain equipment for various City Departments and to pay costs of issuance of the Contractual Obligations.



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ISSUER	City of Austin, Texas	
TYPE OF SALE	Competitive	
BOND COUNSEL	McCall, Parkhurst & Horton LLP	
FINANCIAL ADVISOR	The PFM Group	
UNDERLYING RATINGS:	Fitch:	AA+
	Moody's:	Aa1*
	S&P:	AA+

* Represents an upgrade from Aa2.



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Bond Market Update

MARKET POST: MUNIS SLIGHTLY FIRMER IN MORNING TRADE Aug 31 2006 10:45

By Michael Scarchilli and Matthew Posner, The Bond Buyer NEW YORK (Thomson)--The tax-exempt market was slightly firmer this morning, as investors showed a muted response to several pieces of economic data released, turning their attention instead toward tomorrow's August non-farm payrolls report. "We've got a big number tomorrow, obviously, but we've gone through today's data without incident, knock wood," a trader in New York said. "I would think we're better a basis point or two today."

Secondary Market Trades reported by the Municipal Securities Rulemaking Board were mixed. A dealer sold to a customer Texas 4.5s of 2007 at 3.56%, even with where they traded yesterday. Bonds from an interdealer trade of New York City Municipal Water and Sewer Systems 5s of 2039 yielded 4.43%, up two basis points from where they were sold yesterday. A dealer sold to a customer Columbus, Ohio 5s of 2018 at 3.93%, up two basis points from where they traded yesterday. Bonds from an interdealer trade of Nashville, Tenn., Metropolitan Government 5s of 2012 yielded 3.70%, up one basis point from where they traded yesterday. Bonds from an interdealer trade of Michigan Building Authority 5s of 2036 yielded 4.37%, down one basis point from where they were sold yesterday. The Treasury market has shown little movement. The benchmark 10-year Treasury note, which opened at 4.75%, was recently quoted at the same level. Meanwhile, the two-year note was recently quoted at 4.80%, after opening at 4.82%.

Economic Reports In economic data released today, the Commerce Department reported that personal income rose 0.5% and personal consumption increased 0.8% in July. Economists polled by IFR Markets had predicted a 0.5% rise in personal income and a 0.7% increase in consumption. Meanwhile, the July price index for personal consumption expenditures, which is closely watched by the Federal Reserve Board, rose 0.3% after a revised 0.1% June increase. PCE was up 3.4% since July 2005. The core price index for personal consumption expenditures, which excludes food and energy, increased 0.1% in July, compared with an unrevised 0.2% rise the previous month. On a year over year basis, the core rate is up 2.4%, the high range of what the Fed considers an acceptable inflation level. The increase matched the 2.4% level predicted by IFR. First-time applications for state unemployment benefits dropped 2,000 to 316,000 in the week ended Aug. 26. The seasonally adjusted figure was below the 318,000 level predicted by IFR Markets and followed the previous week's revised level of 318,000. New factory orders for manufactured goods fell 0.6% in July after an upwardly revised 1.5% increase in June. The drop is well below the 0.2% rise projected by IFR Markets. Excluding transportation, the level of all manufacturing orders rose 1.1%, following an upwardly revised 0.6% increase in June. The rise was above the 0.5% projected by IFR Markets. Also, the Chicago Purchasing Managers' Index slipped to 57.1% in August from 57.9% in July. Economists polled by IFR Markets had predicted the Chicago PMI would fall to 57.0%. The new-issue calendar was light today.

Visible Supply The Bond Buyer's 30-day visible supply fell \$348.8 million to \$4.566 billion. The total is comprised of \$2.802 billion of competitive deals and \$1.765 billion of negotiated bonds.

Previous Session's Activity The Municipal Securities Rulemaking Board reported 33,125 trades yesterday of 14,030 separate issues for a volume of \$22.44 billion. Most active was insured Clark County, Nev., Airport 4.5s of 2016, which traded 73 times at a high of 99.75 and a low of 96.62.

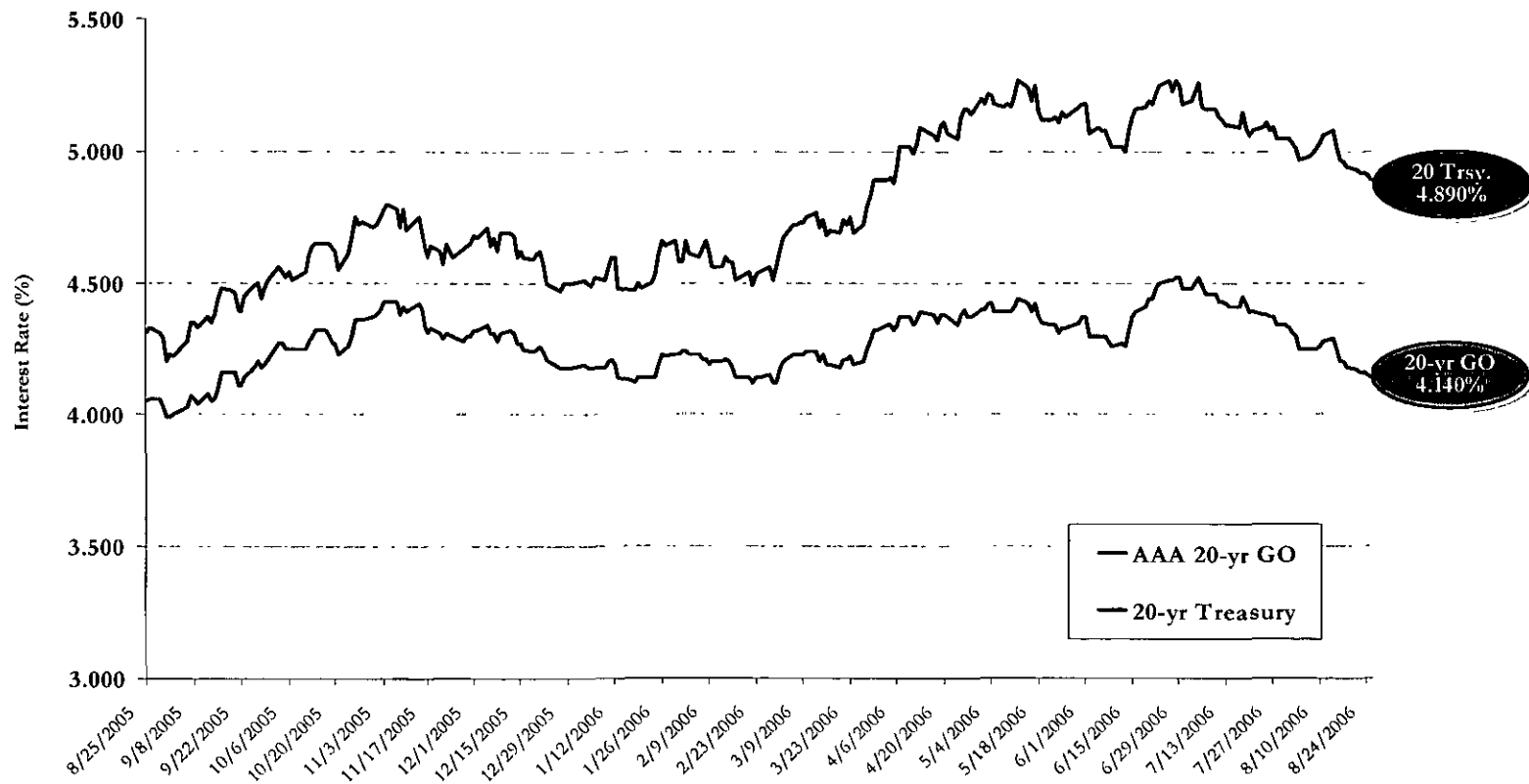


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AAA 20 Year GO vs. 20 Year Treasury August 2005 through August 2006



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Municipal Markets Calendar

COMPETITIVE

Week of	Amount	Issuer	State	Issue	Manager
August 28, 2006	\$ 15,440,000	Trumbull, Town of	CT	GO	N/A
August 28, 2006	\$ 18,000,000	Marysville USD	CA	GO	N/A
August 28, 2006	\$ 4,990,000	Clarksville, City of	TN	GO	N/A
August 28, 2006	\$ 24,900,000	Bartholomew Co Bldg Corp	IN	Rev	N/A
August 28, 2006	\$ 69,855,000	Austin, City of	TX	GO	N/A

NEGOTIATED

Week of	Amount	Issuer	State	Issue	Manager
August 28, 2006	\$ 34,250,000	Clint ISD	TX	GO	Southwest Securities
August 28, 2006	\$ 34,679,991	Lovejoy ISD	TX	GO	Bear Stearns
August 28, 2006	\$ 135,000,000	Brownsville ISD	TX	GO	UBS Securities
August 28, 2006	\$ 16,340,000	Valley View ISD	TX	GO	Estrada Hinojosa
August 28, 2006	\$ 14,995,000	Texas County	MO	CO	George K. Baum



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Maturity Schedules

Public Improvement Bonds, Series 2006				Certificates of Obligation, Series 2006				PPECO, Series 2006			
Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield	Maturity	Principal	Coupon	Yield
9/1/2009	\$ 100,000	4.000%	3.550%	9/1/2007	\$ 730,000	4.000%	3.600%	5/1/2007	\$ 785,000	4.000%	3.550%
9/1/2010	100,000	4.000%	3.570%	9/1/2008	765,000	4.000%	3.600%	11/1/2007	900,000	4.000%	3.550%
9/1/2011	100,000	4.000%	3.590%	9/1/2009	805,000	4.000%	3.600%	5/1/2008	920,000	4.000%	3.570%
9/1/2012	100,000	4.000%	3.630%	9/1/2010	845,000	4.000%	3.620%	11/1/2008	940,000	4.000%	3.570%
9/1/2013	100,000	4.000%	3.700%	9/1/2011	890,000	4.000%	3.640%	5/1/2009	960,000	4.000%	3.580%
9/1/2014	100,000	4.000%	3.780%	9/1/2012	930,000	4.000%	3.690%	11/1/2009	980,000	4.000%	3.580%
9/1/2015	1,505,000	5.000%	3.900%	9/1/2013	980,000	4.000%	3.750%	5/1/2010	1,000,000	4.000%	3.610%
9/1/2016	1,580,000	5.375%	3.950%	9/1/2014	1,025,000	4.000%	3.820%	11/1/2010	1,025,000	4.000%	3.620%
9/1/2017	1,660,000	4.000%	4.030%	9/1/2015	1,080,000	5.000%	3.880%	5/1/2011	1,045,000	4.000%	3.640%
9/1/2018	1,740,000	4.000%	4.120%	9/1/2016	1,135,000	5.000%	3.930%	11/1/2011	1,065,000	4.000%	3.650%
9/1/2019	1,830,000	4.000%	4.170%	9/1/2017	1,190,000	4.000%	4.030%	5/1/2012	1,090,000	4.000%	3.690%
9/1/2020	1,920,000	4.250%	4.310%	9/1/2018	1,250,000	4.125%	4.150%	11/1/2012	1,115,000	4.000%	3.710%
9/1/2021	2,015,000	4.375%	4.375%	9/1/2019	1,310,000	4.125%	4.260%	5/1/2013	1,135,000	4.250%	3.750%
9/1/2022	2,115,000	4.250%	4.340%	9/1/2020	1,375,000	4.125%	4.320%	11/1/2013	1,160,000	4.250%	3.770%
9/1/2023	2,225,000	4.250%	4.360%	9/1/2021	1,445,000	4.250%	4.370%				
9/1/2024	2,335,000	4.500%	4.480%	9/1/2022	1,520,000	4.375%	4.410%				
9/1/2025	2,450,000	4.300%	4.400%	9/1/2023	1,595,000	4.250%	4.430%				
9/1/2026	9,610,000	4.500%	4.540%	9/1/2024	1,675,000	4.375%	4.450%				
				9/1/2025	1,760,000	4.375%	4.470%				
				9/1/2026	1,845,000	4.375%	4.490%				



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TIC: 4.399184%

TIC: 4.290466%

TIC: 3.731425%



Competitive Bids

Public Improvement Bonds, Series 2006	
<u>Bidder Name</u>	<u>TIC</u>
UBS Securities LLC	4.399184%
Prager, Sealy & Co., LLC	4.410524%
Merrill Lynch & Co.	4.455417%
First Southwest Company	4.458222%
First Albany Capital Inc.	4.464211%
Citigroup Global Markets Inc.	4.471152%
Morgan Keegan & Company, Inc.	4.475076%
Southwest Securities, Inc.	4.475870%
Morgan Stanley DW Inc.	4.479847%
Banc of America Securities LLC	4.488690%

Certificates of Obligation, Series 2006	
<u>Bidder Name</u>	<u>TIC</u>
Merrill Lynch & Co.	4.290466%
Southwest Securities, Inc.	4.310839%
Morgan Keegan & Company, Inc.	4.328522%
Citigroup Global Markets Inc.	4.334463%
UBS Securities LLC	4.336628%
Prager, Sealy & Co., LLC	4.340803%
Piper Jaffray	4.345932%
First Albany Capital Inc.	4.353912%
Morgan Stanley DW Inc.	4.359913%
First Southwest Company	4.365183%
Banc of America Securities LLC	4.369070%
Stephens Inc.	4.375691%

PPFCO, Series 2006	
<u>Bidder Name</u>	<u>TIC</u>
Piper Jaffray	3.731425%
First Southwest Company	3.749760%
Morgan Keegan & Company, Inc.	3.767307%
Citigroup Global Markets Inc.	3.787496%
RBC Capital Markets	3.808685%
Morgan Stanley DW Inc.	3.817620%
Stephens Inc.	3.820124%
First Albany Capital Inc.	3.832974%



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