

CITY OF AUSTIN, TEXAS

Comprehensive Annual Financial Report



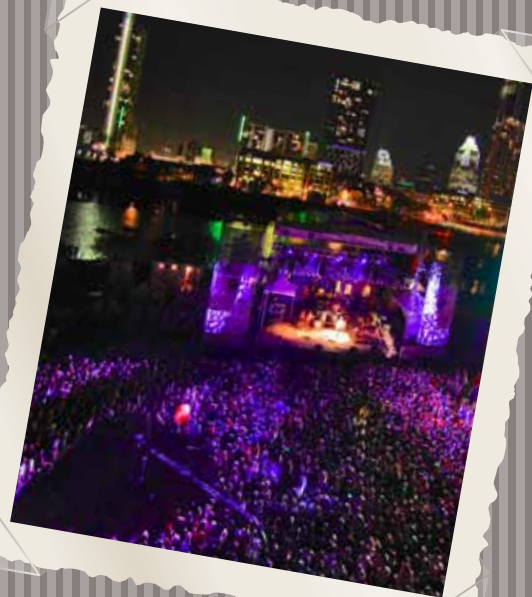
Zilker Trail of Lights



Capitol 10K Run



Formula 1 Race



SXSW Music Festival

For the year ended September 30, 2013



Zilker Kite Festival

SXSW photo courtesy of Tye Truitt, SXSW. All other photographs provided by David Gottlieb

Comprehensive Annual Financial Report



*City of Austin,
Texas*

*For the year ended
September 30, 2013*

*Prepared by:
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City Council

Lee Leffingwell

Mayor

Term expires December 15, 2014

Sheryl Cole

Mayor Pro Tem

Term expires December 15, 2014

Council Members

Chris Riley	December 15, 2014
Mike Martinez	December 15, 2014
Kathie Tovo	December 15, 2014
Laura Morrison	December 15, 2014
Bill Spelman	December 15, 2014

Marc A. Ott

City Manager

CITY OF AUSTIN, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2013

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INTRODUCTION



City of Austin

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

March 28, 2014

Honorable Mayor, Mayor Pro Tem and Councilmembers, and Citizens of Austin
City of Austin, Texas

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Austin, Texas for the fiscal year ended September 30, 2013. 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, are accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City. These financial statements have been prepared by the Financial Services Department, Controller's Office, in accordance with generally accepted accounting principles (GAAP) for local governments.

The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants Deloitte & Touche LLP. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. Grant awards are being audited under the provisions of the Single Audit Act of 1996, as amended, and the *State of Texas Uniform Grants Management Standards*. The Single Audit reports will be issued separately.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's 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 and six Councilmembers. The Mayor and Councilmembers are elected at large for three-year staggered terms with a maximum of two consecutive terms. The City Manager, appointed by the City Council, is responsible to them for the management of all City employees and the administration of all City affairs.

With the passage of Propositions 1 – 3 on November 6, 2012, several changes to the Austin City Council will take place beginning with the November 2014 election. The Austin City Council will expand from 7 to 11 members (10 who are residents of specific geographic districts with the mayor elected citywide); elections will move from May to November in even-numbered years; and Council terms will lengthen from 3 years to 4. The City Auditor oversaw the process which resulted in selection of a 14-member Independent Citizens Redistricting Commission. The Commission received extensive public input before certifying the final redistricting plan and delivering it to City Council in November 2013.

Austin, the capital of Texas, is the fourth largest city in the state (behind Houston, Dallas, and San Antonio) and the eleventh largest in the nation with a September 2013 population of 841,649, according to the City's estimates. Over the past ten years, Austin's population has increased by approximately 23.1% or 158,098 residents. Geographically, Austin consists of approximately 321 square miles. The current estimated median household income for Austin residents is \$49,227 according to Claritas, a Nielsen company. Austin's per capita income is estimated to be \$45,581 based on analysis of the Bureau of Economic Analysis information.

Austin is nationally recognized as a great place to live due in part to its diverse and eclectic population, as well as its promotion of a year-round outdoor active lifestyle. Austin draws its special character from its physical setting along the Balcones Escarpment, a city wedged between coastal plains and dramatic cliffs, canyons and juniper-carpeted rolling hills; it sits on the edge of the Chihuahuan desert existing as a physical and cultural oasis where talented, entrepreneurial, hard-working people are drawn from all over the world. Austin's quality of life has become its biggest economic development engine, and the City's diverse demographic structure serves to support and enrich its quality of life.

The City of Austin is fortunate to offer a host of broad-ranged educational opportunities for those individuals with a desire to learn. Austin is a highly educated city, with approximately 45% of adults twenty-five years or older holding a bachelor's or advanced degree, compared to 28.5% 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), the fifth largest public university in the nation, is known as a world-class center of education and research and was ranked 46th nationally and 16th among public universities in the 2014 *U.S. News and World Report* survey of undergraduate programs.

Reporting Entity

This CAFR includes all funds of the City, including those organizations required to be included because the City is financially accountable for them. The City provides a full range of services, including general government, public safety, transportation, planning and sustainability, public health, public recreation and culture, urban growth management, electric, water, wastewater, airport, convention, and other enterprise services. In addition, the financial statements include these separate legal entities (and, the fund where reported if different from the entity name): the Austin Housing Finance Corporation (Housing Assistance Fund), the Austin Industrial Development Corporation, the Mueller Local Government Corporation, the Waller Creek Local Government Corporation, and the Urban Renewal Agency. These entities are reported as governmental activities. Additionally, the financial statements include Austin-Bergstrom Landhost Enterprises, Inc. and Austin Convention Enterprises, Inc. 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. In February 2014, *Forbes* confirmed Austin's popularity as the City topped its list of America's Fastest-Growing Cities for the fourth year in a row. The City's demographer estimates that about 110 people move to the Austin metro area every day. Yes, the Austin metropolitan area is booming and the trends reflect it. From job growth to population growth to real estate, the trends are positive and are expected to continue in this manner into the near future.

In 2013, the Austin metropolitan area ranked number 1 in the Milken Institute Best-Performing Cities Index, which ranks U.S. metropolitan areas by how well they are creating and sustaining jobs and economic growth. The index "was designed to measure objectively which U.S. metropolitan areas are promoting economic vitality based on job creation and retention, the quality of new jobs, and other criteria."

The Texas economy continues to be strong. In September 2013, *Forbes* listed Texas as the #2 in the list of Best States for Job Growth. *Forbes* has indicated that Texas is the only state "that ranks in the top five for both current economic climate and growth prospects." Moody's Analytics economic research firm expects employment to expand 3% annually through 2017 as Texas attracts businesses because of its regulatory environment, low taxes, and skilled workforce.

Employment - Virtually all Texas metro areas had more jobs in December 2013 than in December 2012. Texas' employment growth at 2.3% continues to outpace the nation at 1.6%, and the Austin metro area is growing faster than both, at 2.8%. Austin's unemployment rate was at 4.5% in December 2013, down from 5.0% in December 2012. The State and National unemployment rates in December 2013 were 6.0% and 6.7%, respectively.

Over the last four years, the Austin metro area has created more than 105,000 new jobs. This growth has been shared by all levels of wage earners. In 2013 and 2014 *Forbes* listed the area at or near the top of several lists including: “Best U.S. Cities for Future Job Growth”; “Cities Creating the Most Tech Jobs” (over 41% 2001 – 2013); “Cities Creating the Most Middle Class Jobs” (7.6% since 2007); and “Blue Collar Hot Spots” (10% since 2010).

This growth is expected to continue through 2017 according to “*America’s Job Outlook*” published by Careerbuilder and Examination Management Services, Inc. (EMSI). This report projects total job growth of 9.7% in the Austin metro area, well ahead of the national level of 4.4% for the period 2013 through 2017. In addition, high-wage jobs are expected to grow at a rate of 9.4%, the second highest level in the nation. The report states, “Austin’s position as one of the strongest markets for high-wage job growth, and job growth overall, has been fueled by its diverse industry mix.”

Economic Development - The City’s economic development efforts have greatly contributed to job growth. In 2013, the City executed economic development contracts with National Instruments and Visa, Inc., resulting in 1,794 new full-time jobs and capital investment of \$107.3 million. In early 2014, City Council approved additional agreements which will result in 1,247 new full-time jobs. The combined economic impact of such agreements since the beginning of 2012 is over 7,700 direct jobs and \$476 million in capital investment.

Over the next several years a new medical school will be constructed at the University of Texas at Austin. The Board of Regents for the University of Texas System approved the creation of the Dell Medical School and pledged funds for its construction as well as for faculty recruitment and continuing support. The University is partnering with the Seton Healthcare Family, who will build a new teaching hospital that will replace University Medical Center Brackenridge, and Central Health (the Travis County Healthcare District) who will purchase services from the medical school for the population it serves. The plan is supported by a broad cross-section of the community including the voters who in November 2012 approved a proposition for Central Health to increase property taxes by \$.05 per \$100 of assessed value to help fund these initiatives. In January, the first Dean was selected and the school is scheduled to accept its first class in 2016. An economic analysis by TXP, Inc. estimates the economic impact of the school to be almost \$1 billion in direct annual spending and 6,900 direct jobs.

Tourism - Austin continues to be a destination for both business and recreational activities. Austin is known around the world as the “Live Music Capital of the World” with over 250 live music venues. In March 2013, South by Southwest (SXSW) hosted its 27th annual festival, conference, and trade show, providing a unique convergence of original music, independent films, and emerging technologies. According to an economic impact analysis prepared by Greyhill Advisors, SXSW was responsible for injecting more than \$218 million into the Austin economy. In October 2013, the Austin City Limits Music Festival expanded to two weekends increasing opportunities for attendance and compounding the economic impact which was estimated at \$102 million for the prior year.

The region’s tourism industry got a boost in the fall of 2012 with the completion of the Circuit Of The Americas™ (COTA) complex and Austin’s first ever United States Formula One™ Grand Prix race (F1). Three-day attendance for the F1 races in 2012 and 2013 exceeded 265,000 and 250,000, respectively. The COTA site is a state-of-the-art motorsports and entertainment venue constructed in southeast Travis County. In addition to being the first purpose-built Grand Prix facility in the United States, the complex houses a 40,000 square foot conference/media center, a 5,500 square foot medical center, and an amphitheater with 17,000 seating capacity. The facility operates throughout the year, showcasing events such as Formula One™, Australian V8 Supercars, MotoGP, American LeMans series, Motocross, motorsport clubs, concerts, and foot and bicycle races. In 2013, despite stiff competition from several other cities, the COTA facility in Austin competed for and was chosen as the location of ESPN’s summer X Games. Austin will host this extreme sports and concert event for four years beginning in the summer of 2014. The COTA site was annexed by the City in 2013, resulting in an increase in the City’s property tax base, sales tax revenues, and mixed beverage taxes.

The growing local economy in Austin relies on quality air service to foster business, government, and leisure travel. During 2013 Austin's airport, ABIA, set a new record for annual traffic for the third consecutive year, a 6% increase over the previous year's record. For the first time, over 10 million passengers passed through ABIA, enjoying over 1,100 live music performances and 59 tons of brisket. Three new carriers inaugurated services at ABIA during the year; and in March 2014, British Airways offered the first transatlantic air service between London and Austin, facilitating connections with over 70 countries throughout Europe, Africa, the Middle East and Asia. To accommodate this growth, City Council recently approved the first step of a seven gate expansion project at ABIA.

Hotel occupancy is strong with 2013 city-wide occupancy rates at 72.5% and with downtown rates at 77%. As a result, hotel motel tax revenues continue to grow and in 2013 were 20% greater than the previous year. High occupancy rates have also spurred construction of new hotels in Austin including JW Marriot, Westin, and Hotel Van Zandt which will add in excess of 1,600 rooms downtown, an increase of over 25%. In addition the Fairmont Austin is in the final stages of permitting and is planned to have over 1,000 rooms.

Real Estate - All sectors of the real estate market are performing well. In 2013, building inspections almost doubled over 2012. Austin area home sales for 2013 were up 19% over 2012 and as of the end of December the market featured 2.0 months of housing, a historical low. As a result, the median price for a single family home is up about 9% over the previous year from \$205,000 to \$223,890. However, according to the National Association of Home Builders, Austin is in the mid-range of the major Texas cities when looking at overall housing affordability, which factors median family income into the equation. Multifamily occupancy rates are near 97%, rents per square foot are at an all-time high of \$1.21, and absorption over the year was almost 4,600 units. Occupancy is expected to remain stable in the 95% to 96% range despite the more than 9,000 new units scheduled for delivery in 2014. The office market is also strong with an average occupancy rate of almost 89% at the end of 2013. Further evidence of the strength of the office market is the sale of over six million square feet of office space in the last half of 2013.

Sales Taxes - Sales tax revenue has shown positive growth over the past four fiscal years. Fiscal year 2013 experienced a robust 7.3% increase over fiscal year 2012, which was an 8.6% increase over 2011.

Recognition - In addition to the rankings mentioned above, Austin has ranked at the top of lists such as *Bloomberg*, *NerdWallet*, and others in regards to career choice, recreation opportunities, income, and business opportunities:

America's Top Boomtown <i>Bloomberg</i> – April 2013	#1 Top 10 Cities to be a Moviemaker <i>MovieMaker</i> – March 2013	#1 Top 15 Aspirational Cities <i>The Daily Beast</i> – July 2013
#1 Best Cities for Job-seekers <i>NerdWallet</i> – January 2014	#1 Hottest U.S. Startup Scene <i>GoodApril.com</i> – July 2013	# 8 Best Run Cities in America <i>24/7 Wall St.</i> - January 2014
#7 World's 20 Most Dynamic Cities <i>City Momentum Index</i> Jones Lang LaSalle - January 2014	#1 Metro Areas with Most Economic Momentum Going Into 2014 <i>Forbes</i> – December 2013	#4 Best Big Cities for Women in the Workforce <i>NerdWallet</i> – May 2013
10 Up and Coming Cities for Entrepreneurs (International) <i>Forbes</i> – September 2013	Holiday Hotspots: Where to go in 2014 (International) <i>The Guardian</i> – January 2014	#1 2013 Small Business Friendliness Survey <i>Thumbtack.com</i> – June 2013

Major Initiatives

The City of Austin's vision is to be the most livable City in the country. The following policy priorities were adopted in April 2007 by the Austin City Council and amended in 2009:

- ❖ Rich Social and Cultural Community
- ❖ Vibrant Urban Fabric
- ❖ Healthy, Family-Friendly, Safe City
- ❖ Sustainable Economic Development and Financial Health

Best Managed City - To achieve our vision of making Austin the most livable city in the country and to support City Council's policies and initiatives, the employees of the City – whether they be executives, managers, or front-line service providers – have the singular mission of making the City of Austin the best managed city in the country. We implement this mission through transparent business practices, excellence in public service, innovative leadership, and providing services that are reliable, safe, efficient, and above national standards.

City staff is committed to creating a work environment that fosters creative thinking and innovation throughout the organization, thereby better positioning the workforce to more effectively respond to new challenges as well as new opportunities. City employees take enormous pride in their work. PRIDE reflects the City's core values of public service and how employees relate to customers and each other. The elements of PRIDE include: **P**ublic Service & Engagement; **R**esponsibility & Accountability; **I**nnovation & Sustainability; **D**iversity & Inclusion; and **E**thics & Integrity.

Being “best managed” means everyone in the organization is providing the best service possible to the community. The City is launching a city-wide customer service initiative, one of the City Manager's top priorities for the organization, to ensure that the provision of City services results in a positive customer experience for our citizens in addition to their service requests being met.

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. In 2012, after an extensive public process, the City Council unanimously voted to adopt Imagine Austin, the City's comprehensive plan for Austin's future. The plan defines where the City is today and where we want to go, setting a context to guide decision-makers for the next 30 years. The resulting plan adheres to 6 core principles established by our citizens:

- ❖ Grow as a compact, connected city
- ❖ Integrate nature into the city
- ❖ Provide paths to prosperity for all
- ❖ Develop as an affordable and healthy community
- ❖ Sustainably manage water, energy, and other environmental resources
- ❖ Think creatively and work together

Implementing this vision will take many incremental steps over time. Cross-departmental and cross-jurisdictional action teams have been created for these areas and the 2014 budget and capital plan included funding to support these principles. Further, a number of the initiatives discussed below also directly support Imagine Austin.

Development – In addition to its economic development efforts, the City has been committed to the redevelopment of a number of its downtown properties. Beginning with the development of six blocks in the warehouse district in the early 2000's, Austin's participation in joint public/private partnerships continues to contribute to a vibrant downtown and an enhanced tax base. Current downtown redevelopment focused in the Seaholm District includes:

- Groundbreaking for the construction of a new 198,000 square-foot central library in May 2013. This “library for the future” will have advanced sustainable features and is expected to be completed in 2016;
- Extensive improvements to Shoal Creek in the Seaholm area to improve streambank stabilization, and complete the gap in the existing trail, facilitating bicycle and pedestrian use;
- Construction of a mixed-used development that will involve renovation and reuse of the historical and architecturally-significant Seaholm power plant. The offices of athenahealth, with whom the City recently executed an economic development incentive agreement, will be located in this development.
- Kick-off of the redevelopment of the Green Water Treatment Plant site with the sale and transfer of the first portion of the site to the development team who will construct a 38-floor mixed-use tower, including affordable living units. The first phase of this project also includes completion of the street grid in the district to enhance connectivity to Seaholm.

In 2014, the City will finalize construction of the Waller Creek Tunnel Project on the eastern edge of downtown. This mile-long stormwater bypass tunnel will address problems of flooding, erosion, and water pollution along lower Waller Creek. By taking nearly 28 acres of downtown land out of the 100-year floodplain, the project is expected to spur redevelopment and revitalization in the area. In addition, the City partnered with the Waller Creek Conservancy to create the Waller Creek District, a mile and a half long, 28 acre masterpiece park, along Waller Creek which spans from the mouth of Lady Bird Lake north to the University of Texas. The District, with construction now in progress, will include walking and bicycle paths, a 7,000 seat iconic event structure, specialized children's areas, meditation gardens and lattice bridges that provide connectivity across a creek which will now be turned into a healthy ecosystem.

Several miles from downtown, the City continues its public/private partnership to redevelop the site of the previous airport, Mueller. This 700 acre, vibrant, mixed-use urban village includes residential neighborhoods, retail, and office spaces, extensive parks, and trails. The development, which is sustainable, transit-oriented, and offers affordable housing opportunities, is about one-third complete and has a current assessed value of over \$450 million. Demand for housing at Mueller has been high due to its proximity to downtown and many amenities.

Transparency – The City's ongoing commitment to transparency of financial transactions and processes is exemplified by Austin Finance Online (AFO). Since its inception in 2011, AFO has been recognized by the Texas State Comptroller for achieving the highest standards in financial transparency online by awarding the City's website with its Gold Level Leadership Circle Award. AFO provides a one-stop web-based portal containing an extensive library of budget and financial documents, an online contract catalog, payment register information, and other City financial information.

In 2013, Austin received a perfect score for its online transparency of economic development subsidies according to Good Jobs First, a Washington D.C.-based non-profit research center on economic development accountability. Last fall the City's government broadcasting channel was one of four nationally that received the "Excellence in Programming" award, from The National Association of Telecommunications Officers and Advisors "for actively supporting community programming's role in building stronger, more connected communities."

Innovation - In September 2013, the City's website, AustinTexas.gov was selected by Government Technology and the Center for Digital Government to receive a "Best of the Web" award in the city portal category. The first place award was given based on innovation, functionality, productivity, and performance and for having "...demonstrated the ability to adapt to the changing technology landscape, while creating first-class public and business services." The City also received a 2013 Driving Digital Government Award for the Austin Infrastructure Management, Mapping, Planning and Coordination Tool which provides key coordination of the mapping of infrastructure projects to identify possible conflicts and opportunities for collaboration reducing the City's infrastructure repair and rehabilitation costs.

Climate Protection - The City of Austin has long been a national leader in the climate protection arena through the efforts of City leaders, the city-owned electric utility, (Austin Energy), and the participation of customers from residential to other governmental entities and private businesses. As a result of these efforts and partnerships, Austin Energy led all public power utilities in the country for sales of renewable energy in 2012. In 2012, Austin became the first large city in America to power all of its city-owned buildings 100% with renewable energy, a goal set five years earlier. As a result, Austin received an EPA 2013 Climate Leadership Award for its achievement of this goal. The award recognizes high-quality leadership in response to climate change. Austin Energy also received the EPA's 2013 Energy Star Partner of the year Award for Sustained Excellence for outstanding contributions to energy efficiency for the ninth year in a row and was cited as having saved a combined 25 million kilowatt-hours of electricity annually through its energy efficiency programs. Finally Austin Energy won the International City/County Management Association, (ICMA) 2013 Program Excellence Award for Community Sustainability (for a large city) for its Green Building Program that promotes construction of more sustainable and eco-friendly homes and buildings.

FINANCIAL INFORMATION

Internal Controls

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that City assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Financial Policies

The City has adopted a comprehensive set of Financial Policies to ensure that the City's financial resources are managed in a prudent manner and to provide a foundation for financial sustainability. These policies dictate 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 in the operating and capital budgets. The City maintains the goal of a structurally balanced budget to achieve long-term financial stability for the Austin community. 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.

Long-term Financial Planning

Austin leaders are continually looking towards and planning for the future. The Austin approach of balancing the budget by not relying on one-time solutions, while at the same time making key investments in our community, our infrastructure, our economy, our sustainability, and our employees is providing a 21st century "best-managed" model for cities all around the country. 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 planning tool to develop the following year's operating budget. As directed by the financial policies, the City's budgeting approach emphasizes fiscal responsibility by limiting spending in a given year to projected revenue collections.

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. The City is currently developing a ten-year CIP Strategic Plan to look further into the future than the annual process. This plan, which should be complete within the next year, will focus on implementing Imagine Austin as well as other intersecting City initiatives and priorities through capital projects, and will improve the transparency of the City's long-term infrastructure plans.

On November 6, 2012, Austin voters approved a \$307 million general obligation bond program that includes transportation and mobility projects, as well as projects for open space and watershed protection, parks and recreation, public safety, health and human services, and library, museum and cultural arts facilities. This bond program will be overseen by the Council-appointed Bond Oversight Committee, which is charged with ensuring efficiency, equity, timeliness, and accountability in the implementation of the program. Additionally on November 5, 2013, voters approved \$65 million in general obligation debt for affordable rental and ownership housing as well as preservation of existing affordable housing stock.

Maintaining sound financial and economic development policies within the City organization allows for a high level of services to the community. Because of our consistent adherence to our financial policies, the City's bond ratings for General Obligation bonds continue to be "AAA" for all three bond rating agencies, Moody's (Aaa), Standard & Poor's and Fitch Investors. In November 2012, Austin Energy improved its Standard & Poor's credit rating from A+ to AA-, a reflection of the recent rate increase and the utility's diverse portfolio, as well as Austin's robust economy.

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 City's 2013 CAFR, the City continues to meet its responsibility for sound financial management.

Budgetary Information

The 2014 Budget was developed in a manner true to the City's unwavering commitment to openness, transparency, and public engagement. The City's Budget is organized around activities and services. The budget development process integrates the City's finances with business planning, performance measurement, and resident input, thereby elevating budget discussions to meaningful conversations about outcomes that impact our residents. Input was gathered and evaluated to address the many issues, concerns, and priorities identified by Austin's citizens, employees, and Councilmembers. The result was a budget built around the ideals of livability, affordability and inclusivity that dictate the operations of our City government and form the basis of the budget.

The structurally balanced fiscal year 2014 Approved Budget totals \$3.3 billion and includes \$799.8 million for the General Fund, providing for the continuation of high-quality public safety, health, library, parks, water, energy, infrastructure, development, and other services to the citizens of Austin. The 2014 budget was approved with a decrease to the property tax rate of .02 cents, from 50.29 to 50.27 cents per \$100 of taxable value. The approved tax rate balances the tax impact to property owners with the need to invest in our community and continue providing the outstanding services Austinites have come to expect.

Included in the approved budget are moderate pay increases for non-sworn employees and police officers of 1.5%. In addition non-sworn employees will receive an annual salary adjustment at mid-year of \$750. The budget also includes increases associated with step and longevity pay for sworn police personnel as required in the approved terms of the labor contract executed in June 2013. Labor contract negotiations with the firefighters are ongoing and adjustments to the budget may be required once the contract is completed; however as agreed to in the expiring contract, funding was included to support a 1% annual increase to their retirement system. In November 2012, the citizens of Austin approved adoption of the Emergency Medical Services Personnel Civil Service Law. The first contract under this new law was finalized in September 2013 and is effective for the 2014 fiscal year. The approved contract provides for a pay increase of 1.5% as well as the costs associated with the creation of a step pay system for emergency medical services personnel.

The City's largest enterprise department, Austin Energy, is the eighth largest municipal-owned electric utility in the United States in terms of customers served. Austin Energy serves more than 420,000 customers within a service territory of approximately 437 square miles in the Greater Austin area. The approved budget for fiscal year 2014 is \$1.36 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 to meet the City Council goal of 35% renewable resources by 2020.

The City's second largest enterprise activity is the Austin Water Utility, which provides water and wastewater services to almost 218,000 customers within Austin and surrounding areas. The fiscal year 2014 budget projects revenues of \$544.9 million. Growth in revenue is the result of projected customer growth as well as a combined system-wide rate increase of 4.9% in consideration of mandatory restrictions as a result of the continued drought.

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 2012 CAFR. The City has received this award for 6 consecutive years. The certificate is valid for a period of one year only. City management believes that this 2013 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 2013 budget as well as a 2013 Certificate of Excellence in Performance Measurement from the ICMA.

ACKNOWLEDGMENTS

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

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

Finally, we acknowledge the Mayor and Councilmembers who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.

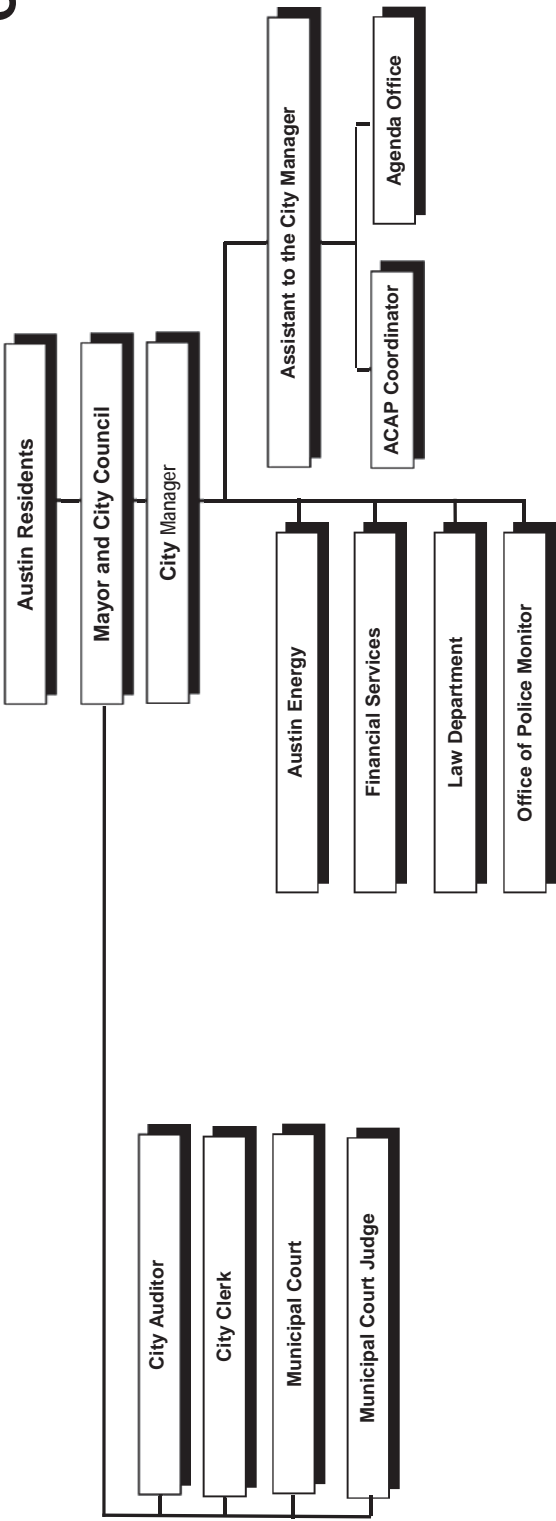
A handwritten signature in black ink, appearing to read 'Marc A. Ott'.

Marc A. Ott
City Manager

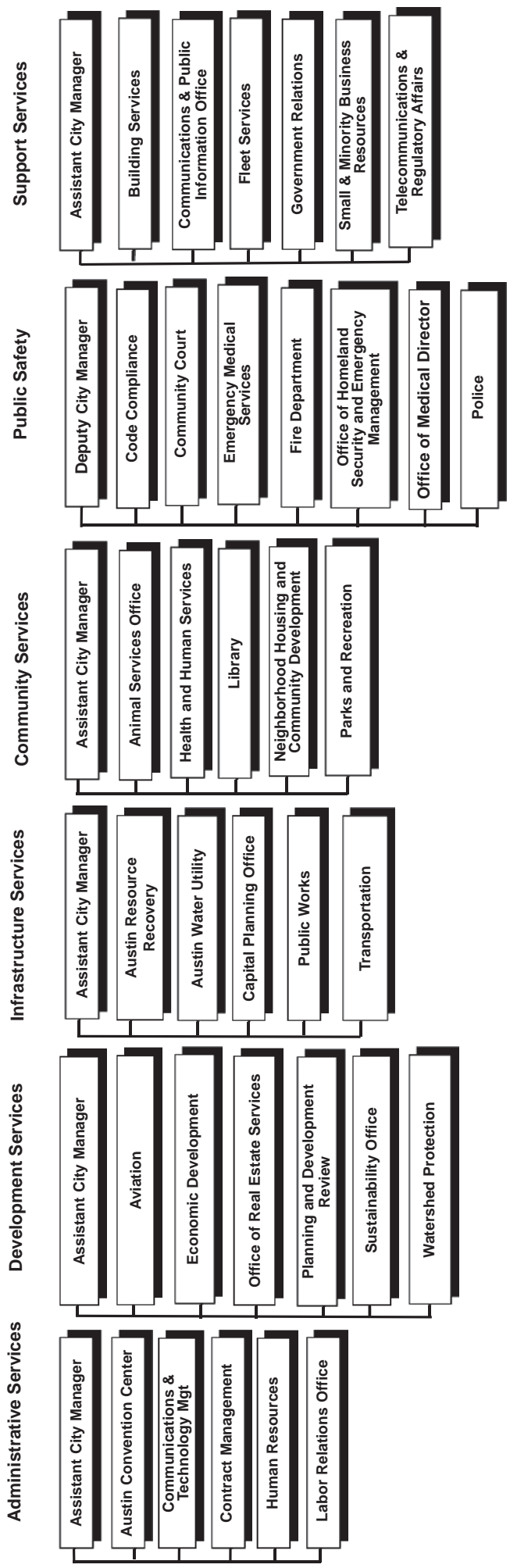
A handwritten signature in black ink, appearing to read 'Elaine Hart'.

Elaine Hart, CPA
Chief Financial Officer

City of Austin, Texas



x





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, 2012.

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 2013 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**

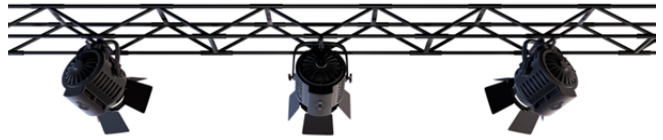
**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

September 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Enser".

Executive Director/CEO

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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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of discretely presented component units which represents 100% percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports, one of which (Austin Bergstrom Landhost Enterprises, Inc.) contains an emphasis of matter paragraph related to a going concern issue, has 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 report of the 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, 2013, 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 Post-Employment 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 schedules and the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates 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. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section has 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 28, 2014

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, 2013.

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. 64.

FINANCIAL HIGHLIGHTS

Government-wide financial statements

The assets of the City exceeded its liabilities at the end of the fiscal year 2013, resulting in \$4.6 billion of net position. Net position associated with governmental activities is approximately \$1.4 billion, or 29.8% of the total net position of the City. Net position associated with business-type activities is approximately \$3.2 billion, or 70.2% of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is \$3.8 billion, or 84.5% of total net position.

Unrestricted net position, which may be used to meet the City's future obligations, is \$68.9 million, or 1.5% of the City's total net position. Unrestricted net position for governmental activities is a deficit of \$397.2 million, while unrestricted net position for business-type activities is approximately \$466.2 million, or 14.6% of total business-type net position. The deficit in governmental unrestricted net position is largely due to the recognition of \$376 million in other post employment benefit liabilities for governmental activities.

During fiscal year 2013, total net position for the City of Austin increased \$84.9 million or 1.9%. Of this amount, governmental activities decreased \$60.4 million, or 4.3% from the previous year and business-type activities increased \$145.3 million, or 4.8% from the previous year.

Total revenues for the City increased \$271.7 million; revenues for governmental activities increased \$104.1 million; revenues for business-type activities increased \$167.6 million. Total expenses for the City increased \$125.5 million; expenses for governmental activities increased \$75.4 million; expenses for business-type activities increased \$50.1 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Austin is improving or deteriorating.
- The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues for uncollected taxes and expenses for future general obligation debt payments. The statement includes the annual depreciation for infrastructure and governmental assets.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; transportation, planning and sustainability; public health; public recreation and culture; and urban growth management. The business-type activities include electric, water, wastewater, airport, convention, environmental and health services, public recreation, and urban growth management.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

The government-wide financial statements include the City as well as blended component units: the Austin Housing Finance Corporation (AHFC), the Austin Industrial Development Corporation (AIDC), the Mueller Local Government Corporation (MLGC), and the Urban Renewal Agency (URA). The operations of AHFC, AIDC, MLGC, and URA are included within the governmental activities of the government-wide financial statements. AHFC is reported as the Housing Assistance Fund. Although legally separate from the City, these component units are blended with the City because of their governance or financial relationships to the City.

The government-wide financial statements also include two discretely presented component units: Austin-Bergstrom Landhost Enterprises, Inc. and Austin Convention Enterprises, Inc. These entities 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. More information on these entities, including how to get a copy of their separately audited financial statements, can be found in the notes to the financial statements.

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

The nonmajor enterprise funds and the internal service funds are combined into separately aggregated presentations in the proprietary fund financial statements. Individual fund data for the funds are provided in the form of combining statements in the supplementary section of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS, continued

b -- Fund financial statements, continued

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:

Fund Types/Other	Government-wide	Fund Financials
General Fund	Governmental	Governmental - Major
Special revenue funds	Governmental	Governmental - Nonmajor
Debt service funds	Governmental	Governmental - Nonmajor
Capital projects funds	Governmental	Governmental - Nonmajor
Permanent funds	Governmental	Governmental - Nonmajor
Internal service funds	Governmental	Proprietary
Governmental capital assets, including infrastructure assets	Governmental	Excluded
Governmental liabilities not expected to be liquidated with available expendable financial resources	Governmental	Excluded
Austin Energy	Business-type	Proprietary - Major
Austin Water Utility	Business-type	Proprietary - Major
Airport	Business-type	Proprietary - Major
Convention	Business-type	Proprietary - Nonmajor
Environmental and health services	Business-type	Proprietary - Nonmajor
Public recreation	Business-type	Proprietary - Nonmajor
Urban growth management	Business-type	Proprietary - Nonmajor
Fiduciary funds	Excluded	Fiduciary
Discrete component units	Discrete component units	Excluded

Basis of reporting -- The government-wide statements and fund-level proprietary statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

c -- Notes to the financial statements

The notes to the financial statements provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements.

d -- Other information

The Required Supplementary Information (RSI) section immediately follows the basic financial statements and related notes section of this report. The City adopts an annual appropriated budget for the General Fund plus four 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 post employment 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 (in thousands):

Condensed Statement of Net Position as of September 30 (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 654,691	610,999	1,228,103	1,154,653	1,882,794	1,765,652
Capital assets	2,561,611	2,484,175	7,121,722	6,942,717	9,683,333	9,426,892
Other noncurrent assets	20,555	16,511	990,593	907,357	1,011,148	923,868
Total assets	3,236,857	3,111,685	9,340,418	9,004,727	12,577,275	12,116,412
Deferred outflows of resources	--	--	117,003	178,918	117,003	178,918
Current liabilities	315,474	273,024	538,045	537,372	853,519	810,396
Noncurrent liabilities	1,564,198	1,423,424	5,719,578	5,585,886	7,283,776	7,009,310
Total liabilities	1,879,672	1,696,448	6,257,623	6,123,258	8,137,295	7,819,706
Deferred inflows of resources	1,752	--	2,783	8,645	4,535	8,645
Net position:						
Net investment in capital assets	1,649,431	1,666,653	2,195,358	2,104,623	3,844,789	3,771,276
Restricted	103,246	82,916	535,490	554,215	638,736	637,131
Unrestricted (deficit)	(397,244)	(334,332)	466,167	392,904	68,923	58,572
Total net position	\$ 1,355,433	1,415,237	3,197,015	3,051,742	4,552,448	4,466,979

In the current fiscal year, total assets increased \$460.9 million and deferred outflows of the City decreased by \$61.9 million. Total liabilities increased \$317.6 million and deferred inflows decreased by \$4.1 million. Governmental-type total assets increased by \$125.2 million and business-type increased by \$335.7 million, while governmental-type liabilities increased by \$183.2 million and business-type increased by \$134.4 million.

The most significant increase in governmental total assets resulted from an increase in capital assets of \$77.4 million or 61.9% as the City continues to build out projects from the 2006 and 2010 bond programs. Factors in the increase of governmental-type liabilities include increases in the bonds payable of \$67.5 million, related to the 2006 (\$52.6 million) and 2010 (\$28.4 million) bond programs along with other post-employment benefits of \$74.8 million.

The most significant factor in the increase of business-type total assets is a result of an increase in capital assets of \$179 million. The primary factors in the increase in total liabilities include an increase of bonds payable of \$146.8 million as a result of bonds issued during the year.

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$4.6 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, building, and equipment offset by related debt), which is \$3.8 billion, or 84.5% 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, \$638.7 million of the City's net position, represents resources that are subject to external restrictions on how they may be used in the future. The remaining balance, \$68.9 million of unrestricted net position, may be used to meet the government's future obligations. Unrestricted net position increased \$10.4 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 the government as a whole, as well as for business-type activities. However, governmental activities report a deficit of \$397.2 million for unrestricted net position.

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	
	2013	2012	2013	2012	2013	2012
Program revenues:						
Charges for services	\$ 124,660	113,747	2,130,307	1,960,312	2,254,967	2,074,059
Operating grants and contributions	48,567	57,818	3,749	10,950	52,316	68,768
Capital grants and contributions	64,781	35,880	64,124	50,064	128,905	85,944
General revenues:						
Property tax	420,000	381,582	--	--	420,000	381,582
Sales tax	176,198	164,193	--	--	176,198	164,193
Franchise fees and gross receipts tax	114,147	99,011	--	--	114,147	99,011
Interest and other	23,888	15,884	2,269	11,529	26,157	27,413
Total revenues	972,241	868,115	2,200,449	2,032,855	3,172,690	2,900,970
Program expenses:						
General government	97,675	124,735	--	--	97,675	124,735
Public safety	580,074	536,132	--	--	580,074	536,132
Transportation, planning, and sustainability	78,594	64,247	--	--	78,594	64,247
Public health	73,186	75,799	--	--	73,186	75,799
Public recreation and culture	104,951	104,026	--	--	104,951	104,026
Urban growth management	137,478	93,593	--	--	137,478	93,593
Interest on debt	48,400	46,417	--	--	48,400	46,417
Electric	--	--	1,132,476	1,133,951	1,132,476	1,133,951
Water	--	--	231,774	223,228	231,774	223,228
Wastewater	--	--	214,580	194,650	214,580	194,650
Airport	--	--	107,389	101,991	107,389	101,991
Convention	--	--	62,884	56,142	62,884	56,142
Environmental and health services	--	--	81,544	87,450	81,544	87,450
Public recreation	--	--	7,185	5,624	7,185	5,624
Urban growth management	--	--	129,583	114,270	129,583	114,270
Total expenses	1,120,358	1,044,949	1,967,415	1,917,306	3,087,773	2,962,255
Excess (deficiency) before transfers	(148,117)	(176,834)	233,034	115,549	84,917	(61,285)
Transfers	87,761	101,527	(87,761)	(101,527)	--	--
Increase (decrease) in net position	(60,356)	(75,307)	145,273	14,022	84,917	(61,285)
Beginning net position, as previously reported	1,415,237	1,490,544	3,051,742	3,037,720	4,466,979	4,528,264
Restatement adjustment	552	--	--	--	552	--
Beginning net position, as restated	1,415,789	1,490,544	3,051,742	3,037,720	4,467,531	4,528,264
Ending net position	\$ 1,355,433	1,415,237	3,197,015	3,051,742	4,552,448	4,466,979

Total net position of the City increased by \$84.9 million in the current fiscal year. Governmental net position decreased by \$60.4 million. The decrease is attributable to expenses exceeding revenues by \$148.1 million before transfers from other funds of \$87.8 million. Business-type net position increased by \$145.3 million due to revenues exceeding expenses by \$233 million, before transfers to other funds of \$87.8 million.

In addition, the City restated beginning net position for governmental activities as a result of the implementation of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. For more information, see Note 18.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

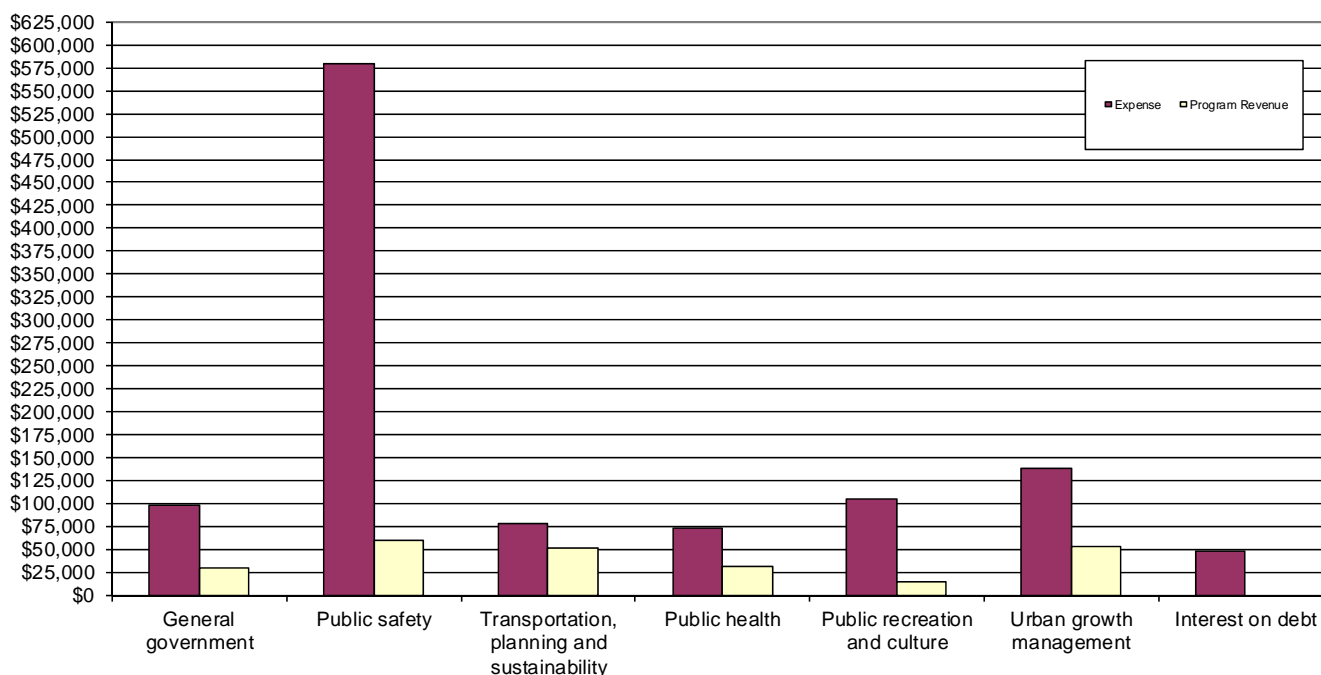
c -- Program revenues and expenses -- governmental activities

Governmental activities decreased the City's net position by \$60.4 million in fiscal year 2013, a 4.3% decrease of governmental net position from the previous year. Key factors for the change from fiscal year 2012 to 2013 are as follows:

- The City's property tax revenue increased by \$38.4 million from the previous year as a result of an increase in assessed property values and an increase in the City's tax rate from 48.11 cents to 50.29 per \$100 valuation.
- Sales tax collections for fiscal year 2013 were \$12 million more than the prior year as result of the continued improvement of the Austin economy, including the convening of the State Legislature as well as the Formula 1 inaugural race.
- Public safety expenses increased \$43.9 million primarily due to increase in other post-employment benefits and salaries, and urban growth management expenses increased \$43.9 million primarily due to increased expenditures in the affordable housing program and increased salary expenditures.

The chart below illustrates the City's governmental expense and revenues by function: general government; public safety; transportation, planning and sustainability; public health; public recreation and culture; urban growth management; and interest on debt.

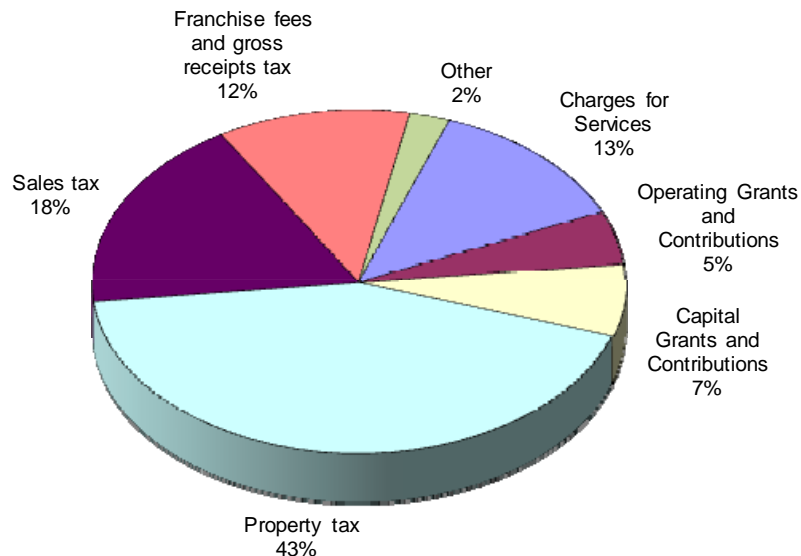
Government-wide Program Expenses and Revenues – Governmental Activities
(in thousands)



FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

General revenues such as property taxes, sales taxes, and franchise fees are not shown by program, but are used to support all governmental activities. Property taxes are the largest source of governmental revenues, followed by sales taxes and charges for goods and services.

Government-wide Revenues by Source -- Governmental Activities



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

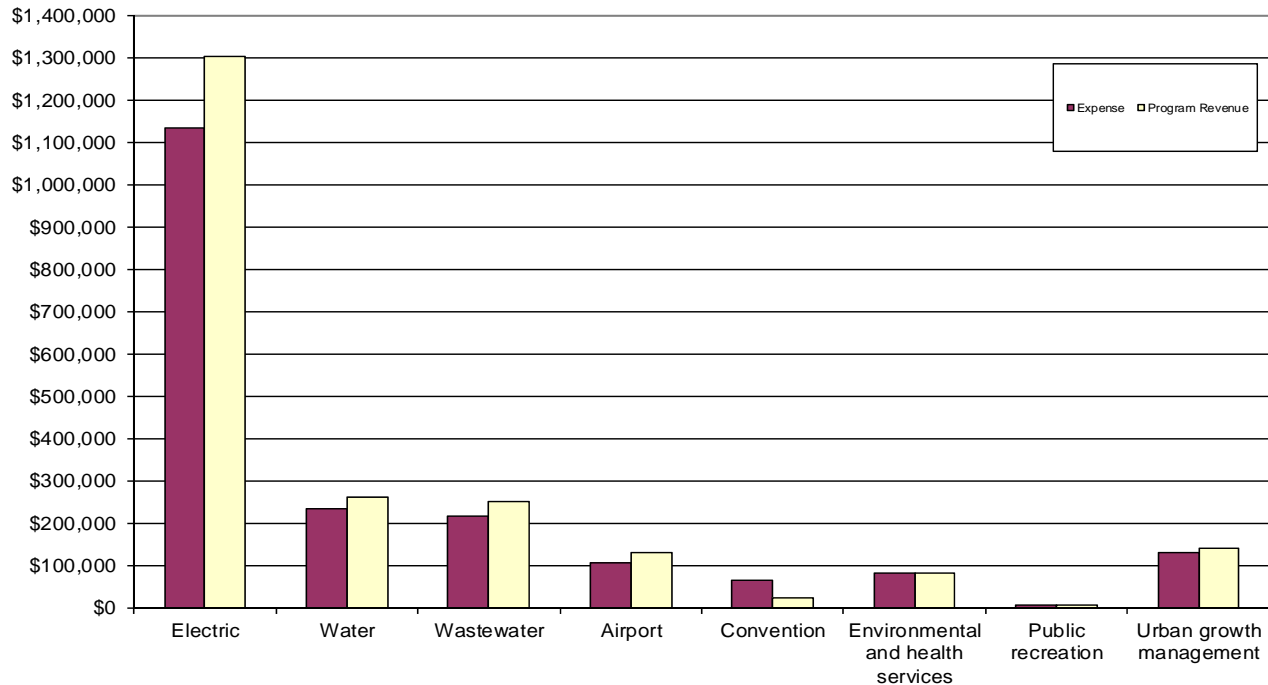
Business-type activities increased the City's net position by approximately \$145.3 million, accounting for a 3.3% increase in the City's total net position. Key factors include:

- Austin Energy net position increased approximately \$69.1 million. Revenues increased by approximately 8.5% in fiscal year 2013. This was largely due to the new rate structure implemented in October 2012. Expenses remained relatively constant.
- Austin Water Utility net position increased approximately \$29.4 million. Revenues increased 10.6% due to a new rate structure implemented during the year. Expenses increased by 6.8% due to increased operations and maintenance costs.
- Airport net position increased approximately \$21 million. Revenues increased 3.4% due to an increase in passenger traffic and higher rental and landing fees. Expenses increased by 5.3%, mainly due to higher personnel and operations costs.
- Convention net position increased approximately \$9.7 million. Revenues and transfers from the Hotel Occupancy and Vehicle Rental Tax Funds increased 17.4% due in part to the growth of several large events, the inaugural Formula 1 event, and the convening of the State Legislature during the year. Expenses increased 12% due to increases in operations and maintenance costs.
- Environmental activities are comprised of the Austin Resource Recovery nonmajor enterprise fund. Net assets increased by approximately \$0.8 million. Revenues increased by 5.6% due to higher rates and customer growth. Expenses decreased by 6.8% due mainly to fewer landfill and environmental remediation costs recognized during year.
- Urban growth management activities are comprised of nonmajor enterprise funds that include the Drainage Fund and Transportation Fund. Net position increased by approximately \$15.7 million. Drainage revenues increased by 12.7% primarily due to a rate increase and customer growth. Drainage expenses remained relatively constant. Transportation revenues increased approximately 6.3% primarily due to a rate increase. Transportation expenses increased by 12.3% primarily due to increased street and right-of-way maintenance costs.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

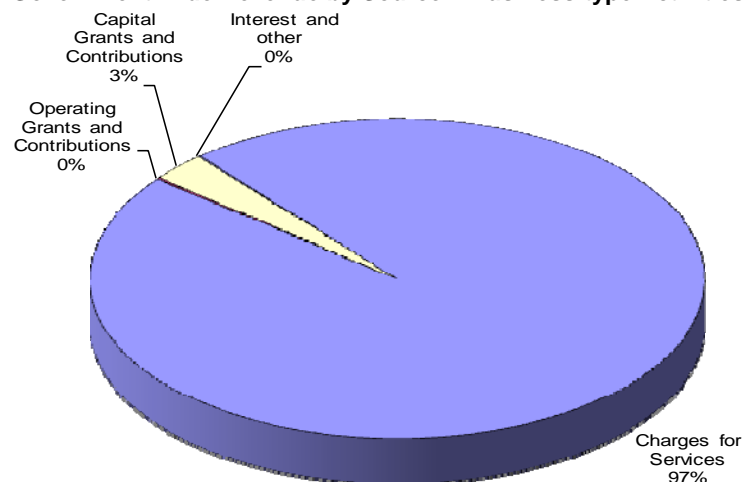
As shown in the following chart, the electric utility, with expenses of \$1.1 billion is the City's largest business-type activity, followed by water with \$231.8 million, wastewater with \$214.6 million, urban growth management with \$129.6 million, airport with \$107.4 million, environmental and health services with \$81.5 million, convention with \$62.9 million, and public recreation with \$7.2 million. For the fiscal year, operating revenues exceeded operating expenses for all business-type activities except convention and public recreation.

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



For all business-type activities, charges for services provide the largest percentage of revenues (96.8%), followed by capital grants and contributions (2.9%), operating grants and contributions (0.2%), and interest and other revenues (0.1%).

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 \$364.2 million, a decrease of \$5.9 million from the previous year. Approximately \$1.8 million is nonspendable, \$160.5 million is restricted, \$52.1 million is committed, \$69.5 million is assigned, and \$80.3 million is unassigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund reported nonspendable fund balance of \$0.8 million, committed fund balance of \$7.1 million, assigned fund balance of \$11.3 million, and unassigned fund balance of \$127.9 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% of total General Fund expenditures of \$750.1 million, and total fund balance represents 19.6% 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 \$78.3 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 \$16.9 million during the fiscal year. Significant differences from the previous year include:

- Property tax revenues increased \$37.1 million due to an increase in assessed property values and the City's property tax rate increased from 48.11 cents to 50.29 cents per \$100 valuation.
- Sales tax revenues increased \$12 million, and licenses, permits, and inspections increased \$6 million.

General Fund expenditures increased \$53.4 million, due primarily to an increase in public safety expenditures of \$17.5 million, an increase in general government of \$14 million, and an increase in public recreation and culture of \$9.8 million. The increase in general government, public safety, and public recreation and culture is primarily due to increases in salaries and contractual expenditures.

b -- Proprietary funds

The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Overall, net position of the City's enterprise funds increased by \$139.6 million before consolidation of the internal service funds activities.

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

OTHER INFORMATION

a -- General Fund budgetary highlights

The original revenue budget of the General Fund was amended during the fiscal year 2013 to increase sales taxes and the transfer in from the Budget Stabilization Reserve. The original expenditure budget of the General Fund was amended during fiscal year 2013 to increase transfers to capital improvement projects as well as increased fire and social services costs.

During the year, revenues were \$28.8 million more than budgeted. Sales tax collections were \$9.8 million more than budgeted.

Actual budget-basis expenditures were \$9.1 million less than budgeted. Public health exceeded budget by \$28 thousand; while all other departments were under budget. The total budget-basis fund balance at year-end was \$150.3 million.

OTHER INFORMATION, continued

b -- Capital assets

The City's capital assets for governmental and business-type activities as of September 30, 2013, total \$9.7 billion (net of accumulated depreciation and amortization). Capital assets include land, buildings and improvements, equipment, vehicles, electric plant, non-electric plant, infrastructure, construction in progress, nuclear fuel, and water rights. The total increase in the City's capital assets for the current fiscal year was \$258 million (2.7%), with an increase of 3.1% for governmental activities and an increase of 2.6% for business-type activities. Additional information on capital assets can be found in Note 5. Capital asset balances are as follows:

Capital Assets, Net of Accumulated Depreciation						
(in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and improvements	\$ 352	345	513	502	865	847
Construction in progress	219	163	649	548	868	711
Plant held for future use	--	--	23	23	23	23
Other assets not depreciated	22	22	2	2	24	24
Building and improvements	516	508	1,121	1,109	1,637	1,617
Plant and Equipment	80	87	2,243	2,235	2,323	2,322
Vehicles	42	37	74	65	116	102
Electric plant	--	--	2,243	2,198	2,243	2,198
Nonelectric plant	--	--	128	132	128	132
Infrastructure	1,331	1,322	--	--	1,331	1,322
Nuclear fuel, net of amortization	--	--	40	41	40	41
Water rights, net of amortization	--	--	86	87	86	87
Total net capital assets	<u>\$ 2,562</u>	<u>2,484</u>	<u>7,122</u>	<u>6,942</u>	<u>9,684</u>	<u>9,426</u>

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

- Governmental capital assets increased \$78 million primarily due to additions of new facilities and improvements to existing facilities. The Asian American Resource Center, building and course improvements to the Morris Williams Golf Course, a new irrigation system for Hancock Golf Course, improvements to several recreation centers and swimming pools, and Barton Springs Pool dam and general ground improvements were completed. Significant additions and improvements were also made including park land acquisitions, a new Austin Police Department helicopter, pedestrian facility improvements, and street reconstructions across the City.
- Business-type activities purchased or completed construction on capital assets of \$180 million. The increase was largely due to plant additions and improvements and land acquisition for Austin Energy, Austin Water, the Airport Fund, and the Drainage Fund. Austin Energy provided facilities for the Domain, Seaholm Development District, the new Central Library, relocated utilities for the 290 toll way, and installed or upgraded various substations and transformers. Austin Water completed renovation of the Walnut Creek Wastewater Treatment Plant's electrical distribution system, made improvements to the water transmission lines, and upgraded various pump stations. The Airport Fund invested in facility and infrastructure improvements. The Drainage Fund relocated the Little Shoal Creek Tunnel and completed a stormwater by-pass for Barton Springs.

OTHER INFORMATION, continued

c -- Debt administration

At the end of the current fiscal year, the City reported \$5.6 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds and other tax supported debt, net	\$ 1,085	1,018	131	132	1,216	1,150
Commercial paper notes, net	--	--	194	305	194	305
Revenue bonds, net	--	--	4,204	3,945	4,204	3,945
Capital lease obligations	--	--	1	1	1	1
Total	\$ 1,085	1,018	4,530	4,383	5,615	5,401

During fiscal year 2013, the City's total outstanding debt increased by \$214 million. The City issued new debt and refinanced portions of existing debt to achieve lower borrowing costs. Debt issues include the following:

- Bond debt for governmental activities increased by \$67 million. The resulting net increase is a combination of the issuance of \$132 million in new debt to be used primarily for street improvements, streets and signals, drainage improvements, Mueller public infrastructure improvements, transportation projects, and the Waller creek tunnel project offset by debt payments during the year.
- Outstanding debt for business-type functions increased by \$147 million. The City issued \$375.5 million of Electric Utility System separate lien revenue refunding bonds to refund commercial paper, \$282.5 million in Water and Wastewater System separate lien revenue refunding bonds to refund commercial paper, and \$60 million in Airport revenue bonds.

During the year, utility revenue subordinate lien bonds received a favorable bond rating upgrade from Fitch, Inc from AA- to AA. The City's commercial paper ratings are related to the ratings of the liquidity providers associated with those obligations, and the rating of the provider of the tax exempt commercial paper notes received a favorable rating upgrade from Moody's Investors Service, Inc. from P-2 to P-1. In addition, the rating for Austin Energy utility revenue separate lien bonds was revised by Standard & Poor's from A+ to AA-. All other bond ratings were unchanged. Ratings of the City's obligations for various debt instruments at September 30, 2013 and 2012 are as follows:

Debt	Moody's Investors Service, Inc.		Standard & Poor's		Fitch, Inc.	
	2013	2012	2013	2012	2013	2012
General obligation bonds and other tax supported debt	Aaa	Aaa	AAA	AAA	AAA	AAA
Commercial paper notes - tax exempt	P-1	P-2	A-1	A-1	F1	F1
Commercial paper notes - taxable	P-1	P-1	A-1	A-1	F1	F1
Utility revenue bonds - prior lien	Aa1	Aa1	AA	AA	AA	AA-
Utility revenue bonds - subordinate lien	Aa2	Aa2	AA	AA	AA-	AA-
Utility revenue bonds - separate lien:						
Austin Energy	A1	A1	AA-	A+	AA-	AA-
Austin Water Utility	Aa2	Aa2	AA	AA	AA-	AA-
Airport system revenue bonds	NUR(1)	NUR(1)	A	A	NUR(1)	NUR(1)
Airport variable rate notes	NUR(1)	NUR(1)	NUR(1)	NUR(1)	NUR(1)	NUR(1)
Convention Center revenue bonds	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

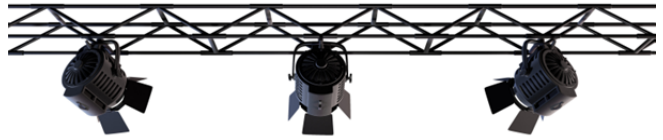
Austin's diverse economic base and national reputation as a great place to work and live continues to attract new employers and talented individuals. Both the Austin and the Texas economies continue to outpace the national economy. Partnerships between the City and the business community have been the key to Austin's economic success. The City's economic development efforts have been successful in attracting new firms and new jobs to Austin. As a result, employment growth is steady and expected to continue well ahead of national levels through at least 2017. All sectors of the real estate market are performing well including the hotel market with a number of new rooms under construction to meet increased demand resulting from both business travel and tourism. In 2013 sales taxes increased 7.3 percent following an 8.6 percent increase in 2012. While the rate of sales tax collections may slow over the next few years, it is expected to remain positive barring any events at the national or international level that would have an adverse impact.

The City's 2014 budget was developed in a manner true to the City Manager's unwavering commitment to openness, transparency, and public engagement. Input from City Council, City employees, and citizens played a major role in the development of a variety of structural applications designed to positively affect our City's fiscal sustainability over the long term and present a balanced budget for City Council's review. The Austin City Council has adopted a comprehensive set of financial policies to provide the foundation for long-range financial sustainability. These financial policies are directly aligned with the Council's priority of budget stability while at the same time maintaining affordability, investment in future economic development, infrastructure needs, and quality of life. These policies are also crucial in maintaining the City's favorable bond ratings. City management continues to monitor the economy and take corrective actions to help mitigate any unfavorable economic events.

The assessed taxable property values within the City increased by 6.3% in 2013 for fiscal year 2014. The property tax rate for fiscal year 2014 is 50.27 cents per \$100 valuation, down from 50.29 cents per \$100 valuation in 2013. The tax rate consists of 38.56 cents for the General Fund and 11.71 cents for debt service. Each 1 cent of the 2013 (Fiscal Year 2014) property tax rate is equivalent to \$8,854,857 of tax levy, as compared to \$8,376,270 in the previous year. In Fiscal Year 2014, Austin Water Utility will implement a 4.9% combined system-wide rate increase.

e -- Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Financial Services Department of the City of Austin, P.O. Box 2920, Austin, Texas 78768, or (512) 974-2600 or on the web at: <https://www.ci.austin.tx.us/financeonline/finance/index.cfm>.



BASIC FINANCIAL STATEMENTS



Statement of Net Position
September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit A-1

	Governmental Activities	Business-type Activities	Total (†)	Component Units
ASSETS				
Current assets:				
Cash	\$ 71	65	136	5,293
Pooled investments and cash	383,871	297,057	680,928	--
Pooled investments and cash - restricted	127,536	254,940	382,476	--
Total pooled investments and cash	511,407	551,997	1,063,404	--
Investments, at fair value - restricted	15,591	179,653	195,244	--
Cash held by trustee - restricted	6,596	--	6,596	--
Working capital advances	--	5,115	5,115	--
Property taxes receivable, net of allowance of \$5,197	10,370	--	10,370	--
Accounts receivable, net of allowance of \$208,192	93,462	278,522	371,984	1,998
Receivables from other governments	13,647	--	13,647	--
Receivables from other governments - restricted	--	941	941	--
Notes receivable, net of allowance of \$14,151	21,227	--	21,227	--
Internal balances	(28,113)	28,113	--	--
Inventories, at cost	2,206	91,005	93,211	1,011
Real property held for resale	6,911	--	6,911	--
Other receivables - restricted	--	5,293	5,293	--
Deferred costs and expenses, net of amortization	--	45,241	45,241	--
Prepaid items	280	9,204	9,484	468
Other assets	1,036	32,954	33,990	--
Total current assets	654,691	1,228,103	1,882,794	8,770
Noncurrent assets:				
Cash - restricted	--	5,233	5,233	--
Pooled investments and cash - restricted	--	183,132	183,132	--
Investments, at fair value - restricted	--	187,700	187,700	65,483
Investments held by trustee - restricted	--	207,653	207,653	1,115
Interest receivable - restricted	--	886	886	--
Depreciable capital assets, net of accumulated depreciation	1,968,790	5,935,184	7,903,974	181,571
Nondepreciable capital assets	592,821	1,186,538	1,779,359	7,619
Derivative instruments - energy risk management	--	2,791	2,791	--
Net pension asset	10,041	--	10,041	--
Other long-term assets	--	1,072	1,072	12,834
Deferred costs and expenses, net of amortization	10,514	402,126	412,640	--
Total noncurrent assets	2,582,166	8,112,315	10,694,481	268,622
Total assets	3,236,857	9,340,418	12,577,275	277,392
Deferred outflows of resources	\$ --	117,003	117,003	--

(†) 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, 2013
(In thousands)

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

	Governmental Activities	Business-type Activities	Total (†)	Component Units
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 59,494	76,193	135,687	7,756
Accounts and retainage payable from restricted assets	19,766	55,986	75,752	--
Accrued payroll	16,567	9,042	25,609	215
Accrued compensated absences	52,846	22,552	75,398	--
Claims payable	20,750	--	20,750	--
Accrued interest payable from restricted assets	--	62,701	62,701	14,351
Interest payable on capital appreciation bonds and other debt	4,185	747	4,932	--
Bonds payable	47,240	15,574	62,814	42,435
Bonds payable from restricted assets	15,796	212,007	227,803	--
Capital lease obligations payable	--	44	44	22
Customer and escrow deposits payable from restricted assets	51,507	37,162	88,669	--
Accrued landfill closure and postclosure costs	--	656	656	--
Deferred credits and other current liabilities	27,323	41,106	68,429	--
Other liabilities payable from restricted assets	--	4,275	4,275	--
Total current liabilities	315,474	538,045	853,519	64,779
Noncurrent liabilities, net of current portion:				
Accrued compensated absences	74,982	550	75,532	--
Claims payable	19,132	--	19,132	--
Capital appreciation bond interest payable	--	104,687	104,687	--
Commercial paper notes payable, net of discount	--	193,991	193,991	--
Bonds payable, net of discount and inclusive of premium	1,022,300	4,107,082	5,129,382	265,726
Pension obligation payable	64,768	63,638	128,406	--
Other post employment benefits payable	375,956	222,731	598,687	--
Capital lease obligations payable	--	1,132	1,132	2
Accrued landfill closure and postclosure costs	--	9,654	9,654	--
Decommissioning liability payable from restricted assets	--	179,123	179,123	--
Derivative instruments - energy risk management	--	55,377	55,377	--
Derivative instruments - interest rate swaps	--	61,649	61,649	--
Deferred credits and other liabilities	7,060	719,453	726,513	36
Other liabilities payable from restricted assets	--	511	511	--
Total noncurrent liabilities	1,564,198	5,719,578	7,283,776	265,764
Total liabilities	1,879,672	6,257,623	8,137,295	330,543
Deferred inflows of resources	1,752	2,783	4,535	--
NET POSITION				
Net investment in capital assets	1,649,431	2,195,358	3,844,789	(112,657)
Restricted for:				
Debt service	11,627	123,853	135,480	4,696
Strategic reserve	--	105,996	105,996	--
Capital projects	24,371	195,933	220,304	--
Renewal and replacement	--	11,110	11,110	--
Bond reserve	--	40,873	40,873	--
Passenger facility charges	--	42,848	42,848	--
Operating reserve	--	14,877	14,877	--
Perpetual care:				
Expendable	411	--	411	--
Nonexpendable	1,040	--	1,040	--
Other purposes	65,797	--	65,797	--
Unrestricted (deficit)	(397,244)	466,167	68,923	54,810
Total net position	\$ 1,355,433	3,197,015	4,552,448	(53,151)

(†) 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, 2013
(In thousands)

City of Austin, Texas
Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Governmental activities								
General government	\$ 97,675	15,223	140	14,240	(68,072)	--	(68,072)	--
Public safety	580,074	53,826	6,395	--	(519,853)	--	(519,853)	--
Transportation, planning, and sustainability	78,594	4,431	1,485	45,179	(27,499)	--	(27,499)	--
Public health	73,186	9,510	20,797	--	(42,879)	--	(42,879)	--
Public recreation and culture	104,951	8,753	788	4,802	(90,608)	--	(90,608)	--
Urban growth management	137,478	32,917	18,962	560	(85,039)	--	(85,039)	--
Interest on debt	48,400	--	--	--	(48,400)	--	(48,400)	--
Total governmental activities	1,120,358	124,660	48,567	64,781	(882,350)	--	(882,350)	--
Business-type activities								
Electric	1,132,476	1,288,259	2,868	12,172	--	170,823	170,823	--
Water	231,774	240,081	--	22,131	--	30,438	30,438	--
Wastewater	214,580	236,700	--	12,864	--	34,984	34,984	--
Airport	107,389	123,021	682	4,598	--	20,912	20,912	--
Convention	62,884	22,783	--	366	--	(39,735)	(39,735)	--
Environmental and health services	81,544	81,833	--	1,247	--	1,536	1,536	--
Public recreation	7,185	6,069	--	707	--	(409)	(409)	--
Urban growth management	129,583	131,561	199	10,039	--	12,216	12,216	--
Total business-type activities	1,967,415	2,130,307	3,749	64,124	--	230,765	230,765	--
Total primary government	\$ 3,087,773	2,254,967	52,316	128,905	(882,350)	230,765	(651,585)	--
Component Units	74,637	81,983	--	--	--	--	--	7,346
General revenues:								
Property tax					420,000	--	420,000	--
Sales tax					176,198	--	176,198	--
Franchise fees and gross receipts tax					114,147	--	114,147	--
Interest and other					23,888	2,269	26,157	45
Transfers-internal activities					87,761	(87,761)	--	--
Total general revenues and transfers					821,994	(85,492)	736,502	45
Change in net position					(60,356)	145,273	84,917	7,391
Beginning net position, as restated (Note 18)					1,415,789	3,051,742	4,467,531	(60,542)
Ending net position					\$ 1,355,433	3,197,015	4,552,448	(53,151)

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



Governmental Funds
Balance Sheet
September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit B-1

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 55	4	59
Pooled investments and cash	144,722	231,833	376,555
Investments, at fair value	--	15,591	15,591
Cash held by trustee - restricted	--	5,362	5,362
Property taxes receivable, net of allowance	6,775	3,595	10,370
Accounts receivable, net of allowance	59,178	31,448	90,626
Receivables from other governments	--	13,647	13,647
Notes receivable, net of allowance	--	21,227	21,227
Due from other funds	227	48,505	48,732
Advances to other funds	--	2,585	2,585
Inventories, at cost	597	--	597
Real property held for resale	--	6,911	6,911
Prepaid items	177	--	177
Other assets	172	864	1,036
Total assets	211,903	381,572	593,475
LIABILITIES AND FUND BALANCES			
Accounts payable	23,640	39,979	63,619
Accrued payroll	13,344	63	13,407
Accrued compensated absences	876	--	876
Due to other funds	189	48,743	48,932
Deferred revenue	18,294	19,551	37,845
Advances from other funds	1,447	1,211	2,658
Deposits and other liabilities	7,021	54,874	61,895
Total liabilities	64,811	164,421	229,232
Fund balances			
Nonspendable:			
Inventories and prepaid items	774	--	774
Permanent funds	--	1,040	1,040
Restricted	--	160,483	160,483
Committed	7,130	44,960	52,090
Assigned	11,329	58,180	69,509
Unassigned	127,859	(47,512)	80,347
Total fund balances	147,092	217,151	364,243
Total liabilities and fund balances	\$ 211,903	381,572	593,475

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, 2013
(In thousands)

City of Austin, Texas
Exhibit B-1.1

Total fund balances - Governmental funds \$ 364,243

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	3,830,364	
Less: accumulated depreciation	<u>(1,329,066)</u>	2,501,298

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

Deferred revenue - accounts and other taxes receivable	21,274	
Deferred revenue - property taxes and interest	5,734	
Deferred costs and expenses	10,504	
Net pension asset	<u>10,041</u>	47,553

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

Bonds and other tax supported debt payable, net	(1,081,620)	
Pension obligation payable	(64,768)	
Other post employment benefits payable	(375,956)	
Compensated absences	(118,960)	
Interest payable	(4,170)	
Deferred credits and other liabilities	<u>(13,025)</u>	(1,658,499)

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 and liabilities of the internal service funds are included in governmental activities in the statement of net position. 100,838

Total net position - Governmental activities \$ 1,355,433

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, 2013
(In thousands)

City of Austin, Texas
Exhibit B-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 315,466	104,499	419,965
Sales taxes	176,198	--	176,198
Franchise fees and other taxes	41,981	72,058	114,039
Fines, forfeitures and penalties	16,971	4,157	21,128
Licenses, permits and inspections	28,669	--	28,669
Charges for services/goods	49,579	13,989	63,568
Intergovernmental	--	76,085	76,085
Property owners' participation and contributions	--	10,167	10,167
Interest and other	6,027	18,318	24,345
Total revenues	634,891	299,273	934,164
EXPENDITURES			
Current:			
General government	81,847	2,657	84,504
Public safety	490,001	7,370	497,371
Transportation, planning and sustainability	279	15,728	16,007
Public health	48,636	20,782	69,418
Public recreation and culture	83,786	8,496	92,282
Urban growth management	45,551	52,289	97,840
Debt service:			
Principal	--	69,625	69,625
Interest	--	48,199	48,199
Fees and commissions	--	17	17
Capital outlay-capital project funds	--	214,294	214,294
Total expenditures	750,100	439,457	1,189,557
Deficiency of revenues over expenditures	(115,209)	(140,184)	(255,393)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	--	131,499	131,499
Bond premiums	--	8,452	8,452
Transfers in	145,764	63,397	209,161
Transfers out	(13,626)	(86,041)	(99,667)
Total other financing sources (uses)	132,138	117,307	249,445
Net change in fund balances	16,929	(22,877)	(5,948)
Fund balances at beginning of year	130,163	240,028	370,191
Fund balances at end of year	\$ 147,092	217,151	364,243

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, 2013
(In thousands)

City of Austin, Texas
Exhibit B-2.1

Net change in fund balances - Governmental funds \$ (5,948)

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	166,879	
Depreciation expense	(122,279)	
Loss on disposal of capital assets	<u>(3,958)</u>	40,642

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

Property taxes	35	
Charges for services	(1,072)	
Interest and other	(437)	
Capital assets contribution	<u>53,764</u>	52,290

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 issuance costs, premiums, 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	(139,951)	
Principal repayment on long-term debt	<u>69,625</u>	(70,326)

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	(2,893)	
Pension obligation	6,743	
Other post employment benefits	(74,845)	
Interest and other	<u>(21,523)</u>	(92,518)

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

15,504

Change in net position - Governmental activities	<u>\$ (60,356)</u>
--	--------------------

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

Proprietary Funds
Statement of Net Position
September 30, 2013
(In thousands)

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	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
ASSETS			
Current assets:			
Cash	\$ 21	5	6
Pooled investments and cash	119,210	23,291	6,211
Pooled investments and cash - restricted	90,888	89,275	26,326
Total pooled investments and cash	210,098	112,566	32,537
Investments, at fair value - restricted	66,945	85,613	16,689
Cash held by trustee - restricted	--	--	--
Working capital advances	5,115	--	--
Accounts receivable, net of allowance	175,031	72,862	6,023
Receivables from other governments-restricted	941	--	--
Due from other funds	814	--	--
Inventories, at cost	84,386	2,156	1,627
Deferred costs and expenses, net of amortization	17,036	28,205	--
Prepaid expenses	9,127	15	22
Other receivables - restricted	4,250	134	513
Other assets	32,954	--	--
Total current assets	606,718	301,556	57,417
Noncurrent assets:			
Cash - restricted	5,233	--	--
Pooled investments and cash - restricted	--	--	183,132
Advances to other funds	20,529	--	--
Advances to other funds - restricted	--	--	64
Investments, at fair value - restricted	115,975	58,421	--
Investments held by trustee - restricted	190,006	17,647	--
Interest receivable - restricted	886	--	--
Depreciable capital assets, net of accumulated depreciation	2,420,464	2,658,434	496,340
Nondepreciable capital assets	166,310	731,102	124,333
Derivative instruments - energy risk management	2,791	--	--
Other long-term assets	1,072	--	--
Deferred costs and expenses, net of amortization	235,737	159,724	2,413
Total noncurrent assets	3,159,003	3,625,328	806,282
Total assets	3,765,721	3,926,884	863,699
Deferred outflows of resources	\$ 55,354	13,122	35,978

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

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	Business-Type Activities		Governmental
	Nonmajor		Activities-
	Enterprise		Internal Service
	Funds	Total	Funds
ASSETS			
Current assets:			
Cash	33	65	12
Pooled investments and cash	148,345	297,057	134,852
Pooled investments and cash - restricted	48,451	254,940	--
Total pooled investments and cash	196,796	551,997	134,852
Investments, at fair value - restricted	10,406	179,653	--
Cash held by trustee - restricted	--	--	1,234
Working capital advances	--	5,115	--
Accounts receivable, net of allowance	24,606	278,522	2,836
Receivables from other governments-restricted	--	941	--
Due from other funds	287	1,101	11
Inventories, at cost	2,836	91,005	1,609
Deferred costs and expenses, net of amortization	--	45,241	--
Prepaid expenses	40	9,204	103
Other receivables - restricted	396	5,293	--
Other assets	--	32,954	--
Total current assets	235,400	1,201,091	140,657
Noncurrent assets:			
Cash - restricted	--	5,233	--
Pooled investments and cash - restricted	--	183,132	--
Advances to other funds	--	20,529	160
Advances to other funds - restricted	734	798	--
Investments, at fair value - restricted	13,304	187,700	--
Investments held by trustee - restricted	--	207,653	--
Interest receivable - restricted	--	886	--
Depreciable capital assets, net of accumulated depreciation	359,946	5,935,184	59,740
Nondepreciable capital assets	164,793	1,186,538	573
Derivative instruments - energy risk management	--	2,791	--
Other long-term assets	--	1,072	--
Deferred costs and expenses, net of amortization	4,252	402,126	10
Total noncurrent assets	543,029	8,133,642	60,483
Total assets	778,429	9,334,733	201,140
Deferred outflows of resources	12,549	117,003	--

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2013
(In thousands)

03/25 8:34a

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 63,911	4,904	1,663
Accounts and retainage payable from restricted assets	7,075	40,801	4,787
Accrued payroll	3,825	2,033	609
Accrued compensated absences	9,926	5,260	1,521
Claims payable	--	--	--
Due to other funds	--	--	145
Accrued interest payable from restricted assets	23,127	35,900	1,987
Interest payable on other debt	15	26	--
Bonds payable	--	--	26
Bonds payable from restricted assets	83,282	102,365	15,610
Capital lease obligations payable	44	--	--
Customer and escrow deposits payable from restricted assets	23,546	9,658	462
Accrued landfill closure and postclosure costs	--	--	--
Deferred credits and other liabilities	13,254	26,227	1,360
Other liabilities payable from restricted assets	--	--	--
Total current liabilities	228,005	227,174	28,170
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	64	--	261
Claims payable	--	--	--
Advances from other funds	--	2,384	1,118
Advances from other funds payable from restricted assets	--	17,027	--
Capital appreciation bond interest payable	9,071	95,616	--
Commercial paper notes payable, net of discount	88,541	105,450	--
Bonds payable, net of discount and inclusive of premium	1,227,256	2,309,787	299,908
Pension obligation payable	28,877	14,264	4,312
Other post employment benefits payable	92,064	55,462	14,926
Capital lease obligations payable	1,132	--	--
Accrued landfill closure and postclosure costs	--	--	--
Decommissioning liability payable from restricted assets	179,123	--	--
Derivative instruments - energy risk management	55,377	--	--
Derivative instruments - interest rate swaps	--	13,122	35,978
Deferred credits and other liabilities	245,308	471,236	--
Other liabilities payable from restricted assets	--	--	56
Total noncurrent liabilities	1,926,813	3,084,348	356,559
Total liabilities	2,154,818	3,311,522	384,729
Deferred inflows of resources	\$ 2,783	--	--

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

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(Continued)

	Business-Type Activities		Governmental
	Nonmajor		Activities-
	Enterprise		Internal Service
	Funds	Total	Funds
LIABILITIES			
Current liabilities:			
Accounts payable	5,715	76,193	15,641
Accounts and retainage payable from restricted assets	3,323	55,986	--
Accrued payroll	2,575	9,042	3,160
Accrued compensated absences	5,845	22,552	7,753
Claims payable	--	--	20,750
Due to other funds	613	758	154
Accrued interest payable from restricted assets	1,687	62,701	--
Interest payable on other debt	706	747	15
Bonds payable	15,548	15,574	377
Bonds payable from restricted assets	10,750	212,007	--
Capital lease obligations payable	--	44	--
Customer and escrow deposits payable from restricted assets	3,496	37,162	--
Accrued landfill closure and postclosure costs	656	656	--
Deferred credits and other liabilities	265	41,106	1,885
Other liabilities payable from restricted assets	4,275	4,275	--
Total current liabilities	55,454	538,803	49,735
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	225	550	239
Claims payable	--	--	19,132
Advances from other funds	872	4,374	13
Advances from other funds payable from restricted assets	--	17,027	--
Capital appreciation bond interest payable	--	104,687	--
Commercial paper notes payable, net of discount	--	193,991	--
Bonds payable, net of discount and inclusive of premium	270,131	4,107,082	3,339
Pension obligation payable	16,185	63,638	--
Other post employment benefits payable	60,279	222,731	--
Capital lease obligations payable	--	1,132	--
Accrued landfill closure and postclosure costs	9,654	9,654	--
Decommissioning liability payable from restricted assets	--	179,123	--
Derivative instruments - energy risk management	--	55,377	--
Derivative instruments - interest rate swaps	12,549	61,649	--
Deferred credits and other liabilities	2,909	719,453	--
Other liabilities payable from restricted assets	455	511	--
Total noncurrent liabilities	373,259	5,740,979	22,723
Total liabilities	428,713	6,279,782	72,458
Deferred inflows of resources	--	2,783	--

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

(Continued)

Proprietary Funds
Statement of Net Position
September 30, 2013
(In thousands)

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	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
NET POSITION			
Net investment in capital assets	\$ 1,087,902	476,443	359,934
Restricted for:			
Debt service	43,818	49,712	18,700
Strategic reserve	105,996	--	--
Capital projects	59,175	38,178	86,224
Renewal and replacement	64	--	10,000
Bond reserve	9,979	20,584	--
Passenger facility charges	--	--	42,848
Operating reserve	--	--	10,841
Unrestricted	356,540	43,567	(13,599)
Total net position	\$ 1,663,474	628,484	514,948
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	12,445	6,486	2,350
Total net position - Business-type activities	\$ 1,675,919	634,970	517,298

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

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(Continued)

	Business-Type Activities		Governmental
	Nonmajor		Activities-
	Enterprise		Internal Service
	Funds	Total	Funds
NET POSITION			
Net investment in capital assets	271,079	2,195,358	56,607
Restricted for:			
Debt service	11,623	123,853	--
Strategic reserve	--	105,996	--
Capital projects	12,356	195,933	627
Renewal and replacement	1,046	11,110	--
Bond reserve	10,310	40,873	--
Passenger facility charges	--	42,848	--
Operating reserve	4,036	14,877	--
Unrestricted	51,815	438,323	71,448
Total net position	362,265	3,169,171	128,682
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	6,563	27,844	
Total net position - Business-type activities	368,828	3,197,015	

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, 2013
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
OPERATING REVENUES			
Utility services	\$ 1,288,259	476,781	--
User fees and rentals	--	--	103,515
Billings to departments	--	--	--
Employee contributions	--	--	--
Operating revenues from other governments	--	--	--
Other operating revenues	--	--	--
Total operating revenues	1,288,259	476,781	103,515
OPERATING EXPENSES			
Operating expenses before depreciation	937,541	216,369	70,148
Depreciation and amortization	150,031	97,186	21,121
Total operating expenses	1,087,572	313,555	91,269
Operating income (loss)	200,687	163,226	12,246
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	1,788	88	190
Interest on revenue bonds and other debt	(70,918)	(107,164)	(12,801)
Interest capitalized during construction	--	--	843
Passenger facility charges	--	--	19,506
Amortization of bond issue cost	(625)	(1,187)	(207)
Cost (recovered) to be recovered in future years	27,780	(19,227)	--
Other nonoperating revenue (expense)	(810)	(1,446)	(3,704)
Total nonoperating revenues (expenses)	(42,785)	(128,936)	3,827
Income (loss) before contributions and transfers	157,902	34,290	16,073
Capital contributions	12,172	34,995	4,598
Transfers in	1,849	87	--
Transfers out	(105,333)	(41,614)	(72)
Change in net position	66,590	27,758	20,599
Total net position - beginning	1,596,884	600,726	494,349
Total net position - ending	\$ 1,663,474	628,484	514,948
Reconciliation to government-wide Statement of Activities			
Change in net position	66,590	27,758	20,599
Adjustment to consolidate internal service activities	2,537	1,606	429
Change in net position - Business-type activities	\$ 69,127	29,364	21,028

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

	Business-Type Activities		Governmental Activities-Internal Service Funds
	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES			
Utility services	--	1,765,040	--
User fees and rentals	242,246	345,761	--
Billings to departments	--	--	339,901
Employee contributions	--	--	31,948
Operating revenues from other governments	--	--	3,434
Other operating revenues	--	--	8,933
Total operating revenues	<u>242,246</u>	<u>2,110,801</u>	<u>384,216</u>
OPERATING EXPENSES			
Operating expenses before depreciation	240,001	1,464,059	354,799
Depreciation and amortization	25,325	293,663	10,438
Total operating expenses	<u>265,326</u>	<u>1,757,722</u>	<u>365,237</u>
Operating income (loss)	<u>(23,080)</u>	<u>353,079</u>	<u>18,979</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	203	2,269	40
Interest on revenue bonds and other debt	(11,590)	(202,473)	(201)
Interest capitalized during construction	1,576	2,419	--
Passenger facility charges	--	19,506	--
Amortization of bond issue cost	(363)	(2,382)	8
Cost (recovered) to be recovered in future years	--	8,553	--
Other nonoperating revenue (expense)	(503)	(6,463)	(11,917)
Total nonoperating revenues (expenses)	<u>(10,677)</u>	<u>(178,571)</u>	<u>(12,070)</u>
Income (loss) before contributions and transfers	<u>(33,757)</u>	<u>174,508</u>	<u>6,909</u>
Capital contributions	12,359	64,124	24,730
Transfers in	53,416	55,352	243
Transfers out	(7,355)	(154,374)	(10,715)
Change in net position	<u>24,663</u>	<u>139,610</u>	<u>21,167</u>
Total net position - beginning	<u>337,602</u>	<u>3,029,561</u>	<u>107,515</u>
Total net position - ending	<u>362,265</u>	<u>3,169,171</u>	<u>128,682</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	24,663	139,610	
Adjustment to consolidate internal service activities	1,091	5,663	
Change in net position - Business-type activities	<u>25,754</u>	<u>145,273</u>	

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

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 1,321,945	467,332	103,631
Cash payments to suppliers for goods and services	(743,451)	(111,674)	(42,803)
Cash payments to employees for services	(165,338)	(87,703)	(26,959)
Cash payments to claimants/beneficiaries	--	--	--
Taxes collected and remitted to other governments	(40,508)	--	--
Net cash provided by operating activities	372,648	267,955	33,869
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	1,849	87	--
Transfers out	(105,333)	(41,614)	(72)
Contributions (to) from other funds	--	(651)	--
Loans to other funds	(821)	--	--
Loans from other funds	--	--	4
Loan repayments to other funds	--	(6,072)	(142)
Loan repayments from other funds	6,516	--	--
Collections from other governments	2,981	--	458
Net cash provided (used) by noncapital financing activities	(94,808)	(48,250)	248
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	88,539	200,680	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	2,250	--
Proceeds from the sale of revenue bonds	--	1,450	60,000
Principal paid on long-term debt	(105,259)	(80,061)	(14,833)
Purchased interest received	--	6	--
Interest paid on revenue bonds and other debt	(73,092)	(112,553)	(11,301)
Passenger facility charges	--	--	19,506
Acquisition and construction of capital assets	(155,331)	(229,175)	(28,482)
Contributions from state and federal governments	--	125	--
Contributions in aid of construction	12,172	11,550	4,481
Bond issuance costs	(2,614)	(1,238)	--
Bond premiums	46,138	20,643	--
Bonds issued for advanced refundings of debt	375,485	284,529	--
Cash paid for bond refunding escrow	(419,009)	(129,004)	--
Cash paid to payoff commercial paper	--	(175,000)	--
Cash paid for nuclear fuel inventory	(12,600)	--	--
Net cash (used) by capital and related financing activities	\$ (245,571)	(205,798)	29,371

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

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	240,230	2,133,138	389,538
Cash payments to suppliers for goods and services	(126,034)	(1,023,962)	(99,093)
Cash payments to employees for services	(110,225)	(390,225)	(134,415)
Cash payments to claimants/beneficiaries	--	--	(111,366)
Taxes collected and remitted to other governments	--	(40,508)	--
Net cash provided by operating activities	3,971	678,443	44,664
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	53,416	55,352	71
Transfers out	(7,119)	(154,138)	(10,674)
Contributions (to) from other funds	651	--	--
Loans to other funds	(440)	(1,261)	--
Loans from other funds	185	189	--
Loan repayments to other funds	(243)	(6,457)	(148)
Loan repayments from other funds	--	6,516	--
Collections from other governments	574	4,013	--
Net cash provided (used) by noncapital financing activities	47,024	(95,786)	(10,751)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of commercial paper notes	--	289,219	--
Proceeds from the sale of general obligation bonds and other tax supported debt	15,868	18,118	--
Proceeds from the sale of revenue bonds	--	61,450	--
Principal paid on long-term debt	(25,370)	(225,523)	(515)
Purchased interest received	45	51	--
Interest paid on revenue bonds and other debt	(12,092)	(209,038)	(202)
Passenger facility charges	--	19,506	--
Acquisition and construction of capital assets	(33,672)	(446,660)	(12,121)
Contributions from state and federal governments	--	125	--
Contributions in aid of construction	2,186	30,389	--
Bond issuance costs	(124)	(3,976)	--
Bond premiums	1,452	68,233	--
Bonds issued for advanced refundings of debt	--	660,014	--
Cash paid for bond refunding escrow	--	(548,013)	--
Cash paid to payoff commercial paper	--	(175,000)	--
Cash paid for nuclear fuel inventory	--	(12,600)	--
Net cash (used) by capital and related financing activities	(51,707)	(473,705)	(12,838)

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ (196,788)	(201,486)	(30,757)
Proceeds from sale and maturities of investment securities	239,182	204,743	29,495
Interest on investments	3,855	88	190
Net cash provided (used) by investing activities	46,249	3,345	(1,072)
Net increase (decrease) in cash and cash equivalents	78,518	17,252	62,416
Cash and cash equivalents, October 1	136,834	95,319	153,259
Cash and cash equivalents, September 30	215,352	112,571	215,675
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	200,687	163,226	12,246
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	150,031	96,198	21,121
Amortization	--	988	--
Change in assets and liabilities:			
Decrease in working capital advances	(885)	--	--
(Increase) decrease in accounts receivable	(17,861)	(4,218)	(959)
Increase in allowance for doubtful accounts	4,724	1,450	149
Increase in receivables from other governments	--	--	--
Decrease in due from other funds	--	--	21
Increase in inventory	(3,421)	(225)	(41)
(Increase) decrease in prepaid expenses and other assets	10,952	1	(13)
Decrease in advances to other funds	--	--	--
(Increase) decrease in deferred costs and other expenses	12,294	25	--
Decrease in other long-term assets	--	8,609	--
Increase (decrease) in accounts payable	6,195	1,986	(507)
Increase (decrease) in accrued payroll and compensated absences	(127)	116	138
Increase in claims payable	--	--	--
Decrease in pension obligations payable	(1,738)	(879)	(268)
Increase in other post employment benefits payable	11,985	7,358	1,077
Increase (decrease) in deferred credits and other liabilities	(2,287)	--	853
Increase (decrease) in customer deposits	2,099	(6,680)	52
Total adjustments	171,961	104,729	21,623
Net cash provided by operating activities	\$ 372,648	267,955	33,869

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

(Continued)

	Business-Type Activities		Governmental Activities-Internal Service Funds
	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(22,815)	(451,846)	--
Proceeds from sale and maturities of investment securities	19,609	493,029	--
Interest on investments	203	4,336	40
Net cash provided (used) by investing activities	(3,003)	45,519	40
Net increase (decrease) in cash and cash equivalents	(3,715)	154,471	21,115
Cash and cash equivalents, October 1	200,544	585,956	114,983
Cash and cash equivalents, September 30	196,829	740,427	136,098
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	(23,080)	353,079	18,979
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	25,325	292,675	10,438
Amortization	--	988	--
Change in assets and liabilities:			
Decrease in working capital advances	--	(885)	--
(Increase) decrease in accounts receivable	(3,756)	(26,794)	5,098
Increase in allowance for doubtful accounts	1,566	7,889	--
Increase in receivables from other governments	--	--	--
Decrease in due from other funds	--	21	--
Increase in inventory	(351)	(4,038)	(27)
(Increase) decrease in prepaid expenses and other assets	137	11,077	(11)
Decrease in advances to other funds	--	--	19
(Increase) decrease in deferred costs and other expenses	(47)	12,272	(2)
Decrease in other long-term assets	680	9,289	2
Increase (decrease) in accounts payable	529	8,203	3,575
Increase (decrease) in accrued payroll and compensated absences	717	844	527
Increase in claims payable	--	--	5,663
Decrease in pension obligations payable	(1,079)	(3,964)	--
Increase in other post employment benefits payable	10,369	30,789	--
Increase (decrease) in deferred credits and other liabilities	(7,258)	(8,692)	403
Increase (decrease) in customer deposits	219	(4,310)	--
Total adjustments	27,051	325,364	25,685
Net cash provided by operating activities	3,971	678,443	44,664

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

(Continued)

Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Business-Type Activities		
	Austin Energy	Austin Water Utility	Airport
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
(Increase) decrease in deferred assets/expenses	\$ 34,357	7,237	--
Capital appreciation bonds interest accreted	878	11,429	--
Capital assets contributed from other funds	--	161	87
Capital assets contributed to other funds	--	--	--
Contributed facilities	--	23,159	30
(Increase) decrease in the fair value of investments	5,069	--	1,262
Amortization of bond issue costs	(625)	(1,187)	(207)
Amortization of bond (discounts) premiums	4,304	8,761	192
Amortization of deferred loss on refundings	(7,560)	(5,829)	(1,086)
Loss on disposal of assets	(1,395)	(2,879)	--
Deferred loss on bond refunding	--	(4,351)	--
Deferred costs to be recovered	--	(19,227)	--
Increase in deferred credits and other liabilities	15,907	9,975	--
Transfers (to) from other funds	--	--	--
Assets acquired through capital lease	1,132	--	--
Capitalized interest	--	--	843

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

(Continued)

	Business-Type Activities		Governmental
	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
(Increase) decrease in deferred assets/expenses	220	41,814	--
Capital appreciation bonds interest accreted	--	12,307	--
Capital assets contributed from other funds	10,173	10,421	24,730
Capital assets contributed to other funds	(1,858)	(1,858)	--
Contributed facilities	--	23,189	--
(Increase) decrease in the fair value of investments	--	6,331	--
Amortization of bond issue costs	(363)	(2,382)	(8)
Amortization of bond (discounts) premiums	1,379	14,636	(3)
Amortization of deferred loss on refundings	(1,197)	(15,672)	--
Loss on disposal of assets	(943)	(5,217)	(11,917)
Deferred loss on bond refunding	--	(4,351)	--
Deferred costs to be recovered	--	(19,227)	--
Increase in deferred credits and other liabilities	--	25,882	--
Transfers (to) from other funds	(236)	(236)	131
Assets acquired through capital lease	--	1,132	--
Capitalized interest	1,576	2,419	--

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

Fiduciary Funds
Statement of Fiduciary Net Position
September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit D-1

	Private-purpose Trust	Agency
ASSETS		
Pooled investments and cash	\$ 1,761	2,730
Other assets	121	--
Total assets	1,882	2,730
LIABILITIES		
Accounts payable	1	24
Due to other governments	--	2,078
Deposits and other liabilities	1,172	628
Total liabilities	1,173	2,730
NET POSITION		
Held in trust	709	
Total net position	\$ 709	

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, 2013
(In thousands)

City of Austin, Texas
Exhibit D-2

	<u>Private-purpose Trust</u>
ADDITIONS	
Contributions	\$ 646
Interest and other	3
Total additions	<u>649</u>
 DEDUCTIONS	
Benefit payments	<u>811</u>
Total deductions	<u>811</u>
Net additions (deductions)	<u>(162)</u>
 Total net position - beginning	<u>871</u>
Total net position - ending	<u><u>\$ 709</u></u>

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Austin, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government. The City Council is composed of a Mayor and six Councilmembers, all of whom are elected at large for three-year staggered terms and may serve a maximum of two consecutive terms. A petition signed by 5% of the registered voters waives the term limit for a Councilmember.

On November 6, 2012, City of Austin voters approved a charter amendment which provides for the election of City Councilmembers from 10 geographical single-member districts, with the mayor to be elected from the city at large. This new process will be effective with the November 2014 election. A 14-member Citizens Redistricting Commission drew the boundaries for the 10 districts in compliance with federal and state requirements and submitted to Council in November 2013.

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

The City of Austin's charter requires an annual audit by an independent certified public accountant. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The City has implemented GASB Statements No. 1 through No. 64. In fiscal year 2013, the City implemented the following GASB Statements:

GASB Statement	Impact
60 – "Accounting and Financial Reporting for Service Concession Arrangements"	Results of the implementation of this standard are discussed in Note 5 and Note 18.
61 – "The Financial Reporting Entity: Omnibus"	Results of the implementation of this standard can be found in Note 1a.
62 – "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements"	The implementation of this standard had no financial statement impact as the City was following the previous guidance.
63 – "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"	The implementation of this standard resulted in renaming Net Assets to Net Position throughout the CAFR, but had little impact on the amounts reported in the statements.

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

As required by GAAP, these financial statements present the City's primary government, its component units, and other entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations; therefore, data from these units are combined with data of the City. Discrete component units are legally separate entities that are not considered part of the City's operations; therefore, data from these units are shown separately from data of the City.

Blended Component Units – Following are the City's blended component units.

Blended Component Units
The Austin Housing Finance Corporation (AHFC)

Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
AHFC was created in 1979 as a public, nonprofit corporation and instrumentality of the City under the provisions of the Texas Housing Finance Corporation Act, Chapter 394, and Local Government Code. The mission of the AHFC is to generate and implement strategic housing solutions for the benefit of low- and moderate- income residents of the City. AHFC is governed by a board composed of the City Councilmembers. Council maintains the ability to impose its will on the organization.

Reporting Fund: Housing Assistance Fund, a nonmajor special revenue fund

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

Blended Component Units
Austin Industrial Development
Corporation (AIDC)

Brief Description of Activities, Relationship to City, and Key Inclusion Criteria
AIDC was created under the Texas Development Corporation Act of 1979 to provide a means of extending tax-exempt financing to projects that are deemed to have substantial social benefit through the creation of commercial, industrial, and manufacturing enterprises, in order to promote and encourage employment in the City. The Austin City Council acts as the board of directors of the corporation and therefore has the ability to impose its will on the organization.

Reporting Fund: Austin Industrial Development Corporation Fund, a nonmajor special revenue fund

Mueller Local Government Corporation
(MLGC)

A non-profit local government corporation created by the City under Subchapter D of Chapter 431 of the Texas Transportation Code. MLGC was created for the purpose of financing infrastructure projects required for the development of the former site of Mueller Airport. The Austin City Council acts as the board of directors of the corporation and therefore has the ability to impose its will on the organization. Members of the City staff serve as officers of the corporation.

Reporting Fund: Mueller Local Government Corporation, a nonmajor special revenue fund

Urban Renewal Agency (URA)

URA was created by the City under Chapter 374 of the Texas Local Government Code. The Mayor, with consent of the City Council, appoints the board of commissioners for this agency, whose primary responsibility is to oversee the implementation and compliance of urban renewal plans adopted by the City Council. An Urban Renewal Plan's primary purpose is to eliminate slum and blighting influence within a designated area of the city. Council maintains the ability to impose its will on the organization. URA exclusively receives financial support/benefits from its relationship with the City.

Reporting Fund: Urban Renewal Agency fund, a nonmajor special revenue fund

Austin-Bergstrom International Airport
(ABIA) Development Corporation

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

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

Waller Creek Local Government
Corporation

WCLGC is a non-profit local government corporation created by the City under Subchapter D of Chapter 431 of the Texas Transportation Code. The purpose of WCLGC is implementing the financing, design, construction, maintenance and operation of certain public improvements located within or around the Waller Creek Redevelopment Project district. The Austin City Council appoints a voting majority of the board of directors of the WCLGC and maintains a contractual ability to remove board members at will.

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

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

Discretely Presented Component Units – Following are the City's discretely presented component units. See Note 17 for additional information. Financial statements for these entities can be requested from the addresses located below.

<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities, Relationship to City, and Key Inclusion Criteria</u>
Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) 2716 Spirit of Texas Drive Austin, TX 78719	ABLE is a legally separate entity that issues revenue bonds for the purpose of financing the cost of acquiring, improving, and equipping a full-service hotel on airport property. City Councilmembers appoint this entity's Board and maintain 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 Councilmembers appoint this entity's Board and maintain 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.

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.

Related organizations are not included in the City's reporting entity.

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.

b -- Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all governmental and business-type activities of the primary government and its component units. Fiduciary activities are not included in the government-wide statements. Internal service fund asset and liability balances that are not eliminated in the statement of net position are primarily reported in the governmental activities column on the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

The accounts of the City are organized on the basis of funds. The fund level statements focus on the governmental, proprietary, and fiduciary funds. Each fund was established to account for specific activities in accordance with applicable regulations, restrictions, or limitations. Major funds are determined by criteria specified by GAAP; the City has elected to present the Airport Fund as a major fund even though it does not meet the minimum criteria. 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.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued
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 a liability is due. However, expenditures related to compensated absences and arbitrage are recorded when payment is due. Debt service expenditures are recognized when payment is due. The reported fund balance of governmental funds is considered a measure of available spendable resources.

Property taxes, sales taxes, franchise taxes, hotel occupancy taxes, vehicle rental taxes, municipal court fines, development permits and inspections, building safety permits and inspections, public health charges, emergency medical service charges, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

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

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

The City reports the following major enterprise funds:

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

Austin Water Utility: Accounts for the activities of the City-owned water and wastewater utility.

Airport Fund: Accounts for the operations of the Austin-Bergstrom International Airport (ABIA).

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

c -- Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The City reports the following nonmajor business-type activities in Exhibit A-2:

Convention: Accounts for convention center and public events activities.

Environmental and health services: Accounts for solid waste services activities.

Public recreation: Accounts for golf activities.

Urban growth management: Accounts for drainage and transportation activities.

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

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

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

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

d -- Budget

The City Manager is required by the City Charter to present a proposed operating and capital budget to the City Council no later than thirty days before the beginning of the new fiscal year. The final budget shall be adopted no later than the twenty-seventh day of the last month of the preceding fiscal year. During the final adoption process, the City Council passes an appropriation ordinance and a tax-levying ordinance.

Annual budgets are legally adopted for the General Fund, certain special revenue funds, and debt service funds. Additional information related to special revenue funds with legally adopted budgets can be found in Exhibit E-13. Annual budgets are also adopted for enterprise and internal service funds, although they are not legally required. Multi-year budgets are adopted for capital projects and grant funds, where appropriations remain authorized for the life of the projects, irrespective of fiscal year. Expenditures are appropriated on a modified accrual basis, except that commitments related to purchase orders are treated as expenditures in the year of commitment. Certain payroll accruals, employee training, and other fund-level expenditures are budgeted as general city responsibilities.

Formal budgetary control is employed during the year at the fund and department level as a management control device for annual budgeted funds.

Budgets are modified throughout the year. The City Manager is authorized to transfer appropriation balances within a fund and department of the City. The City Council approves amendments to the budget and transfers of appropriations from one fund and department to another. The original and final budgets for the General Fund are reported in the required supplementary information. Unencumbered appropriations for annual budgets lapse at fiscal year end.

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. Investments purchased with pooled cash, consisting primarily of U.S. government obligations and U.S. agency obligations, are stated at fair value. 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, based on quoted market prices. 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 and money market mutual funds at fair value as of September 30, 2013. Investments in local government investment pools are carried at net asset value per share calculated using the amortized cost method which approximates fair value.

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

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, 2013 (in thousands):

	Charges for Services	Fines	Taxes	Other Govern- ments	Other	Total
Governmental activities						
General Fund	\$ 192,722	21,676	40,025	--	--	254,423
Nonmajor governmental funds	1,121	--	16,038	12,163	2,386	31,708
Internal service funds	2,836	--	--	--	--	2,836
Allowance for doubtful accounts	(185,221)	(10,024)	--	(260)	--	(195,505)
Total	<u>\$ 11,458</u>	<u>11,652</u>	<u>56,063</u>	<u>11,903</u>	<u>2,386</u>	<u>93,462</u>

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

	Austin Energy	Austin Water	Airport	Nonmajor Enterprise	Total
Accounts receivable	\$ 182,340	75,082	7,091	26,696	291,209
Allowance for doubtful accounts	(7,309)	(2,220)	(1,068)	(2,090)	(12,687)
Total	<u>\$ 175,031</u>	<u>72,862</u>	<u>6,023</u>	<u>24,606</u>	<u>278,522</u>

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

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

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

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

Fund	Inventory Valuation Method
General Fund	Average cost; postage first-in, first out
Austin Energy	
Fuel oil	Last-in, first-out
Other inventories	Average cost
All others	Average cost

Inventories for all funds are accounted for using the consumption method and expenditures are recorded when issued. Inventories reported in the General Fund and certain special revenue funds are offset by an equal amount in nonspendable fund balance, which indicates that they do not represent “available spendable resources.”

Restricted assets -- Restricted assets are assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Since Austin Energy and Austin Water Utility report in accordance with accounting for regulated operations, enabling legislation also includes restrictions on asset use established by its governing board which is the City Council. Restricted assets used to repay maturing debt and other current liabilities are classified as current.

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

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

	Austin Energy	Austin Water Utility	Airport	Nonmajor Enterprise	Total Restricted Assets
Capital projects	\$ 59,177	99,757	142,546	27,718	329,198
Customer and escrow deposits	23,551	7,299	462	3,193	34,505
Debt service	66,945	85,612	19,514	13,627	185,698
Environmental and landfill	--	--	--	4,638	4,638
Federal grants	6,089	--	513	349	6,951
Operating reserve account	--	--	10,841	9,378	20,219
Passenger facility charge account	--	--	42,848	--	42,848
Plant decommissioning	203,323	--	--	--	203,323
Renewal and replacement account	64	--	10,000	1,084	11,148
Revenue bond reserve	9,979	58,422	--	13,304	81,705
Strategic reserve	105,996	--	--	--	105,996
	\$ 475,124	251,090	226,724	73,291	1,026,229

Capital assets -- Capital assets, which primarily include land and improvements, buildings and improvements, plant and equipment, vehicles, water rights, and infrastructure assets, are reported in the proprietary funds and the applicable governmental or business-type activity columns of the government-wide statement of net position; related depreciation or amortization is allocated to programs in the statement of activities. Capital assets are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life of greater than one year. Assets purchased, internally generated, or constructed are capitalized at historical cost. Contributed or annexed capital assets are recorded at estimated fair value at the time received. Capital outlay is recorded as an expenditure in the General Fund and other governmental funds and as an asset in the government-wide financial statements and proprietary funds. Maintenance and repairs are charged to operations as incurred. Improvements and betterments that extend the useful lives of capital assets or increase their value are capitalized in the government-wide and proprietary statement of net position and expended in governmental funds.

The City obtains public domain capital assets (infrastructure) through capital improvement projects (CIP) construction or through annexation or developer contribution. Infrastructure assets include streets and roads, bridges, pedestrian facilities, drainage systems, and traffic signal systems acquired after September 30, 1980.

Interest is not capitalized on governmental capital assets. Enterprise funds, with the exception of the Austin Energy and Austin Water Utility, capitalize interest paid on long-term debt when it can be attributed to a specific project and when it materially exceeds the interest revenue generated by the bond proceeds issued to fund the project. Interest is not capitalized on Austin Energy and Austin Water Utility assets in accordance with accounting for regulated operations.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives (in years):

Assets	Governmental Activities (1)	Business-type Activities			
		Austin Energy	Austin Water Utility	Airport	Nonmajor Enterprise
Buildings	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
Water rights	--	--	101	--	--
Infrastructure					
Streets and roads	30	--	--	--	--
Bridges	50	--	--	--	--
Drainage systems	50	--	--	--	--
Pedestrian facilities	20	--	--	--	--
Traffic signals	25	--	--	--	--

(1) Includes internal service funds

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

Depreciation of assets is classified by functional component. The City considers land, arts and treasures, and library collections to be inexhaustible; therefore, these assets are reported as nondepreciable. The true value of arts and treasures is expected to be maintained over time and, thus, is not depreciated. The initial investment of library collections for each library is capitalized. All subsequent expenditures related to the maintenance of the collection (replacement of individual items) are expensed, with the overall value of the collection being maintained, and therefore, not depreciated.

In the government-wide and proprietary fund statements, the City recognizes a gain or loss on the disposal of assets when it retires or otherwise disposes of capital assets.

Water rights represent the amortized cost of a \$100 million contract, net of accumulated amortization, of \$13.8 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.

Deferred Expenses or Credits -- In accordance with accounting for regulated operations, certain utility expenses that do not currently require funding are deferred to future periods in which they are intended to be recovered by rates. Likewise, certain credits to income are deferred to periods in which they are matched with related costs. These expenses or credits include changes in fair value of investments, contributions, and debt issuance costs, pension, other post-employment benefits, interest, decommission, fuel recovery, etc. Deferred expenses will be recovered in these future periods by setting rates sufficient to provide funds for the requirements. If deferred expenses are not recoverable in future rates, the deferred expenses 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, expenses, and deferred amounts.

Deferred (Inflows) Outflows of Resources -- 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 inflows or outflows in the statement of net position, as an offset to the related hedging derivative instrument.

Deferred inflows are recognized for 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.

Compensated Absences -- The amounts owed to employees for unpaid vacation, exception vacation, and sick leave liabilities, including the City's share of employment-related taxes, are reported on the accrual basis of accounting in the applicable governmental or business-type activity columns of the government-wide statements and in the proprietary activities of the fund financial statements. The liabilities and expenditures are reported on the modified accrual basis in the governmental fund financial statements; the estimated liability for governmental funds is the amount of vacation, exception vacation, and sick leave at termination payable within 60 days of fiscal year-end.

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

	Work-week	Non-Civil Service Employees (1)	Civil Service Police (2)	Civil Service Fire (3)
Vacation	0-40	240	240	240
	42	270	N/A	N/A
	48	309	N/A	N/A
	53	N/A	N/A	360
Exception vacation (4)	0-40	160	160	176
	42	160	N/A	N/A
	48	160	N/A	N/A
	53	N/A	N/A	264
Sick leave	0-40	720	1,400	720
	42	756	N/A	N/A
	48	926	N/A	N/A
	53	N/A	N/A	1,080

(1) Non-civil service employees are eligible for accumulated sick leave payout if hired before October 1, 1986.

(2) Civil service police employees with 10 years of actual service are eligible for accumulated sick leave payout.

As of January 1, 2011, officers may be eligible to receive up to 1,700 hours of sick leave if certain criteria are met.

(3) Civil service fire employees are eligible for accumulated sick leave payout regardless of hire date.

(4) Exception vacation hours are hours accumulated by an employee when the employee works on a City holiday.

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

Other Post-Employment 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, 2013, the City's total actuarial accrued liability for these retiree benefits was approximately \$1.4 billion. The City funds the costs of these benefits on a pay-as-you-go basis.

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

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

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

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

For proprietary funds and for governmental activities in the government-wide financial statements, the City defers and amortizes gains and losses realized on refundings of debt and reports both the new debt liability and the related deferred amount on the statement of net position. Austin Energy and Austin Water Utility recognize gains and losses on debt defeasance in accordance with accounting for regulated operations.

Other Long-Term Liabilities -- Capital appreciation bonds are recorded at net accreted value. Annual accretion of the bonds is recorded as interest expense during the life of the bonds. The cumulative accretion of capital appreciation bonds, net of principal and interest payments on the bonds, is recorded as capital appreciation bond interest payable.

Landfill Closure and Postclosure Care Costs -- Municipal solid waste landfill costs and the liability for landfill closure and postclosure costs are reported in the Austin Resource Recovery Fund, a nonmajor enterprise fund.

Operating Revenues -- Revenues are recorded net of allowances, including bad debt, in the government-wide and proprietary fund-level statements. The funds listed below report revenues net of bad debt expense, as follows (in thousands):

	Bad Debt Expense
Austin Energy	\$ 17,257
Austin Water Utility	2,991
Airport	149
Nonmajor Enterprise	4,084

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, 2013. The amount of unbilled revenue recorded, as of September 30, 2013, was \$40.4 million. Austin Water Utility records unbilled revenue as earned based upon the percentage of October's billing that represented water usage through September 30, 2013. The amount of unbilled revenue recorded as of September 30, 2013 was \$13.4 million for water and \$12.8 million for wastewater.

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

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	\$ 597
Nonmajor Enterprise	1,036

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 expenditures are recognized in the applicable proprietary fund.

Fund Equity -- Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund type classifications are as follows:

Nonspendable: The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.

Restricted: The portion of fund balance that is restricted to specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitution provisions or enabling legislation.

Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of a majority vote by City Council. The City Council is the highest level of decision making.

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 \$56,000 in fiscal year 2013 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.

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
Nonspendable			
General government	\$ 102	50	152
Public safety	588	--	588
Public health	2	--	2
Public recreation and culture	--	990	990
Urban growth management	82	--	82
Total Nonspendable	<u>774</u>	<u>1,040</u>	<u>1,814</u>
Restricted			
General government	--	20,070	20,070
Public safety	--	15,338	15,338
Transportation, planning, and sustainability	--	27,104	27,104
Public health	--	296	296
Public recreation and culture	--	35,586	35,586
Urban growth management	--	62,089	62,089
Total Restricted	<u>--</u>	<u>160,483</u>	<u>160,483</u>
Committed			
General government	13	10,227	10,240
Public safety	2,800	4	2,804
Transportation, planning, and sustainability	--	4,518	4,518
Public health	3,297	1	3,298
Public recreation and culture	677	9,481	10,158
Urban growth management	343	20,729	21,072
Total Committed	<u>7,130</u>	<u>44,960</u>	<u>52,090</u>
Assigned			
General government	56	9,398	9,454
Public safety	496	2,772	3,268
Transportation, planning, and sustainability	--	18,041	18,041
Public health	359	154	513
Public recreation and culture	216	20,500	20,716
Urban growth management	10,202	7,315	17,517
Total Assigned	<u>11,329</u>	<u>58,180</u>	<u>69,509</u>
Unassigned	<u>127,859</u>	<u>(47,512)</u>	<u>80,347</u>
Total Fund Balance	<u>\$ 147,092</u>	<u>217,151</u>	<u>364,243</u>

Restricted resources -- If both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and unrestricted resources as needed. In governmental funds, unrestricted resources would be utilized in order from committed to assigned and finally unassigned.

Budget stabilization -- By formal action of City Council, the General Fund maintains 3 reserve funds: a contingency reserve, an emergency reserve, and a budget stabilization reserve. These reserves are part of unassigned fund balance for the General Fund. As of September 30, 2013, the contingency reserve maintains a balance of 1 percent of departmental expenditures, or \$6.5 million, the emergency reserve remains fixed with a balance of \$40 million, and the budget stabilization reserve reports a balance of \$78.3 million. The funds in the budget stabilization reserve may be appropriated to fund capital or other onetime 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 mutual fund.

Pension Costs -- State law governs pension contribution requirements and benefits. Pension costs are composed of normal cost and, where applicable, amortization of unfunded actuarial accrued liability and of unfunded prior service cost (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.

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

The City does not participate in a risk pool but purchases commercial insurance coverage for property loss or damage, commercial crime, fidelity bonds, airport operations, and contractors working at selected capital improvement project sites (see Note 13).

Austin Energy has established an energy risk management program. This program was authorized by City Council and led by the risk oversight committee. Under this program, Austin Energy enters into futures contracts, options, and swaps to reduce exposure to natural gas and energy price fluctuations. For additional details see Note 9.

f -- Comparative Data

Governments are required to present comparative data only in connection with Management's Discussion and Analysis (MD&A). Comparative data has been utilized within the MD&A to help readers more fully understand the City's financial statements for the current period.

g -- Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the financial statements and the reported amounts of revenues and expenditures/expense 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, 2013 (in thousands):

	Pooled Investments and Cash	
	Unrestricted	Restricted
General Fund	\$ 144,722	--
Nonmajor governmental funds	231,833	--
Austin Energy	119,210	90,888
Austin Water Utility	23,291	89,275
Airport	6,211	209,458
Nonmajor enterprise funds	148,345	48,451
Internal service funds	134,852	--
Fiduciary funds	4,491	--
Subtotal pooled investments and cash	812,955	438,072
Total pooled investments and cash	\$ 1,251,027	

3 – INVESTMENTS AND DEPOSITS

a -- Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the City to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity; addresses investment diversification, yield, and maturity; and addresses the quality and capability of investment personnel. The investment policy defines what constitutes the legal list of investments allowed under the policy, which excludes certain investment instruments allowed under Chapter 2256 of the Texas Government Code.

The City's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the City Council. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity of any individual investment, and the maximum average dollar weighted maturity allowed for pooled fund groups. In addition, it includes an "Investment Strategy Statement" that specifically addresses each fund's investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, and yield. Additionally, the soundness of financial institutions in which the City will deposit funds is addressed.

The City Treasurer submits an investment report each quarter to the investment committee. The report details the investment position of the City and the compliance of the investment portfolio as it relates to both the adopted investment strategy statements and Texas state law.

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 state and national banks domiciled 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. Certificates of deposit issued by savings banks domiciled in Texas;
10. Share certificates issued by a state or federal credit unions domiciled in Texas;
11. Money market mutual funds;
12. Local government investment pools (LGIPs); and
13. Securities lending program.

The City participates in four LGIPs: TexPool, TexasDAILY, TexStar, and Lone Star. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. Although there is no regulatory oversight over TexasDAILY, an advisory board consisting of participants or their designees maintains oversight responsibility for TexasDAILY. PFM Asset Management LLC manages the daily operations of TexasDAILY under a contract with the advisory board. JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexStar under an agreement with the TexStar board of directors. First Public, LLC serves as the administrator of Lone Star under an agreement with Lone Star's board of directors.

The City invests in TexPool, TexasDAILY, TexStar, and Lone Star to provide its liquidity needs. TexPool, TexasDAILY, TexStar, and Lone Star are LGIPs that 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. TexPool, TexasDAILY, TexStar, and Lone Star are 2(a)7-like funds, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool, TexasDAILY, TexStar, and Lone Star are rated AAAM and must maintain a dollar weighted average maturity not to exceed a 60-day limit. At September 30, 2013, TexPool, TexasDAILY, TexStar, and Lone Star had a weighted average maturity of 60 days, 49 days, 51 days, and 56 days, respectively. The City considers the holdings in these funds to have a weighted average maturity of one day, due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The City did not participate in any reverse repurchase agreements or security lending arrangements during fiscal year 2013.

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.

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

The following table includes the portfolio balances of all non-pooled and pooled investments of the City at September 30, 2013 (in thousands):

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Non-pooled investments:				
Local Government Investment Pools	\$ 15,591	282,291	--	297,882
Money Market Funds	--	47,164	--	47,164
US Treasury Notes	--	31,501	--	31,501
US Agency Bonds	--	214,050	--	214,050
Total non-pooled investments	15,591	575,006	--	590,597
Pooled investments:				
Local Government Investment Pools	186,125	267,425	1,634	455,184
US Treasury Notes	4,089	5,878	36	10,003
US Agency Bonds	319,059	458,616	2,821	780,496
Total pooled investments	509,273	731,919	4,491	1,245,683
Total investments	\$ 524,864	1,306,925	4,491	1,836,280

Concentration of Credit Risk

At September 30, 2013, 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 (\$160.5 or 9%), Federal Home Loan Bank (\$365.3 or 20%), Federal Home Loan Mortgage Corporation (\$278.9 or 15%), and Federal National Mortgage Association (\$189.8 or 10%).

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
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.

Operating Funds

As of September 30, 2013, the City operating funds had the following investments (in thousands):

Investment Type	Fair Value				Weighted Maturity (days)
	Governmental Activities	Business-type Activities	Fiduciary Funds	Total	
Local Government Investment Pools	\$ 186,125	267,425	1,634	455,184	1
US Treasury Notes	4,089	5,878	36	10,003	303
US Agency Bonds	319,059	458,616	2,821	780,496	430
Total	\$ 509,273	731,919	4,491	1,245,683	272

Credit Risk

At September 30, 2013, the Operating funds held investments in LGIPs rated AAAM by Standard & Poor's, with the remainder invested in short-to-medium term US Agency and Treasury obligations. Standard & Poor's rated the US Agency Bonds AA+. The remaining securities are direct obligations of the US government.

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

Concentration of Credit Risk

At September 30, 2013, 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 (\$140.1 or 11%), Federal Home Loan Bank (\$305.1 or 25%), Federal Home Loan Mortgage Corporation (\$220.3 or 18%), and Federal National Mortgage Association (\$115.0 or 9%).

Interest Rate Risk

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, 2013, less than half of the Investment Pool was invested in AAAM rated LGIPs, with the remainder invested in short-to-medium term US 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 272 days, which was less than the threshold of 365 days.

Debt Service Funds

As of September 30, 2013, the City's debt service funds had the following investments (in thousands):

Investment Type	Fair Value		Weighted Average Maturity (days)
	Governmental Activities	Business- type Activities	
General Obligation Debt Service			
Local Government Investment Pools	\$ 15,591	--	1
Enterprise-Utility (1)			
Local Government Investment Pools	--	152,557	1
Enterprise-Airport			
Local Government Investment Pools	--	16,410	1
Nonmajor Enterprise-Convention Center			
Local Government Investment Pools	--	10,406	1
Total	<u>\$ 15,591</u>	<u>179,373</u>	

(1) Includes combined pledge debt service

Credit Risk

As of September 30, 2013, Standard & Poor's rated TexPool AAAM.

Interest Rate Risk

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.

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

Debt Service Reserve Funds

As of September 30, 2013, the City's debt service reserve funds had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value Business- type Activities</u>	<u>Weighted Average Maturity (days)</u>
Enterprise-Utility (1)		
Local Government Investment Pools	\$ 41,394	1
Enterprise-Airport		
Local Government Investment Pools	203	1
Nonmajor Enterprise-Convention Center		
Local Government Investment Pools	13,304	1
Total	<u>\$ 54,901</u>	

(1) Includes combined pledge debt service

Credit Risk

As of September 30, 2013, Standard & Poor's rated TexPool AAAm.

Interest Rate Risk

Investment strategies for debt service reserve funds shall have as the primary object 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- to intermediate-term securities.

Special Projects or Special Purpose Funds

Special Project Funds

At September 30, 2013, the City's special project funds had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>			<u>Weighted Maturity (days)</u>
	<u>Utility Reserve</u>	<u>Airport Construction</u>	<u>Total</u>	
Local Government Investment Pools	\$ 27,007	76	27,083	1

Credit Risk

As of September 30, 2013, Standard & Poor's rated TexPool AAAm.

Interest Rate Risk

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

As of September 30, 2013, the City's Austin Energy Strategic Reserve Fund, a special purpose fund, had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value Business-type Activities</u>	<u>Weighted Average Maturity (days)</u>
Local Government Investment Pools	\$ 20,934	1
US Treasury Notes	11,206	1141
US Agency Bonds	73,856	914
Total	<u>\$ 105,996</u>	<u>752</u>

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

Credit risk

At September 30, 2013, the Austin Energy Strategic Reserve Fund held an investment in TexPool, an LGIP rated AAAM by Standard & Poor's, with the remainder invested in short-to-medium term US Agency and Treasury obligations. Standard & Poor's rated the US Agency Bonds AA+. The remaining securities are direct obligations of the US government.

Concentration of Credit Risk

At September 30, 2013, 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 (\$10.0 or 9%), Federal Home Loan Bank (\$18.7 or 18%), Federal Home Loan Mortgage Corporation (\$20.0 or 19%), and Federal National Mortgage Association (\$25.1 or 24%).

Interest Rate Risk

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.

At September 30, 2013, the portfolios held investments in TexPool, US Treasuries, and US Agencies with maturities that will meet anticipated cash flow requirements and an overall dollar weighted average maturity of 752 days (2.06 years).

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

At September 30, 2013, the City's Austin Energy NDTF had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
	<u>Business-type Activities</u>	
Money Market Funds	\$ 29,517	1 day
US Treasury Notes	20,295	3.85
US Agency Bonds	140,194	2.85
Total	<u>\$ 190,006</u>	<u>2.50</u>

Credit Risk

At September 30, 2013, Standard & Poor's rated the US Agency Bonds AA+ and the Money Market Fund AAAM. The remaining securities are direct obligations of the US government.

Concentration of Credit Risk

At September 30, 2013, the NDTF held investments with more than five percent of the total in securities of the following issuers (in millions): Federal Farm Credit Bank (\$10.4 or 5%), Federal Home Loan Bank (\$41.5 or 22%), Federal Home Loan Mortgage Corporation (\$38.7 or 20%), Federal National Mortgage Association (\$49.6 or 26%).

Interest Rate Risk

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 state 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, 2013, the dollar weighted average maturity was 2.50 years.

Special Purpose Funds - Investments Held by Trustee – Public Improvement Districts

At September 30, 2013, the City's special purpose funds had the following investments (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (days)</u>
	<u>Business-type Activities</u>	
Money Market Funds	\$ 17,647	1

Credit Risk

At September 30, 2013, Standard & Poor's rated the Money Market Fund AAAM.

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

Interest Rate Risk

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 until definitive construction cash flows are established.

c – Investments and Deposits

Investments and deposits portfolio balances at September 30, 2013, are as follows (in thousands):

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Non-pooled investments and cash	\$ 22,258	580,304	--	602,562
Pooled investments and cash	514,867	739,960	4,491	1,259,318
Total investments and cash	<u>537,125</u>	<u>1,320,264</u>	<u>4,491</u>	<u>1,861,880</u>
Unrestricted cash	71	65	--	136
Restricted cash	6,596	5,233	--	11,829
Pooled investments and cash	514,867	739,960	4,491	1,259,318
Investments	15,591	575,006	--	590,597
Total	<u>\$ 537,125</u>	<u>1,320,264</u>	<u>4,491</u>	<u>1,861,880</u>

A difference of \$8.3 million exists between portfolio balance and book balance, primarily due to deposits in transit offset by outstanding checks.

Deposits

The September 30, 2013 carrying amount of deposits at the bank and cash on hand are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total
Cash			
Unrestricted	\$ 71	65	136
Restricted	--	5,233	5,233
Cash held by trustee			
Restricted	6,596	--	6,596
Pooled cash	5,594	8,041	13,635
Total deposits	<u>\$ 12,261</u>	<u>13,339</u>	<u>25,600</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, 2013.

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, 2012, upon which the 2013 levy was based, was \$83,294,536,493.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2013, 99.36% of the current tax levy (October 1, 2012) 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.

4 – PROPERTY TAXES, continued

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District, the Williamson Central Appraisal District, and the Hays Central Appraisal District. The appraisal districts are required under the Property Tax Code to assess all real and personal property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every two years; however, the City may require more frequent reviews of appraised values at its own expense. The Travis Central Appraisal District and the Hays Central Appraisal District have chosen to review the value of property in their respective districts every two years, while the Williamson Central Appraisal District has chosen to review the value of property on an annual basis. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The City is authorized to set tax rates on property within the city limits. However, if the effective tax rate, excluding tax rates for bonds, certificates of obligation, and other contractual obligations, as adjusted for new improvements and revaluation, exceeds the rate for the previous year by more than 8%, State statute allows qualified voters of the City to petition for an election to determine whether to limit the tax rate increase to no more than 8%.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. Under the city charter, a limit on taxes levied for general governmental services, exclusive of payments of principal and interest on general obligation long-term debt, has been established at \$1.00 per \$100 assessed valuation. A practical limitation on taxes levied for debt service of \$1.50 per \$100 of assessed valuation is established by state statute and city charter limitations. Through contractual arrangements, Travis, Williamson, and Hays Counties bill and collect property taxes for the City.

The tax rate to finance general governmental functions, other than the payment of principal and interest on general obligation long-term debt, for the year ended September 30, 2013, was \$.3821 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, 2013 was \$.1208 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$.6179 per \$100 assessed valuation, and could levy approximately \$514,676,941 in additional taxes from the assessed valuation of \$83,294,536,493 before the legislative limit is reached.

The City has reserved a portion of the taxes collected for lawsuits filed by certain taxpayers against the appraisal districts challenging assessed values in the government-wide financial statements.

5 – CAPITAL ASSETS AND INFRASTRUCTURE

Governmental Activities

Capital asset activity for the year ended September 30, 2013, was as follows (in thousands):

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Nondepreciable capital assets				
Land and improvements	\$ 345,466	10,557	(4,027)	351,996
Arts and treasures	7,601	452	(32)	8,021
Library collections	14,390	--	--	14,390
Construction in progress	163,394	227,362	(172,342)	218,414
Total nondepreciable assets	530,851	238,371	(176,401)	592,821
Depreciable capital assets				
Building and improvements	752,218	60,769	(31,620)	781,367
Plant and equipment	223,750	23,388	(31,583)	215,555
Vehicles	103,010	17,057	(5,370)	114,697
Infrastructure	2,172,169	72,857	--	2,245,026
Total depreciable capital assets	3,251,147	174,071	(68,573)	3,356,645
Less accumulated depreciation for				
Building and improvements	(243,743)	(23,257)	1,471	(265,529)
Plant and equipment	(137,211)	(35,873)	37,181	(135,903)
Vehicles	(66,252)	(10,000)	4,032	(72,220)
Infrastructure	(850,617)	(63,586)	--	(914,203)
Total accumulated depreciation	(1,297,823)	(132,716) (2)	42,684	(1,387,855)
Depreciable capital assets, net of accumulated depreciation	1,953,324	41,355	(25,889)	1,968,790
Total capital assets	\$ 2,484,175	279,726	(202,290)	2,561,611

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

(2) Depreciation expense was charged to functions as follows (in thousands):

Governmental activities:

General government	\$ 22,530
Public safety	14,596
Transportation, planning and sustainability	52,978
Public health	1,670
Public recreation and culture	12,698
Urban growth management	17,806
Internal service funds	10,438
Total increases in accumulated depreciation	\$ 132,716

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Total

Capital asset activity for the year ended September 30, 2013, was as follows (in thousands):

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Nondepreciable capital assets				
Land and improvements	\$ 502,200	27,626	(16,613)	513,213
Arts and treasures	1,595	62	--	1,657
Construction in progress	548,405	481,390	(381,242)	648,553
Plant held for future use	23,115	--	--	23,115
Total nondepreciable assets	<u>1,075,315</u>	<u>509,078</u>	<u>(397,855)</u>	<u>1,186,538</u>
Depreciable capital assets				
Building and improvements	1,640,298	72,197	(18,425)	1,694,070
Plant and equipment	3,344,320	121,410	(27,585)	3,438,145
Vehicles	161,324	24,862	(8,738)	177,448
Electric plant	4,268,305	190,258	(19,988)	4,438,575
Non-electric plant	173,477	2,782	(102)	176,157
Nuclear fuel, net of amortization	40,973	11,519	(12,475)	40,017
Water rights, net of amortization	87,160	--	(988) (3)	86,172
Total depreciable capital assets	<u>9,715,857</u>	<u>423,028</u>	<u>(88,301)</u>	<u>10,050,584</u>
Less accumulated depreciation for				
Building and improvements	(531,076)	(42,468)	122	(573,422)
Plant and equipment	(1,108,958)	(87,778)	1,914	(1,194,822)
Vehicles	(96,579)	(15,004)	7,824	(103,759)
Electric plant	(2,070,719)	(140,430)	15,837	(2,195,312)
Non-electric plant	(41,123)	(6,995)	33	(48,085)
Total accumulated depreciation	<u>(3,848,455)</u>	<u>(292,675) (2)</u>	<u>25,730</u>	<u>(4,115,400)</u>
Depreciable capital assets, net of accumulated depreciation	<u>5,867,402</u>	<u>130,353</u>	<u>(62,571)</u>	<u>5,935,184</u>
Total capital assets	<u>\$ 6,942,717</u>	<u>639,431</u>	<u>(460,426)</u>	<u>7,121,722</u>

(1) Increases and decreases do not include transfers (at net book value) between business-type activities.

(2) Depreciation expense was charged to functions as follows (in thousands):

Business-type activities:

Electric	\$ 150,031
Water	41,133
Wastewater	55,065
Airport	21,121
Convention Center	8,901
Environmental and health services	6,862
Public recreation	679
Urban growth management	8,883
Total increases in accumulated depreciation	<u>292,675</u>

(3) Components of water rights, net of amortization decreases:

Current year amortization - Water	<u>\$ 988</u>
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5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Energy

Capital asset activity for the year ended September 30, 2013, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets				
Land and improvements	\$ 74,983	--	(12,660)	62,323
Plant held for future use	23,115	--	--	23,115
Construction in progress	111,758	155,422	(186,308)	80,872
Total nondepreciable assets	209,856	155,422	(198,968)	166,310
Depreciable capital assets				
Vehicles	30,592	870	(711)	30,751
Electric plant	4,268,305	190,258	(19,988)	4,438,575
Non-electric plant	173,477	2,782	(102)	176,157
Nuclear fuel, net of amortization	40,973	11,519	(12,475)	40,017
Total depreciable capital assets	4,513,347	205,429	(33,276)	4,685,500
Less accumulated depreciation for				
Vehicles	(19,745)	(2,606)	712	(21,639)
Electric plant	(2,070,719)	(140,430)	15,837	(2,195,312)
Non-electric plant	(41,123)	(6,995)	33	(48,085)
Total accumulated depreciation	(2,131,587)	(150,031) (1)	16,582	(2,265,036)
Depreciable capital assets, net of accumulated depreciation	2,381,760	55,398	(16,694)	2,420,464
Total capital assets	\$ 2,591,616	210,820	(215,662)	2,586,774
(1) Components of accumulated depreciation increases:				
Current year depreciation	\$ 150,031			

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Austin Water Utility

Capital asset activity for the year ended September 30, 2013, was as follows (in thousands):

	Beginning Balance	Increases (1)	Decreases (1)	Ending Balance
Nondepreciable capital assets				
Land and improvements	\$ 225,684	19,127	(165)	244,646
Arts and treasures	--	62	--	62
Construction in progress	371,713	251,152	(136,471)	486,394
Total nondepreciable assets	<u>597,397</u>	<u>270,341</u>	<u>(136,636)</u>	<u>731,102</u>
Depreciable capital assets				
Building and improvements	617,393	57,455	(17,915)	656,933
Plant and equipment	3,166,291	104,344	(23,943)	3,246,692
Vehicles	34,011	3,000	(559)	36,452
Water rights, net of amortization	87,160	--	(988) (3)	86,172
Non-electric plant	--	--	--	--
Total depreciable capital assets	<u>3,904,855</u>	<u>164,799</u>	<u>(43,405)</u>	<u>4,026,249</u>
Less accumulated depreciation for				
Building and improvements	(202,776)	(13,957)	16	(216,717)
Plant and equipment	(1,046,627)	(79,342)	324	(1,125,645)
Vehicles	(22,814)	(2,899)	260	(25,453)
Total accumulated depreciation	<u>(1,272,217)</u>	<u>(96,198) (2)</u>	<u>600</u>	<u>(1,367,815)</u>
Depreciable capital assets, net of accumulated depreciation	<u>2,632,638</u>	<u>68,601</u>	<u>(42,805)</u>	<u>2,658,434</u>
Total capital assets	<u>\$ 3,230,035</u>	<u>338,942</u>	<u>(179,441)</u>	<u>3,389,536</u>

(1) Increases and decreases do not include transfers (at net book value) between Austin Water Utility funds.

(2) Components of accumulated depreciation increases:

Current year depreciation	
Water	\$ 41,133
Wastewater	55,065
Total increases in accumulated depreciation	<u>\$ 96,198</u>

(3) Components of water rights, net of amortization decreases:

Current year amortization - Water	<u>\$ 988</u>
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5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Airport Fund

Capital asset activity for the year ended September 30, 2013, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nondepreciable capital assets				
Land and improvements	\$ 95,586	416	(3,615)	92,387
Arts and treasures	983	--	--	983
Construction in progress	17,069	31,175	(17,281)	30,963
Total nondepreciable assets	113,638	31,591	(20,896)	124,333
Depreciable capital assets				
Building and improvements	697,642	12,839	--	710,481
Plant and equipment	25,340	711	(969)	25,082
Vehicles	7,792	2,918	(38)	10,672
Total depreciable capital assets	730,774	16,468	(1,007)	746,235
Less accumulated depreciation for				
Building and improvements	(212,161)	(18,907)	--	(231,068)
Plant and equipment	(12,909)	(1,225)	159	(13,975)
Vehicles	(3,893)	(989)	30	(4,852)
Total accumulated depreciation	(228,963)	(21,121) (1)	189	(249,895)
Depreciable capital assets, net of accumulated depreciation	501,811	(4,653)	(818)	496,340
Total capital assets	\$ 615,449	26,938	(21,714)	620,673
(1) Components of accumulated depreciation increases:				
Current year depreciation	\$ 21,121			

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Business-type Activities: Nonmajor Enterprise Funds

Capital asset activity for the year ended September 30, 2013, was as follows (in thousands):

	Beginning Balance	Increases	(1) Decreases	(1) Ending Balance
Nondepreciable capital assets				
Land and improvements	\$ 105,947	8,083	(173)	113,857
Arts and treasures	612	--	--	612
Construction in progress	47,865	43,641	(41,182)	50,324
Total nondepreciable assets	154,424	51,724	(41,355)	164,793
Depreciable capital assets				
Building and improvements	325,263	1,903	(510)	326,656
Plant and equipment	152,689	16,355	(2,673)	166,371
Vehicles	88,929	18,074	(7,430)	99,573
Total depreciable capital assets	566,881	36,332	(10,613)	592,600
Less accumulated depreciation for				
Building and improvements	(116,139)	(9,604)	106	(125,637)
Plant and equipment	(49,422)	(7,211)	1,431	(55,202)
Vehicles	(50,127)	(8,510)	6,822	(51,815)
Total accumulated depreciation	(215,688)	(25,325) (2)	8,359	(232,654)
Depreciable capital assets, net of accumulated depreciation	351,193	11,007	(2,254)	359,946
Total capital assets	\$ 505,617	62,731	(43,609)	524,739

(1) Increases and decreases do not include transfers (at net book value) between nonmajor enterprise funds.

(2) Components of accumulated depreciation increases:

Current year depreciation	
Convention Center	\$ 8,901
Environmental and health services	6,862
Public recreation	679
Urban growth management	8,883
Total increases in accumulated depreciation	\$ 25,325

5 – CAPITAL ASSETS AND INFRASTRUCTURE, continued

Capitalized Interest

The City has recorded capitalized interest for fiscal year 2013 in the following funds related to the construction of various enterprise fund capital improvement projects (in thousands):

Enterprise Funds		
Major fund:		
Airport	\$	843
Nonmajor enterprise funds:		
Convention Center		1,138
Drainage		438

Interest is not capitalized on governmental capital assets. In accordance with accounting for regulated operations, interest is also not capitalized on electric and water and wastewater capital assets.

Service Concession Arrangements

The City has recorded capital assets and deferred inflows of \$3.67 million from the effects of implementing GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*.

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 located at 605 Robert E. Lee Road. 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.

The City entered into an agreement with the Young Men's Christian Association (YMCA) in 2010 to develop and construct a new joint-use recreational facility for the public use located at 1000 W. Rundberg Lane. The facility was built upon City-owned land and was completed in December 2012.

As of September 30, 2013, the City recorded the following activity in the governmental activities (in thousands):

Service Concession Arrangement	Asset		Current Year Depreciation	Total Depreciation	Net Book Value
	Construction Cost	Prior Period Depreciation			
Umlauf Sculpture Garden	\$ 2,337	1,222	58	1,280	1,057
YMCA Northeast Recreation Center	1,333	--	28	28	1,305
	<u>3,670</u>	<u>1,222</u>	<u>86</u>	<u>1,308</u>	<u>2,362</u>

	Deferred Inflows		Current Year Amortization	Total Amortization	New Deferred Inflows
	Deferred Inflows	Prior Period Amortization			
Umlauf Sculpture Garden	2,337	1,629	78	1,707	630
YMCA Northeast Recreation Center	1,333	144	67	211	1,122
	<u>\$ 3,670</u>	<u>1,773</u>	<u>145</u>	<u>1,918</u>	<u>1,752</u>

6 – DEBT AND NON-DEBT LIABILITIES

a -- Long-Term Liabilities

Payments on bonds for governmental activities will be made from the general obligation debt service funds. Accrued compensated absences that pertain to governmental activities will be liquidated by the General Fund, special revenue funds, and internal service funds. Claims payable will be liquidated by internal service funds. Deferred revenue and other liabilities that pertain to governmental activities will be liquidated by the General Fund, special revenue funds, general governmental capital improvement projects funds, and internal service funds.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all limitations and restrictions.

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included in governmental activities.

The following is a summary of changes in long-term obligations. Certain long-term obligations provide financing to both governmental and business-type activities. Balances at September 30, 2013, were as follows (in thousands):

Description	October 1, 2012	Increases	Decreases	September 30, 2013	Amounts Due Within One Year
Governmental activities					
General obligation bonds, net	\$ 877,811	86,896	(61,957)	902,750	52,445
Certificates of obligation, net	95,426	24,340	(4,968)	114,798	4,268
Contractual obligations, net	44,570	28,715	(5,497)	67,788	6,323
General obligation bonds and other tax supported debt total	1,017,807	139,951	(72,422)	1,085,336	63,036
Capital lease obligations	159	--	(159)	--	--
Debt service requirements total	1,017,966	139,951	(72,581)	1,085,336	63,036
Other long-term obligations					
Accrued compensated absences	124,349	3,623	(144)	127,828	52,846
Claims payable	34,219	22,094	(16,431)	39,882	20,750
Pension obligation payable	68,654	--	(3,886)	64,768	--
Other post employment benefits	301,110	74,846	--	375,956	--
Deferred credits and other liabilities	76,759	11,311	(2,180)	85,890	78,830
Governmental activities total	1,623,057	251,825	(95,222)	1,779,660	215,462
Total business-type activities					
General obligation bonds, net	34,661	--	(3,280)	31,381	3,490
Certificates of obligation, net	34,456	1,852	(2,650)	33,658	2,278
Contractual obligations, net	52,298	17,732	(14,522)	55,508	13,336
Other tax supported debt, net	10,605	--	(690)	9,915	721
General obligation bonds and other tax supported debt total	132,020	19,584	(21,142)	130,462	19,825
Commercial paper notes, net	305,026	289,245	(400,280)	193,991	--
Revenue bonds, net	3,944,795	773,257	(513,851)	4,204,201	207,756
Capital lease obligations	1,218	--	(42)	1,176	44
Debt service requirements total	4,383,059	1,082,086	(935,315)	4,529,830	227,625
Other long-term obligations					
Accrued compensated absences	23,258	1,221	(1,377)	23,102	22,552
Accrued landfill closure and postclosure costs	12,033	--	(1,723)	10,310	656
Decommissioning expense payable	171,608	14,885	(7,370)	179,123	--
Pension obligation payable	67,601	--	(3,963)	63,638	--
Other post employment benefits	191,941	30,790	--	222,731	--
Deferred credits and other liabilities	792,313	24,699	(14,505)	802,507	82,543
Business-type activities total	5,641,813	1,153,681	(964,253)	5,831,241	333,376
Total liabilities (1)	\$ 7,264,870	1,405,506	(1,059,475)	7,610,901	548,838

(1) This schedule excludes select short-term liabilities of \$100,012 for governmental activities. For business-type activities, it excludes select short-term liabilities of \$204,669, capital appreciation bond interest payable of \$104,687, and derivative instruments of \$117,026.

6 – DEBT AND NON-DEBT LIABILITIES, continued

a -- Long-Term Liabilities, continued

Description	October 1, 2012	Increases	Decreases	September 30, 2013	Amounts Due Within One Year
Business-type activities:					
Electric activities					
General obligation bonds, net	\$ 942	--	(133)	809	131
General obligation bonds and other tax supported debt total	942	--	(133)	809	131
Commercial paper notes, net	225,256	88,565	(225,280)	88,541	--
Revenue bonds, net	1,185,686	413,251	(289,208)	1,309,729	83,151
Capital lease obligations	1,218	--	(42)	1,176	44
Debt service requirements total	1,413,102	501,816	(514,663)	1,400,255	83,326
Other long-term obligations					
Accrued compensated absences	10,459	739	(1,208)	9,990	9,926
Decommissioning expense payable	171,608	14,885	(7,370)	179,123	--
Pension obligation payable	30,615	--	(1,738)	28,877	--
Other post employment benefits	80,079	11,985	--	92,064	--
Deferred credits and other liabilities	275,938	8,457	(2,287)	282,108	36,800
Electric activities total	1,981,801	537,882	(527,266)	1,992,417	130,052
Water and Wastewater activities					
General obligation bonds, net	4,815	--	(1,181)	3,634	974
Contractual obligations, net	9,371	2,265	(3,355)	8,281	2,685
Other tax supported debt, net	6,790	--	(442)	6,348	461
General obligation bonds and other tax supported debt total	20,976	2,265	(4,978)	18,263	4,120
Commercial paper notes, net	79,770	200,680	(175,000)	105,450	--
Revenue bonds, net	2,295,081	300,006	(201,198)	2,393,889	98,245
Debt service requirements total	2,395,827	502,951	(381,176)	2,517,602	102,365
Other long-term obligations					
Accrued compensated absences	5,387	4	(131)	5,260	5,260
Pension obligation payable	15,143	--	(879)	14,264	--
Other post employment benefits	48,104	7,358	--	55,462	--
Deferred credits and other liabilities	498,686	15,116	(6,681)	507,121	35,885
Water and Wastewater activities total	2,963,147	525,429	(388,867)	3,099,709	143,510
Airport activities					
General obligation bonds, net	199	--	(40)	159	26
General obligation bonds and other tax supported debt total	199	--	(40)	159	26
Revenue bonds, net	269,284	60,000	(13,899)	315,385	15,610
Debt service requirements total	269,483	60,000	(13,939)	315,544	15,636
Other long-term obligations					
Accrued compensated absences	1,717	65	--	1,782	1,521
Pension obligation payable	4,580	--	(268)	4,312	--
Other post employment benefits	13,848	1,078	--	14,926	--
Deferred credits and other liabilities	973	905	--	1,878	1,822
Airport activities total	290,601	62,048	(14,207)	338,442	18,979
Nonmajor activities					
General obligation bonds, net	28,705	--	(1,926)	26,779	2,359
Certificates of obligation, net	34,456	1,852	(2,650)	33,658	2,278
Contractual obligations	42,927	15,467	(11,167)	47,227	10,651
Other tax supported debt, net	3,815	--	(248)	3,567	260
General obligation bonds and other tax supported debt total	109,903	17,319	(15,991)	111,231	15,548
Revenue bonds, net	194,744	--	(9,546)	185,198	10,750
Debt service requirements total	304,647	17,319	(25,537)	296,429	26,298
Other long-term obligations					
Accrued compensated absences	5,695	413	(38)	6,070	5,845
Accrued landfill closure and postclosure costs	12,033	--	(1,723)	10,310	656
Pension obligation payable	17,263	--	(1,078)	16,185	--
Other post employment benefits	49,910	10,369	--	60,279	--
Deferred credits and other liabilities	16,716	221	(5,537)	11,400	8,036
Nonmajor activities total	\$ 406,264	28,322	(33,913)	400,673	40,835

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, 2013, 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	2005	\$ 2,630	1,460	242 (1)(3)	3.85 - 4.30%	9/01/2014-2020
NW Austin MUD	2006	7,995	7,015	3,327 (1)(3)	4.00 - 4.25%	9/01/2014-2026
NW Austin MUD	2010	2,760	1,440	123 (1)(3)	4.00 - 4.25%	3/01/2014-2018
Series 2003 Refunding	2003	68,855	3,670	147 (1)	4.00%	9/1/2014
Series 2003	2003	4,450	220	9 (1)	4.00%	9/1/2014
Series 2004 Refunding	2004	67,835	42,800	11,735 (1)	4.00 - 4.55%	9/1/2014-2024
Series 2004A Refunding	2004	2,430	500	24 (1)	4.75%	9/1/2014
Series 2004	2004	25,000	5,585	1,330 (1)	4.63 - 5.00%	9/1/2014-2024
Series 2005 Refunding	2005	145,345	102,505	18,547 (1)	5.00%	9/1/2014-2020
Series 2005 Refunding	2005	19,535	13,165	5,081 (1)	4.00 - 4.25%	9/1/2014-2025
Series 2005	2005	7,185	5,145	1,517 (1)	3.60 - 4.30%	9/1/2014-2025
Series 2006	2006	31,585	31,085	12,535 (1)	4.00 - 5.38%	9/1/2014-2026
Series 2006	2006	24,150	18,205	6,036 (1)	4.00 - 5.00%	9/1/2014-2026
Series 2006	2006	14,120	1,160	25 (2)	4.25%	11/1/2013
Series 2006	2006	12,000	9,550	3,267 (1)(4)	4.00 - 6.00%	9/1/2014-2026
Series 2007	2008	97,525	93,125	45,810 (1)	4.64%	9/1/2014-2027
Series 2007	2008	3,820	3,040	1,230 (1)	4.88%	9/1/2014-2027
Series 2007	2008	9,755	3,415	242 (2)	3.66%	11/1/2013-2017
Series 2008 Refunding	2008	172,505	93,900	18,791 (1)	5.00%	9/1/2014-2021
Series 2008	2009	76,045	61,055	31,546 (1)	3.50 - 5.00%	9/1/2014-2028
Series 2008	2009	10,700	8,990	3,645 (1)	3.25 - 5.00%	9/1/2014-2028
Series 2008	2009	26,715	10,530	558 (2)	3.25 - 3.50%	11/1/2013-2015
Series 2009A	2009	20,905	8,370	683 (1)	4.13 - 5.00%	9/1/2014-2016
Series 2009B	2009	78,460	78,460	41,001 (1)	4.15 - 5.31%	9/1/2017-2029
Series 2009	2009	12,500	10,025	5,496 (1)	3.00 - 4.75%	9/1/2014-2039
Series 2009	2009	13,800	8,265	678 (2)	2.00 - 3.25%	11/1/2013-2019
Series 2009	2010	15,000	13,165	5,012 (1)(4)	3.50 - 4.25%	9/1/2014-2029
Series 2010A	2011	79,528	66,430	29,973 (1)	2.00 - 4.00%	9/1/2014-2030
Series 2010B	2011	26,400	24,970	12,995 (1)	3.50 - 4.65%	9/1/2014-2030
Series 2010	2011	22,300	20,170	6,404 (1)	2.00 - 3.50%	9/1/2014-2030
Series 2010	2011	16,450	11,070	411 (2)	1.00 - 1.75%	11/1/2013-2017
Series 2010 Refunding	2011	91,560	90,250	27,952 (1)	4.00 - 5.00%	9/1/2014-2023
Series 2011A	2012	78,090	69,690	36,577 (1)	2.00-4.00%	9/1/2014-2031
Series 2011B	2012	8,450	8,450	4,090 (1)	2.50-4.50%	9/1/2014-2031
Series 2011	2012	51,150	50,155	31,734 (1)	3.00-5.00%	9/1/2014-2041
Series 2011	2012	26,725	21,700	1,220 (2)	.05-2.00%	11/1/2013-2018
Series 2011A Refunding	2012	68,285	47,895	9,725 (1)	4.00-5.00%	9/1/2014-2023
Series 2011B Refunding	2012	3,000	1,725	47 (1)	1.19-1.86%	9/1/2014-2016
Series 2012A	2013	74,280	70,945	35,289 (1)	3.00-5.00%	9/1/2014-2032
Series 2012B	2013	6,640	5,760	2,022 (1)	2.00-3.50%	9/1/2014-2032
Series 2012	2013	24,645	23,920	9,301 (1)	2.00-4.00%	9/1/2014-2037
Series 2012	2013	27,135	25,445	3,185 (2)	2.00-4.00%	11/1/2013-2019
Series 2012	2013	16,735	16,385	6,335 (1)(4)	2.00-3.38%	9/1/2014-2032
		<u>\$ 1,190,805</u>				

(1) Interest is paid semiannually on March 1 and September 1.

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

(3) Includes Austin Water Utility principal of \$6,348 and interest of \$2,364 and Drainage Fund principal of \$3,567 and interest of \$1,328.

(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 2012, the City issued \$74,280,000 of Public Improvement Bonds, Series 2012A. The net proceeds of \$78,980,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and signals (\$44,700,000), watershed protection improvements (\$5,000,000), parks and recreation (\$9,640,000), cultural arts (\$5,900,000), central library (\$1,300,000), and facility improvements (\$12,440,000). These bonds will be amortized serially on September 1 of each year from 2013 to 2032. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2013. Total interest requirements for these bonds, at rates ranging from 3.0% to 5.0%, are \$37,944,100.

In October 2012, the City issued \$6,640,000 of Public Improvements Bonds, Taxable Series 2012B. The net proceeds of \$6,650,000 (after issue costs, discounts, and premiums) from the issue will be used for affordable housing. These bonds will be amortized serially on September 1 of each year from 2013 to 2032. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2013. Total interest requirements for these bonds, at rates ranging from 2.0% to 3.5%, are \$2,201,098.

In October 2012, the City issued \$24,645,000 of Certificates of Obligation, Series 2012. The net proceeds of \$25,890,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: Solid Waste Services Environmental Remediation (\$1,830,000), Transportation Projects (\$10,000,000), parks and recreation (\$4,060,000), and Waller Creek Tunnel (\$10,000,000). These certificates of obligation will be amortized serially on September 1 of each year from 2013 to 2037. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2013. Total interest requirements for these obligations, at rates ranging from 2.0% to 4.0%, are \$10,111,213.

In October 2012, the City issued \$27,135,000 of Public Property Finance Contractual Obligations, Series 2012. The net proceeds of \$29,515,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: water utility capital equipment (\$1,210,000), wastewater utility capital equipment (\$1,040,000), parks capital equipment (\$865,000), police vehicles and equipment (\$11,900,000), and solid waste services capital equipment (\$14,500,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2013 to 2019. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2013. Total interest requirements for these obligations, at rates ranging from 1.0% to 4.0%, are \$3,748,758.

In October 2012, the City issued \$16,735,000 of Mueller Local Government Corporation Tax Increment Contract Revenue Bonds, Series 2012. The Mueller Local Government Corporation is a not-for-profit local government corporation acting on behalf of the City of Austin, Texas. The proceeds from the issue will be used to provide funds for certain public infrastructure improvements within the Reinvestment Zone Number Sixteen, City of Austin, Texas, a tax increment reinvestment zone created by the City. These bonds will be amortized serially on September 1 of each year from 2013 to 2032. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2013. The total interest requirements for these bonds, at rates ranging from 2.0% to 3.4%, are \$6,841,313.

General obligation bonds authorized and unissued amounted to \$487,730,000 at September 30, 2013. Bond ratings at September 30, 2013 were Aaa (Moody's Investors Service, Inc.), AAA (Standard & Poor's), and AAA (Fitch).

c -- Business-Type Activities Long-Term Liabilities

Utility Debt -- The City has previously issued combined debt for the Austin Energy and Austin Water Utility. The City began issuing separate debt for electric and water and wastewater activities in 2000. The following paragraphs describe both combined and separate debt.

Combined Utility Systems Debt -- General - Austin Energy and Austin Water Utility comprise the combined utility systems, which issue combined utility systems revenue bonds to finance capital projects. Principal and interest on these bonds are payable solely from the combined net revenues of Austin Energy and Austin Water Utility.

The total combined utility systems revenue bond obligations at September 30, 2013, exclusive of discounts, premiums, and loss on refundings consists of \$31,051,469 prior lien bonds and \$163,380,925 subordinate lien bonds. Aggregate interest requirements for all prior lien and subordinate lien bonds are \$207,578,319 at September 30, 2013. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2013, for the prior lien and subordinate lien bonds were, respectively, Aa1 and Aa2 (Moody's Investors Service, Inc.), AA and AA (Standard & Poor's), and AA and AA- (Fitch).

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

Combined Utility Systems Debt -- Revenue Bond Refunding Issues - The combined utility systems have refunded various issues of revenue bonds, notes, and certificates of obligation through refunding revenue bonds. Principal and interest on these refunding bonds are payable solely from the combined net revenues of Austin Energy and Austin Water Utility Fund. The prior lien bonds are subordinate only to the prior lien revenue bonds outstanding at the time of issuance, while the subordinate lien bonds are subordinate to prior lien revenue bonds and to subordinate lien revenue bonds outstanding at the time of issuance.

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

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

Combined Utility Systems Debt -- Bonds Issued and Outstanding - The following schedule shows the original and refunding revenue bonds outstanding at September 30, 2013 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
1990B Refunding	1990	\$ 236,009	3,668	20,502 (1)(2)	7.35%	11/15/2014-2017
1993 Refunding	1993	203,166	490	15 (1)(2)	6.00%	11/15/2013
1994 Refunding	1995	142,559	26,894	96,961 (1)(2)	6.60%	05/15/2017-2019
1998 Refunding	1999	139,965	131,600	53,966 (1)	5.25%	5/15/2014-2025
1998A Refunding	1999	105,350	31,780	36,134 (1)(2)	4.25%	5/15/2014-2028
			<u>\$ 194,432</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 \$350,000,000 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, 2013, were P-1 (Moody's Investors Service, Inc.), A-1 (Standard & Poor's), and F1 (Fitch). The notes are in denominations of \$100,000 or more and mature not more than 270 days from the date of issuance. Principal and interest on the notes are payable from the combined net revenues of Austin Energy and Austin Water Utility.

At September 30, 2013, Austin Energy had outstanding tax exempt commercial paper notes of \$82,535,000 and Austin Water Utility had \$105,450,000 of commercial paper notes outstanding. Interest rates on the notes range from 0.1% to 0.2%, which are adjusted daily. Subsequent issues cannot exceed the maximum rate of 15%. The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt. The associated letter of credit agreements have the following terms (in thousands):

Note Series	Liquidity Provider	Commitment Fee Rate	Credit Fee Rate	Remarketing	Remarketing Fee Rate	Outstanding	Expiration
Various	JPMorgan Chase Bank, NA	0.85%	0.90%	Goldman Sachs	0.075%	\$ 101,083	10/1/2014
Various	State Street	0.85%	0.90%	Goldman Sachs	0.075%	86,902	10/1/2014
						<u>\$ 187,985</u>	

6 – DEBT AND NON-DEBT LIABILITIES, continued

c -- Business-Type Activities Long-Term Liabilities, continued

These notes 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 notes, the notes will be purchased by the respective liquidity providers and become bank notes with principal to be paid in 12 equal, quarterly installments. Bank notes bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess interest or the maximum rate.

Combined Utility Systems Debt -- Taxable Commercial Paper Notes - The City is authorized by ordinance to issue taxable commercial paper notes (the "taxable notes") in an aggregate principal amount not to exceed \$50,000,000 outstanding at any time. Proceeds from the taxable notes are used to provide interim financing for capital project costs for additions, improvements, and extensions to the City's electric system and the City's water and wastewater system and to refinance, renew, or refund maturing notes and other obligations of the systems. Note ratings at September 30, 2013, were P-1 (Moody's Investors Service, Inc.), A-1 (Standard & Poor's), and F1 (Fitch).

The taxable notes are issued in denominations of \$100,000 or more and mature not more than 270 days from the date of issuance. Principal and interest on the taxable notes are payable from the combined net revenues of Austin Energy and Austin Water Utility.

At September 30, 2013, the Austin Energy Fund had outstanding taxable notes of \$6,008,000 (net of discount of \$3,033), and the Austin Water Utility had no taxable notes outstanding. Interest rates on the taxable notes range from 0.21% to 0.22%. The City intends to refinance maturing commercial paper notes by issuing long-term debt. The associated letter of credit agreement has the following terms (in thousands):

Note Series	Liquidity Provider	Commitment Fee Rate	Remarketing	Remarketing Fee Rate	Outstanding	Expiration
Various	JPMorgan Chase Bank, NA	0.85%	Goldman Sachs	0.075%	\$ 6,008	10/1/2014

These taxable notes 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 notes, the notes will be purchased by JPMorgan Chase Bank, NA and become bank notes with principal due immediately. Bank notes bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess note interest or the maximum rate.

The taxable notes are secured by a direct-pay Letter of Credit issued by JPMorgan Chase Bank, NA which permits draws for the payment of the Notes. Draws made under the Letter of Credit are immediately due and payable by the City from the resources more fully described in the Ordinance. No 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, 2013, were A1 (Moody's Investors Service, Inc.), AA- (Standard & Poor's), and AA- (Fitch).

Electric Utility System Revenue Debt -- Revenue Bond Refunding Issues – In December 2012, the City issued \$267,770,000 of Electric Utility System Revenue Refunding Bonds, Series 2012A. The net proceeds from the bond refunding were used to refund \$181,555,000 of the City's outstanding tax-exempt commercial paper issued for the electric utility system and \$127,800,000 of separate lien refunding bonds, series 2003. The debt service requirements on the refunding bonds are \$488,264,319, with interest rates ranging from 2.5% to 5.0%. Interest payments are due May 15 and November 15 of each year from 2013 to 2040. Principal payments are due November 15 of each year from 2016 to 2040. An economic gain of \$24,186,987 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$25,484,029. An accounting loss of \$1,354,733, which will be deferred and amortized, was recorded on this refunding.

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

In December 2012, the City issued \$107,715,000 of Electric Utility System Revenue Refunding Bonds, Series 2012B. The net proceeds from the bond refunding were used to refund \$43,745,000 of the City's outstanding taxable commercial paper notes issued for the electric utility system; \$24,135,000 of separate lien revenue refunding bonds, series 2002A; \$3,500,000 of separate lien revenue refunding bonds, series 2006; \$29,000,000 of separate lien revenue refunding bonds, series 2007; and \$2,570,000 of separate lien revenue refunding bonds, series 2008. The debt service requirements on the refunding bonds are \$138,270,727, with interest rates ranging from 0.67% to 3.2%. Interest payments are due May 15 and November 15 of each year from 2013 to 2027. Principal payments are due November 15 of each year from 2015 to 2027. An economic loss of \$1,193,260 was recognized on this transaction. The change in net cash flows that resulted from the refunding was an increase of \$11,339,873. An accounting loss of \$7,806,248, which will be deferred and amortized, was recorded on this refunding.

Electric Utility System Revenue Debt -- Bonds Issued and Outstanding - The following table summarizes all electric system original and refunding revenue bonds outstanding at September 30, 2013 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2002 Refunding	2002	\$ 74,750	24,335	1,026 (1)	5.50%	11/15/2013-2014
2002A Refunding	2002	172,880	48,660	4,901 (1)	5.50%	11/15/2013-2016
2006 Refunding	2006	150,000	130,700	89,698 (1)	5.00%	11/15/2013-2035
2006A Refunding	2007	137,800	83,870	20,218 (1)	5.00%	11/15/2013-2022
2007 Refunding	2007	146,635	80,640	12,968 (1)	5.00%	11/15/2013-2020
2008 Refunding	2008	50,000	42,860	33,473 (1)	4.15 - 6.26%	11/15/2013-2032
2008A Refunding	2008	175,000	174,400	150,111 (1)	4.00 - 6.00%	11/15/2013-2038
2010A Refunding	2010	119,255	114,450	72,240 (1)	3.00 - 5.00%	11/15/2013-2040
2010B Refunding	2010	100,990	100,990	104,085 (1)	4.54 - 5.72%	11/15/2019-2040
2012A Refunding	2013	267,770	267,770	215,483 (1)	2.50 - 5.00%	11/15/2016-2040
2012B Refunding	2013	107,715	107,715	29,524 (1)	.67 - 3.16%	11/15/2015-2027
		<u>\$ 1,176,390</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, 2013 (in thousands):

Gross Revenue (1)	Operating Expense (2)(3)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 1,295,116	927,294	367,822	176,143	208.8%

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

(2) Excludes depreciation.

(3) Excludes other post employment benefits and pension obligation accruals.

Water and Wastewater System Revenue Debt -- General - The City is authorized by ordinance to issue Austin Water Utility revenue obligations. Proceeds from these obligations are used only to fund water and wastewater capital projects or to refund debt issued to fund these capital projects. Principal and interest on these obligations are payable solely from the net revenues of the Austin Water Utility.

Water and Wastewater System Revenue Debt -- Revenue Bond Refunding Issues - In July 2013, the City issued \$282,460,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2013. The net proceeds from the bond refunding were used to refund \$175,000,000 of the City's outstanding tax-exempt commercial paper issued for the water and wastewater utility system; and \$118,645,000 of separate lien revenue refunding bonds, series 2004A. The debt service requirements on the refunding bonds are \$511,942,722 with interest rates ranging from 3.0% to 5.0%. Interest payments are due May 15 and November 15 of each year from 2013 to 2043. Principal payments are due November 15 of each year from 2015 to 2043. An economic gain of \$6,401,122 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$6,565,024. An accounting loss of \$4,351,020, which will be deferred and amortized, was recorded on this refunding.

6 – DEBT AND NON-DEBT LIABILITIES, continued

c -- Business-Type Activities Long-Term Liabilities, continued

Bond ratings at September 30, 2013, were Aa2 (Moody's Investors Service, Inc.), AA (Standard & Poor's), and AA- (Fitch).

In 2013, the City converted the final \$1,450,000 of initial bonds, those authorized but not converted, to definitive Water and Wastewater System Revenue Bonds, Series 2010. With these issuances and the current year principal payment, the outstanding commitment with the Texas Water Development Board (TWDB) is now \$30,750,000.

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, 2013 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2001C Refunding	2002	\$ 95,380	6,621	228 (1)	4.60 - 5.38%	11/15/2013-2015 (3)
2002A Refunding	2002	139,695	64,425	6,794 (1)	5.50%	11/15/2013-2016
2004A Refunding	2005	165,145	19,390	4,615 (1)	5.00%	11/15/2013-2029
2005 Refunding	2005	198,485	183,240	67,449 (1)	4.00 - 5.00%	11/15/2013-2030 (3)
2005A Refunding	2006	142,335	117,895	74,893 (1)	4.30 - 5.00%	11/15/2013-2035 (3)
2006 Refunding	2006	63,100	45,865	15,492 (1)	5.00%	11/15/2013-2025
2006A Refunding	2007	135,000	123,250	77,240 (1)	3.50 - 5.00%	11/15/2013-2036
2007 Refunding	2008	135,000	125,490	93,034 (1)	4.00 - 5.25%	11/15/2013-2037
2008 Refunding	2008	170,605	147,720	51,689 (2)	0.04 - 0.23%	11/15/2013-2031 (3)
2009 Refunding	2009	175,000	162,870	77,791 (1)	4.00 - 5.13%	11/15/2013-2029
2009A Refunding	2010	166,575	159,745	123,333 (1)	4.00 - 5.00%	11/15/2013-2039
2010	2010	31,815	30,750	-- (4)	0.00%	11/15/2013-2041
2010A Refunding	2011	76,855	76,855	66,594 (1)	4.00 - 5.13%	11/15/2013-2040
2010B Refunding	2011	100,970	100,970	98,637 (1)	2.49 - 6.02%	11/15/2015-2040
2011 Refunding	2012	237,530	237,530	195,081 (1)	2.00 - 5.00%	11/15/2014-2041
2011 Revenue	2012	18,485	18,485	2,535 (5)	2.50 - 2.80%	12/01/2015-2016
2011 Revenue	2012	2,332	2,332	298 (5)	2.50 - 2.80%	12/01/2015-2016
2012 Refunding	2012	336,820	336,820	228,452 (1)	1.00 - 5.00%	11/15/2013-2042
2013A Refunding	2013	282,460	282,460	229,483 (1)	3.00 - 5.00%	11/15/2015-2043
			<u>\$ 2,242,713</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 in effect at the end of the fiscal year.

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

(4) Zero interest bond placed with TWDB.

(5) Special Assessment Revenue Bonds.

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

Bond Sub-Series	Liquidity Provider	Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate	Outstanding	Expiration
2008	Sumitomo Mitsui Banking Corp./The Bank of Tokyo-Mitsubishi UFJ, Ltd	0.85%	Goldman Sachs	0.050%	<u>\$ 147,720</u>	5/8/2015

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.

6 – DEBT AND NON-DEBT LIABILITIES, continued

c -- Business-Type Activities Long-Term Liabilities, continued

Water and Wastewater System Revenue Debt -- Pledged Revenues - The net revenue of Austin Water Utility was pledged to service the outstanding principal and interest payments for revenue debt outstanding. The table below represents the pledged amounts at September 30, 2013 (in thousands):

Gross Revenue (1)	Operating Expense (2)(3)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
\$ 477,013	209,890	267,123	189,012	141.3%

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

(2) Excludes depreciation.

(3) Excludes other post employment benefits and pension obligation accruals.

Airport -- Revenue Bonds - 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, 2013, the total airport system obligation for prior lien bonds is \$326,055,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior lien bonds are \$87,384,794 at September 30, 2013. Revenue bonds authorized and unissued amount to \$735,795,000.

Airport System Revenue Debt -- Revenue Bond Issue - In May 2013, the City issued \$60,000,000 of Airport System Revenue Bonds, Series 2013. The proceeds from this issue will be used to provide funds for planning, acquiring, establishing, constructing, improving and equipping Airport facilities. The debt service requirements on the revenue bonds are \$73,237,650 with interest rate of 2.25%. Interest payments are due May 15 and November 15 of each year from 2013 to 2028, with the first interest payment beginning in November. Principal payments are due November 15 of each year from 2015 to 2027, with the final principal payment due May 15 of 2028.

The bond rating at September 30, 2013, for the revenue bonds is A (Standard & Poor's).

The following table summarizes all airport system original and refunding revenue bonds outstanding at September 30, 2013 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2003 Refunding	2004	\$ 54,250	35,880	7,610 (1)	4.00 - 5.25%	11/15/2013-2018
2005 Refunding	2008 (2)	281,300	230,175	66,537 (3)	0.05 - 0.24%	11/15/2013-2025
2013 Revenue	2013	60,000	60,000	13,238 (1)	2.25%	11/15/2015-2028 (4)
			<u>\$ 326,055</u>			

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

(2) Series was remarketed in 2008.

(3) Interest is paid monthly and is based on a variable rate. Aggregate interest requirement is calculated utilizing the rate in effect at the end of the fiscal year.

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

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

The Series 2005 refunding bonds that were remarketed in 2008 are variable rate demand bonds. These bonds are separated into 4 subseries with a total principal amount of \$230,175,000. The associated letter of credit agreements have the following terms (in thousands):

Bond Sub-Series	Liquidity Provider	Variable Rate Demand Bonds			Outstanding	Expiration
		Commitment Fee Rate	Remarketing Agent	Remarketing Fee Rate		
2005-1	JPMorgan Chase Bank, NA	1.35%	Morgan Stanley	0.10%	\$ 57,550	6/21/2014
2005-2	JPMorgan Chase Bank, NA	1.35%	Morgan Stanley	0.10%	57,500	6/21/2014
2005-3	State Street Bank and Trust	1.00%	Morgan Stanley	0.10%	57,550	6/21/2014
2005-4	Royal Bank of Canada	1.35%	Morgan Stanley	0.10%	57,575	6/21/2014
					<u>\$ 230,175</u>	

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the bonds or if the agreement expires with no new agreement in place, the bonds will be purchased by the respective liquidity provider and become bank bonds with principal to be paid in annual installments over the remaining life of the bond series beginning on the first business day of the month six months following the triggering repayment event. Thus, under any circumstance, no principal payments will be due within a year of September 30, 2013. 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.

Airport Revenue Debt -- Pledged Revenues - The net revenue of the Airport Fund was pledged to service the outstanding principal and interest payments for revenue debt outstanding (including revenue bonds and revenue notes). The table below represents the pledged amounts at September 30, 2013 (in thousands):

Gross Revenue (1)	Other Available Funds (2)	Operating Expense (3)(4)	Net Revenue and Other Available Funds	Debt Service Requirement (5)	Revenue Bond Coverage
\$ 103,705	7,778	69,338	42,145	15,221	276.9%

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

(2) Pursuant to bond ordinance, in addition to gross revenue, the Airport is authorized to use "other available funds" in the calculation of revenue bond coverage.

(3) Excludes depreciation.

(4) Excludes other post employment benefits and pension obligation accruals.

(5) Excludes debt service amounts paid with passenger facility charge revenues.

Nonmajor fund:

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, 2013, the total convention center obligation for prior and subordinate lien bonds is \$195,825,000 exclusive of discounts, premiums, and loss on refundings. Aggregate interest requirements for all prior and subordinate lien bonds are \$63,279,018 at September 30, 2013. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2013.

Bond ratings at September 30, 2013, for the revenue bonds were A1 (Moody's Investors Service, Inc.), and A (Standard & Poor's).

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

The following table summarizes Convention Center original and refunding revenue bonds outstanding at September 30, 2013 (in thousands):

Series	Fiscal Year	Original Amount Issued	Principal Outstanding	Aggregate Interest Requirements Outstanding	Interest Rates of Debt Outstanding	Maturity Dates of Serial Debt
2004 Refunding	2004	\$ 52,715	32,915	6,089 (1)	5.00%	11/15/2013-2019
2005 Refunding	2005	36,720	34,825	16,571 (1)	4.00 - 5.00%	11/15/2013-2029
2008AB Refunding	2008	125,280	108,240	31,485 (2)	0.05 - 0.28%	11/15/2013-2029
2012 Refunding	2012	20,185	19,845	9,134 (1)	2.00 - 5.00%	11/15/2013-2029
			<u>\$ 195,825</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 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	JPMorgan Chase Bank, NA	1.10%	Morgan Keegan	0.06%	\$ 54,120	7/25/2014
2008-B	Bank of America, NA	1.10%	Merrill Lynch, Pierce, Fenner & Smith Inc.	0.05%	54,120	7/25/2014
					<u>\$ 108,240</u>	

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the bonds or if the agreement expires with no new agreement in place, the bonds will be purchased by the respective liquidity provider and become bank bonds with principal to be paid in equal semi-annual installments over a 5-year amortization period beginning six months from the triggering repayment event. Thus, under any circumstance, no principal payments will be due within a year of September 30, 2013. 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.

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
2014	\$ 52,445	39,150	4,268	4,301	6,323	2,109
2015	52,746	36,749	4,317	4,166	6,986	1,953
2016	48,920	34,358	4,510	4,013	6,697	1,756
2017	55,546	32,062	4,691	3,845	6,391	1,574
2018	55,659	29,410	4,910	3,680	6,371	1,388
2019-2023	269,549	107,957	27,887	15,499	14,732	4,920
2024-2028	257,895	50,815	29,065	9,597	11,170	2,574
2029-2033	91,295	6,571	16,265	4,960	7,935	680
2034-2038	--	--	10,060	2,609	--	--
2039-2043	--	--	6,395	552	--	--
	<u>884,055</u>	<u>337,072</u>	<u>112,368</u>	<u>53,222</u>	<u>66,605</u>	<u>16,954</u>
Less: Unamortized bond discounts	(530)	--	--	--	(7)	--
Unamortized gain(loss) on bond refundings	(17,223)	--	--	--	--	--
Add: Unamortized bond premiums	36,448	--	2,430	--	1,190	--
Net debt service requirements	<u>902,750</u>	<u>337,072</u>	<u>114,798</u>	<u>53,222</u>	<u>67,788</u>	<u>16,954</u>

Fiscal Year Ended September 30	Total Governmental Debt Service Requirements		
	Principal	Interest	Total
2014	63,036	45,560	108,596
2015	64,049	42,868	106,917
2016	60,127	40,127	100,254
2017	66,628	37,481	104,109
2018	66,940	34,478	101,418
2019-2023	312,168	128,376	440,544
2024-2028	298,130	62,986	361,116
2029-2033	115,495	12,211	127,706
2034-2038	10,060	2,609	12,669
2039-2043	6,395	552	6,947
	<u>1,063,028</u>	<u>407,248</u>	<u>1,470,276</u>
Less: Unamortized bond discounts	(537)	--	(537)
Unamortized gain(loss) on bond refundings	(17,223)	--	(17,223)
Add: Unamortized bond premiums	40,068	--	40,068
Net debt service requirements	<u>1,085,336</u>	<u>407,248</u>	<u>1,492,584</u>

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

Business-Type Activities (in thousands)						
Fiscal Year Ended September 30	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,490	1,444	2,278	1,242	13,336	1,317
2015	3,169	1,288	2,188	1,152	11,709	1,007
2016	3,160	1,146	2,301	1,067	9,957	709
2017	3,373	991	1,089	977	7,644	478
2018	3,712	822	1,135	948	5,909	292
2019-2023	13,791	1,807	6,593	4,204	5,523	175
2024-2028	--	--	10,205	2,604	--	--
2029-2033	--	--	5,275	936	--	--
2034-2038	--	--	1,645	332	--	--
2039-2043	--	--	380	18	--	--
	<u>30,695</u>	<u>7,498</u>	<u>33,089</u>	<u>13,480</u>	<u>54,078</u>	<u>3,978</u>
Less: Unamortized bond discounts	(24)	--	--	--	--	--
Unamortized gain(loss) on bond refundings	(1,810)	--	--	--	--	--
Add: Unamortized bond premiums	2,520	--	569	--	1,430	--
Net debt service requirements	<u>31,381</u>	<u>7,498</u>	<u>33,658</u>	<u>13,480</u>	<u>55,508</u>	<u>3,978</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Commercial Paper Notes (1)		Revenue Bonds (2)(3)	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	721	400	193,993	20	207,756	184,920
2015	744	371	--	--	172,601	190,006
2016	795	342	--	--	194,228	177,406
2017	539	469	--	--	203,760	198,239
2018	545	467	--	--	155,258	205,200
2019-2023	3,781	1,407	--	--	869,315	685,884
2024-2028	2,790	236	--	--	956,110	442,378
2029-2033	--	--	--	--	603,239	256,429
2034-2038	--	--	--	--	473,480	134,659
2039-2043	--	--	--	--	288,168	30,197
2044-2048	--	--	--	--	11,501	287
	<u>9,915</u>	<u>3,692</u>	<u>193,993</u>	<u>20</u>	<u>4,135,416</u>	<u>2,505,605</u>
Less: Unamortized bond discounts	--	--	(2)	--	(4,867)	--
Unamortized gain(loss) on bond refundings	--	--	--	--	(114,155)	--
Add: Unamortized bond premiums	--	--	--	--	187,807	--
Net debt service requirements	<u>\$ 9,915</u>	<u>3,692</u>	<u>193,991</u>	<u>20</u>	<u>4,204,201</u>	<u>2,505,605</u>

(1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

(2) A portion of these bonds are variable rate bonds with rates ranging from 0.05% to 0.28%.

(3) Portions of these bonds are Special Assessment Revenue Bonds.

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

Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	Capital Lease Obligations		Total Business-Type Activities Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
2014	44	58	421,618	189,401	611,019
2015	47	56	190,458	193,880	384,338
2016	49	53	210,490	180,723	391,213
2017	51	51	216,456	201,205	417,661
2018	54	48	166,613	207,777	374,390
2019-2023	316	195	899,319	693,672	1,592,991
2024-2028	405	106	969,510	445,324	1,414,834
2029-2033	210	12	608,724	257,377	866,101
2034-2038	--	--	475,125	134,991	610,116
2039-2043	--	--	288,548	30,215	318,763
2044-2048	--	--	11,501	287	11,788
	<u>1,176</u>	<u>579</u>	<u>4,458,362</u>	<u>2,534,852</u>	<u>6,993,214</u>
Less: Unamortized bond discounts	--	--	(4,893)	--	(4,893)
Unamortized gain(loss) on bond refundings	--	--	(115,965)	--	(115,965)
Add: Unamortized bond premiums	--	--	192,326	--	192,326
Net debt service requirements	<u>1,176</u>	<u>579</u>	<u>4,529,830</u>	<u>2,534,852</u>	<u>7,064,682</u>

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

Austin Energy Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Commercial Paper Notes (1)		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 131	39	88,543	15	83,151	60,101
2015	139	33	--	--	47,904	59,018
2016	112	26	--	--	65,132	56,811
2017	121	20	--	--	53,793	54,201
2018	113	14	--	--	39,431	52,048
2019-2023	167	11	--	--	238,017	213,588
2024-2028	--	--	--	--	277,164	151,356
2029-2033	--	--	--	--	213,235	89,999
2034-2038	--	--	--	--	176,730	42,311
2039-2043	--	--	--	--	81,845	5,700
	<u>783</u>	<u>143</u>	<u>88,543</u>	<u>15</u>	<u>1,276,402</u>	<u>785,133</u>
Less: Unamortized bond discount	(1)	--	(2)	--	(786)	--
Unamortized gain(loss) on bond refundings	--	--	--	--	(30,717)	--
Add: Unamortized bond premium	27	--	--	--	64,830	--
Net debt service requirements	<u>809</u>	<u>143</u>	<u>88,541</u>	<u>15</u>	<u>1,309,729</u>	<u>785,133</u>

Fiscal Year Ended September 30	Capital Lease Obligations		Total Austin Energy Debt Service Requirements		
	Principal	Interest	Principal	Interest	Total
2014	44	58	171,869	60,213	232,082
2015	47	56	48,090	59,107	107,197
2016	49	53	65,293	56,890	122,183
2017	51	51	53,965	54,272	108,237
2018	54	48	39,598	52,110	91,708
2019-2023	316	195	238,500	213,794	452,294
2024-2028	405	106	277,569	151,462	429,031
2029-2033	210	12	213,445	90,011	303,456
2034-2038	--	--	176,730	42,311	219,041
2039-2043	--	--	81,845	5,700	87,545
	<u>1,176</u>	<u>579</u>	<u>1,366,904</u>	<u>785,870</u>	<u>2,152,774</u>
Less: Unamortized bond discounts	--	--	(789)	--	(789)
Unamortized gain(loss) on bond refundings	--	--	(30,717)	--	(30,717)
Add: Unamortized bond premiums	--	--	64,857	--	64,857
Net debt service requirements	<u>\$ 1,176</u>	<u>579</u>	<u>1,400,255</u>	<u>785,870</u>	<u>2,186,125</u>

(1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

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

Austin Water Utility Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Contractual Obligations		Other Tax Supported Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 974	214	2,685	192	461	256
2015	1,009	174	1,607	129	476	238
2016	1,022	133	1,310	93	509	219
2017	852	82	1,105	59	345	300
2018	598	40	755	34	349	299
2019-2023	217	18	641	19	2,422	901
2024-2028	--	--	--	--	1,786	151
	<u>4,672</u>	<u>661</u>	<u>8,103</u>	<u>526</u>	<u>6,348</u>	<u>2,364</u>
Less: Unamortized bond discounts	(1)	--	--	--	--	--
Unamortized gain(loss) on bond refundings	(1,432)	--	--	--	--	--
Add: Unamortized bond premiums	395	--	178	--	--	--
Net debt service requirements	<u>3,634</u>	<u>661</u>	<u>8,281</u>	<u>526</u>	<u>6,348</u>	<u>2,364</u>

Fiscal Year Ended September 30	Commercial Paper Notes (1)		Revenue Bonds (2) (3)		Total Austin Water Utility Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2014	105,450	5	98,245	105,314	207,815	105,981	313,796
2015	--	--	97,177	112,580	100,269	113,121	213,390
2016	--	--	99,026	103,356	101,867	103,801	205,668
2017	--	--	115,837	127,997	118,139	128,438	246,577
2018	--	--	78,812	138,685	80,514	139,058	219,572
2019-2023	--	--	446,008	423,501	449,288	424,439	873,727
2024-2028	--	--	522,631	275,589	524,417	275,740	800,157
2029-2033	--	--	364,824	165,654	364,824	165,654	530,478
2034-2038	--	--	296,750	92,348	296,750	92,348	389,098
2039-2043	--	--	206,323	24,497	206,323	24,497	230,820
2044-2048	--	--	11,501	287	11,501	287	11,788
	<u>105,450</u>	<u>5</u>	<u>2,337,134</u>	<u>1,569,808</u>	<u>2,461,707</u>	<u>1,573,364</u>	<u>4,035,071</u>
Less: Unamortized bond discounts	--	--	(3,244)	--	(3,245)	--	(3,245)
Unamortized gain(loss) on bond refundings	--	--	(57,836)	--	(59,268)	--	(59,268)
Add: Unamortized bond premiums	--	--	117,835	--	118,408	--	118,408
Net debt service requirements	<u>\$105,450</u>	<u>5</u>	<u>2,393,889</u>	<u>1,569,808</u>	<u>2,517,602</u>	<u>1,573,364</u>	<u>4,090,966</u>

(1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

(2) Portions of these bonds are variable rate bonds with rates of 0.04% to 0.23%.

(3) Portions of these bonds are Special Assessment Revenue Bonds.

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

Airport Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation		Revenue Bonds (1)	
	Bonds			
	Principal	Interest	Principal	Interest
2014	\$ 26	8	15,610	12,049
2015	28	6	16,345	11,393
2016	22	5	17,985	10,697
2017	23	4	21,575	9,999
2018	21	3	23,965	8,939
2019-2023	33	2	129,240	28,729
2024-2028	--	--	101,335	5,579
	153	28	326,055	87,385
Less: Unamortized bond discounts	--	--	(560)	--
Unamortized gain(loss) on bond refundings	(2)	--	(11,162)	--
Add: Unamortized bond premiums	8	--	1,052	--
Net debt service requirements	159	28	315,385	87,385

Fiscal Year Ended September 30	Total Airport		
	Debt Service Requirements		
	Principal	Interest	Total
2014	15,636	12,057	27,693
2015	16,373	11,399	27,772
2016	18,007	10,702	28,709
2017	21,598	10,003	31,601
2018	23,986	8,942	32,928
2019-2023	129,273	28,731	158,004
2024-2028	101,335	5,579	106,914
	326,208	87,413	413,621
Less: Unamortized bond discounts	(560)	--	(560)
Unamortized gain(loss) on bond refundings	(11,164)	--	(11,164)
Add: Unamortized bond premiums	1,060	--	1,060
Net debt service requirements	\$ 315,544	87,413	402,957

(1) Portions of these bonds are variable rate bonds with rates ranging from 0.05% to .24%.

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

Nonmajor Business-Type Activities
(in thousands)

Fiscal Year Ended September 30	General Obligation Bonds		Certificates of Obligation		Contractual Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 2,359	1,183	2,278	1,242	10,651	1,125
2015	1,993	1,075	2,188	1,152	10,102	878
2016	2,004	982	2,301	1,067	8,647	616
2017	2,377	885	1,089	977	6,539	419
2018	2,980	765	1,135	948	5,154	258
2019-2023	13,374	1,776	6,593	4,204	4,882	156
2024-2028	--	--	10,205	2,604	--	--
2029-2033	--	--	5,275	936	--	--
2034-2038	--	--	1,645	332	--	--
2039-2043	--	--	380	18	--	--
	<u>25,087</u>	<u>6,666</u>	<u>33,089</u>	<u>13,480</u>	<u>45,975</u>	<u>3,452</u>
Less: Unamortized bond discounts	(22)	--	--	--	--	--
Unamortized gain(loss) on bond refundings	(376)	--	--	--	--	--
Add: Unamortized bond premiums	2,090	--	569	--	1,252	--
Net debt service requirements	<u>26,779</u>	<u>6,666</u>	<u>33,658</u>	<u>13,480</u>	<u>47,227</u>	<u>3,452</u>

Fiscal Year Ended September 30	Other Tax Supported Debt		Revenue Bonds (1)		Total Nonmajor Debt Service Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2014	260	144	10,750	7,456	26,298	11,150	37,448
2015	268	133	11,175	7,015	25,726	10,253	35,979
2016	286	123	12,085	6,542	25,323	9,330	34,653
2017	194	169	12,555	6,042	22,754	8,492	31,246
2018	196	168	13,050	5,528	22,515	7,667	30,182
2019-2023	1,359	506	56,050	20,066	82,258	26,708	108,966
2024-2028	1,004	85	54,980	9,854	66,189	12,543	78,732
2029-2033	--	--	25,180	776	30,455	1,712	32,167
2034-2038	--	--	--	--	1,645	332	1,977
2039-2043	--	--	--	--	380	18	398
	<u>3,567</u>	<u>1,328</u>	<u>195,825</u>	<u>63,279</u>	<u>303,543</u>	<u>88,205</u>	<u>391,748</u>
Less: Unamortized bond discounts	--	--	(277)	--	(299)	--	(299)
Unamortized gain(loss) on bond refundings	--	--	(14,440)	--	(14,816)	--	(14,816)
Add: Unamortized bond premiums	--	--	4,090	--	8,001	--	8,001
Net debt service requirements	<u>\$ 3,567</u>	<u>1,328</u>	<u>185,198</u>	<u>63,279</u>	<u>296,429</u>	<u>88,205</u>	<u>384,634</u>

(1) A portion of these bonds are variable rate bonds with rates ranging from 0.05% to 0.28%.

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, 2013, defeased bonds remaining unredeemed or unmatured are provided below (in thousands):

Refunded Bonds	Escrow Maturity	Balance (1)
General Obligation		
Public Improvement and Refunding Bonds, Series 2004	9/1/2014	\$ 4,980
Certificates of Obligations, Series 2004	9/1/2014	10,945
HUD 108 Loan, Series 2006A	8/1/2016	655
HUD 108 Loan, Series 2010A	8/1/2016	2,865
Austin Water Utility		
Series 2004A	11/15/2013	5,340
Series 2004A	11/15/2014	113,305
		<u>\$ 138,090</u>

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

7 – RETIREMENT PLANS

a – Description

The City participates in funding three contributory, defined benefit retirement plans: the City of Austin Employees' Retirement and Pension Fund, the City of Austin Police Officers' Retirement and Pension Fund, and the Fire Fighters' Relief and Retirement Fund of Austin, Texas. An Independent Board of Trustees administers each plan. These plans are Citywide single employer funded plans that cover substantially all full-time employees. The fiscal year of each pension fund ends December 31. The most recently available financial statements of the pension funds are for the year ended December 31, 2012. Membership in the plans at December 31, 2012, is as follows:

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	5,755	648	617	7,020
Current employees	8,387	1,709	998	11,094
Total	<u>14,142</u>	<u>2,357</u>	<u>1,615</u>	<u>18,114</u>

Each plan provides service retirement, death, disability, and withdrawal benefits. State law governs benefit and contribution provisions. Amendments may be made by the Legislature of the State of Texas.

Financial reports that include financial statements and supplementary information for each plan are publicly available at the locations shown below.

<u>Plan</u>	<u>Address</u>	<u>Telephone</u>
Employees' Retirement and Pension Fund	418 E. Highland Mall Blvd. Austin, Texas 78752 www.coaers.org	(512)458-2551
Police Officers' Retirement and Pension Fund	2520 S. IH 35, Ste. 205 Austin, Texas 78704 www.ausprs.org	(512)416-7672
Fire Fighters' Relief and Retirement Fund	4101 Parkstone Heights Dr., Ste. 270 Austin, Texas 78746 www.afrs.org	(512)454-9567

b -- Funding Policy

	<u>City of Austin Employees' Retirement and Pension Fund</u>	<u>City of Austin Police Officers' Retirement and Pension Fund</u>	<u>Fire Fighters' Relief and Retirement Fund</u>
Authority establishing contributions obligation	State Legislation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly	Biweekly
Employee's contribution (percent of earnings)	8.00%	13.00%	16.20% (1)
City's contribution (percent of earnings)	18.0% (2)	21.63% (3)	21.05% (4)

(1) A rate of 16.70% was effective October 1, 2013

(2) The City contributes two-thirds of the cost of prior service benefit payments. A rate of 18% was effective October 1, 2012. The City contribution includes an 8% employee match plus a subsidy contribution of 10%.

(3) A rate of 21.63% was effective October 1, 2012.

(4) A rate of 22.05% was effective August 25, 2013.

7 – RETIREMENT PLANS, continued
b -- Funding Policy, continued

While the contribution requirements are not actuarially determined, state law requires that a qualified actuary approve each plan of benefits adopted. Contributions for fiscal year ended September 30, 2013, are as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total
City	\$ 85,531	30,675	17,390	133,596
Employees	37,795	18,436	13,744	69,975
Total contributions	<u>\$ 123,326</u>	<u>49,111</u>	<u>31,134</u>	<u>203,571</u>

c -- Annual Pension Cost and Net Pension Obligation (Asset)

The City's annual pension cost of \$122,890,000 for the fiscal year ended September 30, 2013, was \$10,706,000 less than the City's actual contributions. Three-year trend information is as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total
City's Annual Pension Cost (APC)				
2011	\$ 81,615	22,306	15,649	119,570
2012	85,335	27,246	15,589	128,170
2013	77,682	27,347	17,861	122,890
Percentage of APC contributed				
2011	79%	117%	95%	N/A
2012	85%	102%	100%	N/A
2013	110%	112%	97%	N/A
Net Pension Obligation (Asset)				
2011	123,692	(4,170)	(2,413)	117,109
2012	136,255	(4,733)	(2,451)	129,071
2013	128,406	(8,061)	(1,980)	118,365

The Net Pension Obligation (Asset) associated with the City Employees' Retirement and Pension Fund, the Police Officers' Retirement and Pension Fund, and the Fire Fighters' Relief and Retirement Fund is as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total
Annual required contribution	\$ 75,077	27,456	17,908	120,441
Interest on net pension obligation (asset)	10,562	(378)	(190)	9,994
Adjustment to annual required contribution	(7,957)	269	143	(7,545)
Annual pension cost	<u>77,682</u>	<u>27,347</u>	<u>17,861</u>	<u>122,890</u>
Employer contributions	<u>(85,531)</u>	<u>(30,675)</u>	<u>(17,390)</u>	<u>(133,596)</u>
Change in net pension obligation (asset)	<u>(7,849)</u>	<u>(3,328)</u>	<u>471</u>	<u>(10,706)</u>
Beginning net pension obligation (asset)	<u>136,255</u>	<u>(4,733)</u>	<u>(2,451)</u>	<u>129,071</u>
Net pension obligation (asset)	<u>\$ 128,406</u>	<u>(8,061)</u>	<u>(1,980)</u>	<u>118,365</u>

7 – RETIREMENT PLANS, continued

c -- Annual Pension Cost and Net Pension Obligation (Asset)

The latest actuarial valuations for the City Employees' Retirement and Pension Fund, the Police Officers' Retirement and Pension Fund, and the Austin Fire Fighters' Relief and Retirement Fund were completed as of December 31, 2012. The actuarial cost method and significant assumptions underlying the actuarial calculations are as follows:

	City Employees	Police Officers	Fire Fighters
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Asset Valuation Basis	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation Rate	3.25%	3.75%	3.5%
Projected Annual Salary Increases	4.5% to 6%	6.8% average	8%
Post Retirement Benefit Increase	None	None	None
Assumed Rate of Return on Investments	7.75%	8%	7.75%
Amortization Method	Level percentage of projected payroll, open	Level percentage of projected payroll, open	Level percentage of projected payroll, open
Remaining Amortization Period	27.0 years	29.4 years	20.91 years

d -- Schedule of funding progress

Information pertaining to the schedule of funding progress for each plan is as follows (in thousands):

Valuation Date, December 31	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL (1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
City Employees 2012	\$ 1,897,700	2,968,400	1,070,700	63.9%	470,200	227.7%
Police Officers 2012	558,476	856,577	298,101	65.2%	141,561	210.6%
Fire Fighters (2) 2011	651,557	746,143	94,586	87.3%	76,700	123.3%

(1) UAAL - Unfunded Actuarial Accrued Liability

(2) The actuarial study for the Fire Fighters' plan is performed biannually.

The schedule of funding progress, presented as RSI, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

8 – OTHER POST-EMPLOYMENT BENEFITS

a -- Description

In addition to the contributions made to the three pension systems, the City provides certain other post-employment benefits to its retirees. Other post-employment benefits include access to medical, dental, and vision insurance for the retiree and the retiree's family and \$1,000 of life insurance on the retiree only. All retirees who are eligible to receive pension benefits under any of the City's three pension systems are eligible for other post-employment benefits. Retirees may also enroll eligible dependents under the medical, dental, and vision plan(s) in which they participate. The City's other post-employment benefits plan is a single employer plan.

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

8 – OTHER POST-EMPLOYMENT BENEFITS, continued
a – Description, continued

The City recognizes the cost of providing these benefits to active employees as an expense and corresponding revenue in the Employee Benefits Fund; no separate plan report is available. The City pays actual claims for medical and 100% of the retiree's life insurance premium. Group dental and vision coverage is available to retirees and their eligible dependents. The retiree pays the full cost of the dental and vision premium.

The estimated pay-as-you-go cost of providing medical and life benefits was \$26.9 million for 3,945 retirees in 2013 and \$24.2 million for 3,731 retirees in 2012.

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

The annual OPEB cost associated with the City's retiree benefits for the fiscal year ended September 30, 2013 is as follows (in thousands):

	OPEB
Annual required contribution	\$ 139,900
Interest on net OPEB obligation	20,758
Adjustment to annual required contribution	<u>(28,063)</u>
Annual OPEB cost	132,595
Contributions made	<u>(26,959)</u>
Change in net OPEB obligation	105,636
Beginning net OPEB obligation	493,051
Net OPEB obligation	<u><u>\$ 598,687</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year and the two preceding years are as follows (in thousands):

Year Ended September 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 135,756	17%	383,192
2012	134,082	18%	493,051
2013	132,595	20%	598,687

c -- Schedule of Funding Progress at September 30, 2013 (in thousands):

Actuarial Value of Assets	Actuarial Accrued Liability	UAAL (1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
\$ --	1,384,490	1,384,490	0%	696,559	198.8%

(1) UAAL - Unfunded Actuarial Accrued Liability

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

d -- Actuarial methods and assumptions

Projections of benefits are based on the plan in place at the time of the valuation and include the type of benefits provided at the valuation date and the cost sharing pattern between the employer and plan members at that time. The actuarial calculations of the OPEB plan reflect a long-term perspective and utilize actuarial methods and assumptions that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

8 – OTHER POST-EMPLOYMENT BENEFITS, continued
e -- Funding Policy

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

	OPEB
Actuarial Valuation Date	October 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage Open
Remaining Amortization Period	30 years
Asset Valuation Method	N/A
Investment Rate of Return	4.21%
Inflation Rate	N/A
Salary Increase	None
Payroll Increase	None
Health Care Cost Trend Rate	8.0% in 2013, decreasing 0.5% per year for seven years to an ultimate trend of 5.0% in 2019

9 – DERIVATIVE INSTRUMENTS

The City has derivatives in two hedging programs: Energy Risk Management Program and Variable Rate Debt Management Program.

In accordance with GAAP, the City is required to report the fair value of all derivative instruments on the statement of net position. All derivatives must be categorized into two basis types – (1) hedging derivative instruments and (2) investment derivative instruments. Hedging derivative instruments significantly reduce an identified financial risk by substantially offsetting changes in cash flows or fair values of an associated hedgeable item. Investment derivative instruments are entered into primarily for income or profit purposes or they are derivative instruments that do not meet the criteria of an effective hedging derivative instrument. Changes in fair value of hedging derivative instruments are deferred on the statement of net position, and changes in fair value of investment derivative instruments are recognized as gains or losses on the statement of activities.

a -- Energy Risk Management Program

In an effort to mitigate the financial and market risk associated with the purchase of natural gas, energy, and congestion price volatility, Austin Energy has established a Risk Management Program. This program was authorized by the Austin City Council and is led by the Risk Oversight Committee. Under this program, Austin Energy enters into futures contracts, options, swaps and congestion rights for the purpose of reducing exposure to natural gas, energy and congestion price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts may be settled in cash or delivery of certain commodities. Austin Energy typically settles these contracts in cash.

Hedging Derivative Instruments

Natural Gas Derivatives

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

The fair value of futures, swaps, and basis swap contracts is determined using the NYMEX closing settlement prices as of the last day of the reporting period. The fair value is calculated by deriving the difference between the closing futures price on the last day of the reporting period and purchase price at the time the positions were established. The fair value of the options are 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, 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, 2013, \$736 thousand in premiums was deferred. As of September 30, 2013, the fair value of Austin Energy's futures, options, swaps and congestion rights, was an unrealized loss of \$52.6 million, of which \$55.4 million is reported as derivative instruments in liabilities and \$2.8 million is reported as derivative instruments in assets. The fair values of these derivative instruments are deferred until future periods on the balance sheet using deferred outflows and deferred inflows.

Congestion Revenue Rights Derivatives

Preassigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow Austin Energy to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. Municipally owned utilities are granted the right to purchase PCRRs annually at 10-20% of the cost of CRRs. The instruments exhibit all three characteristics - settlement, leverage, and net settlement - to classify them as derivative instruments.

As of September 30, 2013, PCRRs had a fair value of \$164 thousand and CRRs had a fair value of \$714 thousand and are reported as derivative instruments. The market value for CRRs and PCRRs is calculated using the implied market value (the difference between future proxy sink price and source price) multiplied by the number of open positions. The difference in the prices represents what the expected cost of congestion will be for that given point in time.

On September 30, 2013, Austin Energy had the following outstanding hedging derivative instruments (in thousands):

Type of Transaction	Reference Index	Maturity Dates	Fair Value		Change in Fair Value	Premiums Deferred
			Notional Volumes	Fair Value		
Long OTC Call Options	Henry Hub	Oct 2013 - Sep 2017	6,120,518 (1)	1,549	662	2,152
Long OTC Put Options	Henry Hub	Oct 2013 - Mar 2014	1,820,000 (1)	125	(33)	--
Long Options	Henry Hub	Oct 2013	310,000 (1)	--	(55)	--
Long Basis Swaps	WAHA	Oct 2013 - Dec 2013	460,000 (1)	231	12	--
n/a Congestion Rights	ICE (2)	Oct 2013 - Dec 2015	26,338,966 (3)	878	(1,403)	--
Derivative instruments (assets)				<u>2,783</u>	<u>(817)</u>	<u>2,152</u>
Short OTC Call Options	Henry Hub	Apr 2016 - Oct 2016	(1,660,000) (1)	(807)	(177)	--
Short OTC Put Options	Henry Hub	Oct 2013 - Sep 2017	(8,260,000) (1)	(7,418)	(1,281)	(1,416)
Short Options	Henry Hub	Oct 2013	(310,000) (1)	(1,087)	(86)	--
Long OTC Swaps	Henry Hub	Oct 2013 - Sep 2018	47,345,000 (1)	(46,042)	(9,695)	--
Derivative instruments (liabilities)				<u>(55,354)</u>	<u>(11,239)</u>	<u>(1,416)</u>
Total				<u>\$ (52,571)</u>	<u>(12,056)</u>	<u>736</u>

(1) Volume in MMBTUs

(2) IntercontinentalExchange

(3) Volume in MWHs

Austin Energy routinely purchases derivative instruments. The outstanding hedging derivative instruments were purchased at various dates.

The realized gains and losses related to the hedging activity derivative instruments are netted to fuel expense in the period realized.

Risks

Credit Risk. Credit risk is the risk of loss due to a counterparty defaulting on its obligations. Austin Energy's fuel derivative contracts expose Austin Energy to custodial credit risk on Exchange Traded derivative positions. In the event of default or nonperformance by brokers or the exchange, Austin Energy's operations will not be materially affected. However, Austin Energy does not expect the brokerages to fail to meet their obligations given their high credit ratings and the strict and deep credit requirements upheld by NYMEX, which these brokerage houses are members. At September 30, 2013, the brokerages had credit ratings of A- and A+.

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

The over-the-counter agreements expose Austin Energy to credit risk. In the event of default Austin Energy's operations will not be materially affected. However, Austin Energy does not expect the counterparty to fail to meet its obligations given its high credit rating. At September 30, 2013, the counterparty had a credit rating of A. The contractual provisions under the ISDA (International Swaps and Derivatives Association) agreement applied to these contracts include collateral provisions. At September 30, 2013, no collateral was required under these provisions.

The congestion rights expose Austin Energy to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default of nonperformance, Austin Energy's operations will not be materially affected. However, Austin Energy does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

Termination Risk. Termination risk is the risk that a derivative will terminate prior to its scheduled maturity due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. Termination risk for exchange-traded instruments is greatly reduced by the strict rules and guidelines set up by the exchange, which is governed by the Commodity Futures Trade Commission. Austin Energy's exposure to termination risk for over-the counter agreements is minimal due to the high credit rating of the counterparties and the contractual provisions under the ISDA (International Swaps and Derivatives Association) agreement applied to these contracts. Termination risk is associated with all of Austin Energy's derivatives up to the fair value of the instrument.

Netting Arrangements. Austin Energy enters into netting arrangements whenever it has entered into more than one derivative instrument transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by or owed to the non-defaulting party.

Basis Risk. Austin Energy is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged will price based on a delivery point (WAHA/Katy/HSC) different than that at which the financial hedging contracts are expected to settle NYMEX (Henry Hub). As of September 30, 2013, the NYMEX price was \$3.50 per MMBTU, the WAHA Hub price was \$3.41 per MMBTU, Katy was \$3.64 per MMBTU, and the HSC Hub price was \$3.47 per MMBTU.

Investment Derivative Instruments

On September 30, 2013, Austin Energy had the following closed out investment derivative instruments (in thousands):

Type of Transaction	Reference Index	Fair Value			Change in Fair Value
		Maturity Dates	Volumes in MMBTU	Fair Value	
Long OTC Call Options	Henry Hub	Oct 2013	620,000	\$ --	--
Short OTC Call Options	Henry Hub	Oct 2013	(620,000)	--	--
Long OTC Swaps	Henry Hub	Dec 2015	155,000	17	55
Short OTC Swaps	Henry Hub	Dec 2015	(155,000)	(9)	(55)
Long Futures	Henry Hub	Oct 2013	77,500	(415)	(30)
Short Futures	Henry Hub	Oct 2013	(77,500)	392	30
				<u>\$ (15)</u>	<u>--</u>

In fiscal year 2013 Austin Energy sold PCRRs and recorded a gain of \$1.2 million. However, this gain was deferred under the accounting requirements for regulated operations. At September 30, 2013, \$1.3 million remained deferred.

Risks

As of September 30, 2013, Austin Energy was not exposed to credit, interest, or foreign currency risk on its investment derivative instruments.

9 – DERIVATIVE INSTRUMENTS, continued
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, 2013, the City has 3 outstanding swap transactions with initial and outstanding notional amounts totaling \$602.1 million and \$486.1 million, respectively. The mark-to-market or fair value for each swap is estimated using the zero-coupon method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the London Interbank Offered Rate (LIBOR) swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

On September 30, 2013, 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	\$ 147,720	(13,122)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Pay 4.051%, receive 71% of LIBOR	8/17/2005	11/15/2025	230,175	(35,978)
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	108,240	(12,549)
					<u>\$ 486,135</u>	<u>(61,649)</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, 2013 (in thousands):

	Outstanding			Change in fair value	
	Notional	Fair Value and Classification		Deferred	Deferred
Item	Amount	Amount	Classification	Outflows	Inflows
Business-Type Activities:					
Hedging derivative instruments (cash flow hedges):					
WW2	\$ 147,720	(13,122)	Non-current liability	13,302	--
AIR1	230,175	(35,978)	Non-current liability	16,440	--
HOT1	108,240	(12,549)	Non-current liability	7,819	--
	\$ 486,135	(61,649)		37,561	--

Due to the continued low interest rate levels during fiscal year 2013, the City's interest rate swap hedging derivative instruments had negative fair values as of September 30, 2013. The fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that may have been received.

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

Risks

Credit risk. As of September 30, 2013, 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 City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

The counterparty credit ratings for the City's interest rate swap hedging derivative instruments at September 30, 2013 are included in the table below:

			Counterparty Ratings		
			Moody's Investors Service, Inc	Standard & Poor's	Fitch, Inc
Item	Related Variable Rate Bonds	Counterparty			
Business-Type Activities:					
WW2	Water & Wastew ater Revenue Refunding Bonds, Series 2008	Goldman Sachs Bank USA	A2	A-	A
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	Morgan Stanley Capital Services, Inc.	Baa1	A-	A
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	Morgan Keegan Financial Products	A2	A	A+

Swap agreements for all three swaps contain collateral agreements with the counterparties. These swap agreements require collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds in the agreements. For Swap AIR1, the City purchased swap insurance to mitigate the need to post collateral as long as the insurer, Financial Security Assurance, maintains a credit rating above A2/A by Moody's/S&P. For Swap HOT1, the credit support provider of MKFP is Deutsche Bank AG, New York Branch (DBAG). This swap requires collateralization of the fair value of the swap should DBAG's credit rating fall below the applicable thresholds in the agreement.

Swap payments and associated debt. The net cash flows for the City's interest rate swap hedging derivative instruments for the year ended September 30, 2013, are included in the table below (in thousands):

	Related Variable Rate	Counterparty Swap Interest			Interest to	Net Interest
Item	Bonds	Pay	Receive	Net	Bondholders	Payments
Business-Type Activities:						
WW2	Water & Wastew ater Revenue Refunding Bonds, Series 2008	\$ (5,358)	184	(5,174)	(177)	(5,351)
AIR1	Airport System Subordinate Lien Revenue Refunding Bonds, Series 2005	(9,347)	341	(9,006)	(332)	(9,338)
HOT1	Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008	(3,523)	146	(3,377)	(151)	(3,528)
		\$ (18,228)	671	(17,557)	(660)	(18,217)

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

Basis and interest rate risk. Basis risk is the risk that the interest rate paid by the City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The City does not bear basis risk on Swap WW2. At September 30, 2013, the City bears basis risk on the two remaining swaps. These swaps have basis risk since the City receives a percentage of LIBOR to offset the actual variable rate the City pays on the related bonds. The City is exposed to basis risk should the floating rate that it receives on a swap drop below the actual variable rate the City pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

Tax risk. Tax risk is a specific type of basis risk. Tax risk is the risk of a permanent mismatch occurring between the interest rate paid on the City's underlying variable rate bonds and the rate received on the swap caused by a reduction or elimination in the benefits of the tax exemption for municipal bonds. For example, a grandfathering of the elimination of federal tax-exemption on existing tax-exempt bonds, or a tax cut, would result in the yields required by investors on the City's bonds coming close to or being equal to taxable yields. This would result in an increase in the ratio of tax-exempt to taxable yields. The City is receiving 71% of LIBOR on AIR1, and 67% of LIBOR on Swap HOT1 and would experience a shortfall relative to the rate paid on its bonds if marginal income tax rates decrease relative to expected levels, thus increasing the overall cost of its synthetic fixed rate debt.

Termination risk. The City or the counterparties may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If any of the swaps are terminated, the associated variable rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value. The additional termination events in the agreement are limited to credit related events only and the ratings triggers are substantially below the current credit rating of the City. Additionally, the City purchased swap insurance on the Swap AIR1 to further reduce the possibility of termination risk.

Rollover risk. The City is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, the City will be re-exposed to the risks being hedged by the hedging derivative instrument. The City is currently not exposed to rollover risk on its hedging derivative instruments.

Investment Derivative Instruments

At September 30, 2013, the City did not have any investment derivative instruments related to interest rate swaps.

As of September 30, 2013, 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		
2014	\$ 42,825	40	16,996	17,036
2015	30,520	26	15,607	15,633
2016	23,820	32	14,647	14,679
2017	12,255	32	14,107	14,139
2018	12,600	29	13,666	13,695
2019-2023	158,365	240	51,636	51,876
2024-2028	149,125	304	19,556	19,860
2029-2031	56,625	86	2,734	2,820
Total	<u>\$ 486,135</u>	<u>789</u>	<u>148,949</u>	<u>149,738</u>

10 – DEFICITS IN FUND BALANCES AND NET POSITION

At September 30, 2013, 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.

Nonmajor Governmental	Deficit
Special Revenue Funds:	
Mueller Development	\$ 4
Rutherford Lane Facility	963
Section 108 Family Business Loan	15
Capital Projects Funds:	
Street & traffic signals	8
Parks and recreation facilities	288
Libraries	17
Radio Trunking	47
Transportation 2006	920
Central Library	3,044
Mobility	13,410
Transportation 2012	1,173
Open Space	1,335
Parks	222
Public Safety	14
Health	136
Library & Cultural	10
Planning & development improvements	1
Health projects	187
Build Austin	342
Park improvements	1,905
Police and courts	2,095
Capital Reserve	1,128
Public Works	519
Watershed Protection	699
City Hall, plaza, parking garage	7,032
Conservation Land	15
Waller Creek Tunnel	11,983
Nonmajor Enterprise	
Austin Resource Recovery	12,445

11 – INTERFUND BALANCES AND TRANSFERS

Interfund receivables, payables, and advances at September 30, 2013, are as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
		Current	Advances
Governmental funds:			
General Fund	Nonmajor governmental funds	\$ 227	--
Nonmajor governmental funds	Nonmajor governmental funds	48,505	--
	Austin Water Utility	--	2,384
	Nonmajor enterprise funds	--	201
Internal Service funds	Nonmajor governmental funds	11	160
Enterprise funds:			
Austin Energy	General Fund	189	1,447
	Nonmajor governmental funds	--	253
	Austin Water Utility (restricted)	--	17,027
	Airport	145	1,118
	Nonmajor enterprise funds	326	671
	Internal service funds	154	13
Airport (restricted)	Nonmajor governmental funds	--	64
Nonmajor enterprise funds (restricted)	Nonmajor governmental funds	--	734
Nonmajor enterprise funds	Nonmajor enterprise funds	287	--
		<u>\$ 49,844</u>	<u>24,072</u>

Interfund receivables, payables, and advances reflect loans between funds. Of the above current amount, \$12.2 million is an interfund loan from the Fiscal Surety Fund, a special revenue fund, to other special revenue funds (primarily grant funds) to cover deficit pooled investments and cash. The above current amount also includes \$36.2 million in interfund loans between capital project funds to cover deficit pooled investments and cash.

Interfund transfers during fiscal year 2013 were as follows (in thousands):

Transfers Out	Transfers In						Total
	General Fund	Nonmajor Governmental	Austin Energy	Austin Water Utility	Nonmajor Enterprise	Internal Service	
General Fund	\$ --	12,735	--	--	851	40	13,626
Nonmajor governmental funds	--	34,406	--	--	51,635	--	86,041
Austin Energy	105,333	--	--	--	--	--	105,333
Austin Water Utility	39,684	175	1,755	--	--	--	41,614
Airport	--	--	72	--	--	--	72
Nonmajor enterprise funds	747	5,497	22	80	840	169	7,355
Internal service funds	--	10,584	--	7	90	34	10,715
Total transfers out	<u>\$ 145,764</u>	<u>63,397</u>	<u>1,849</u>	<u>87</u>	<u>53,416</u>	<u>243</u>	<u>264,756</u>

Interfund transfers are authorized through City Council approval. Significant transfers include Austin Energy and Austin Water Utility transfers to the General Fund, which are comparable to a return on investment to owners, and the transfer of hotel occupancy and vehicle rental tax collections from the Hotel-Motel Occupancy Tax and the Vehicle Rental Tax Funds to the Convention Center Fund.

12 – SELECTED REVENUES

a -- Major Enterprise Funds

Austin Energy and Austin Water Utility

The Texas Public Utility Commission (PUC) has jurisdiction over electric utility wholesale transmission rates. On June 9, 2006, the PUC approved the City's most recent wholesale transmission rate of \$1.002466/KW. Transmission revenues totaled approximately \$63.4 million in 2013. 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, 2013, City management has elected not to enter the retail market, as allowed by state law.

Electric rates include a fixed-rate component and cost-adjustment factors that allow for recovery of power supply, regulatory, and community benefit costs. If actual power supply costs differ from amounts billed to customers, then deferred or unbilled revenues are recorded by Austin Energy. The power supply factor is reviewed annually or when over- or under-recovery is more than 10% of expected power supply costs. Any over- or under-collections of the power supply, regulatory, or community benefit costs are applied to the respective cost-adjustment factor.

Airport

The City has entered into certain lease agreements as the lessor for concessions at the Airport. These lease agreements qualify as operating leases for accounting purposes. In the fiscal year 2013, the Airport fund revenues included minimum concession guarantees of \$15,379,661.

The following is a schedule by year of minimum future rentals on noncancelable operating leases with remaining terms of up to ten years for the Airport Fund as of September 30, 2013 (in thousands):

Fiscal Year Ended September 30	Enterprise Airport Lease Receipts
2014	\$ 13,889
2015	11,331
2016	3,423
2017	1,761
2018	50
2019-2023	11
Totals	\$ 30,465

Projection of minimum future rentals for the Austin-Bergstrom Landhost Enterprises, Inc. is based on the current adjusted minimum rent for the period May 1, 2011 through April 30, 2016. The minimum rent is adjusted every five years commensurate with the percentage increase in the Consumer Price Index (CPI) – Urban Wage Earners and Clerical workers, U.S. Owner Average, published by the U.S. Department of Labor Bureau of Labor Statistics over the five-year period.

13 – COMMITMENTS AND CONTINGENCIES

a -- Fayette Power Project

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

Austin Energy's investment is financed through operations, revenue bonds, or commercial paper, which are repaid by Austin Energy (see Note 6), and its pro-rata share of operations is recorded as if wholly owned. Austin Energy's pro-rata interest in FPP was \$39 million as of September 30, 2013. The increase in the pro-rata interest from 2012 is primarily due to an increase in coal inventory. The pro-rata interest in the FPP is calculated pursuant to the participation agreement and is reported in various assets and liability accounts within the City's financial statements. The original cost of Austin Energy's share of FPP's generation and transmission facilities is recorded in the utility plant accounts of the City in accordance with its accounting policies.

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

Austin Energy is one of three participants in the South Texas Project (STP), which consists of two 1,250-megawatt nuclear generating units in Matagorda County, Texas. The other participants in the STP are NRG South Texas LP and City Public Service of San Antonio. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. Austin Energy's 16 percent ownership in the STP represents 400 megawatts of plant capacity. At September 30, 2013, Austin Energy's investment in the STP was approximately \$404 million, net of accumulated depreciation.

Effective November 17, 1997, the participation agreement among the owners of STP was amended and restated, and the STP Nuclear Operating Company (STPNOC), a Texas non-profit non-member corporation created by the participants, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STPNOC. Each participant is responsible for its STP funding. The City's portion is financed through operations, revenue bonds, or commercial paper, which are repaid by Austin Energy (see Note 6). In addition, each participant has the obligation to finance any deficits that may occur.

Each participant appoints one member to the board of directors of STPNOC, as well as one other member to the management committee. A member of the management committee may serve on the board of directors in the absence of a board member. The City's portion of STP is classified as plant in service, construction in progress, and nuclear fuel inventory. Nuclear fuel includes fuel in the reactor as well as nuclear fuel in process.

STP requested a 20-year license extension for units 1 & 2 with the Nuclear Regulatory Commission (NRC). The current licenses expire in 2027 and 2028, respectively. The NRC decided to stop all licensing activities that rely on the Waste Confidence Decision and Rule until burial waste issues are resolved.

c -- South Texas Project Decommissioning

Austin Energy began collecting in rates and accumulating funds for decommissioning STP in 1989 in an external trust. The Decommissioning Trust assets are reported as restricted investments held by trustee. The related liability is reported as a decommissioning liability payable. Excess or unfunded liabilities related to decommissioning STP will be adjusted in future rates so that there are sufficient funds in place to pay for decommissioning. At September 30, 2013, the trust's assets were in excess of the estimated liability by \$18.8 million which is reported as part of deferred revenue and other liabilities (in thousands):

Decommissioning trust assets	\$ 186,477
Pro rata decommissioning liability	(167,632)
	<u>\$ 18,845</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, 2012, showed that the trust assets exceeded the minimum required assurance by \$25.6 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 2020, biomass through 2032, and solar through 2036.

e -- Decommissioning and Environmental/Pollution Remediation Contingencies

Austin Energy may incur costs for environmental/pollution remediation of certain sites including the Holly, Fayette, and Seaholm Power Plants. The financial statements include a liability of approximately \$12.2 million at September 30, 2013. Austin Energy anticipates payment of these costs in 2014 and future years. The amount is based on 2013 cost estimates to perform remediation and decommissioning. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Austin Water Utility closed the Green Water Treatment Plant (GWTP) on September 23, 2008. The total decommissioning cost to close the GWTP was \$10.6 million. Plant decommissioning reached final completion in fiscal year 2012. During fiscal year 2013, redevelopment activities of the former GWTP site triggered the recognition of an additional \$3.1 million in environmental liabilities related to additional remediation of the site.

13 – COMMITMENTS AND CONTINGENCIES, continued

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

Austin Resource Recovery may incur costs for environmental remediation of certain sites outside of the City's landfill site. The financial statements include a liability of approximately \$4.3 million at September 30, 2013, for sites related to Harold Court, Rosewood and Loop 360. Austin Resource Recovery anticipates payment of these costs in 2014 and future years. The amount is based on 2013 cost estimates to perform remediation. 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, 2013.

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 (HUD) Department, U.S. Health and Human Services (HHS) Department, and U.S. Department of Transportation (DOT). The City's programs are subject to program compliance audits by the granting agencies. Management believes that no material liability will arise from any such audits.

h -- Capital Improvement Plan

As required by charter, the City has a *Capital Improvements Program* plan (capital budget) covering a five-year period which details anticipated spending for projects in the upcoming and future years. The City's 2013 Capital Budget has substantial contractual commitments relating to its capital improvement plan.

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

Project	(in thousands)	Remaining Commitment
Governmental activities:		
General government		\$ 105,024
Public safety		9,074
Transportation		103,323
Public health		1,978
Public recreation and culture		121,474
Urban growth management		51,014
Business-type activities:		
Electric		280,815
Water		372,472
Wastewater		91,621
Reclaimed Water		10,052
Airport		74,283
Convention		36,773
Environmental and health services		11,961
Urban growth management		74,215
Total		<u>\$ 1,344,079</u>

13 – COMMITMENTS AND CONTINGENCIES, continued
i -- Encumbrances

The City utilizes encumbrances to track commitments against budget in governmental funds. The amount of outstanding encumbrances at September 30, 2013, is as follows (in thousands):

	<u>Encumbrances</u>
General Fund	\$ 8,059
Nonmajor governmental	
Special Revenue	12,194
Capital Projects	132,174
	<u>\$ 152,427</u>

Significant encumbrances include reservations for the 2000 bond program (\$25,359), the 2006 bond program (\$27,990), the 2010 bond program (\$19,913), and the Waller Creek Tunnel project (\$42,468).

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. Drought conditions have delayed final closure, which is expected to occur in fiscal year 2014. 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, 2013, is as follows (in thousands):

	<u>Closure</u>	<u>Postclosure</u>	<u>Total</u>
Total estimated costs	\$ 15,457	9,654	25,111
% capacity used	100%	100%	100%
Cumulative liability accrued	15,457	9,654	25,111
Costs incurred	(14,801)	--	(14,801)
Closure and postclosure liability	<u>\$ 656</u>	<u>9,654</u>	<u>10,310</u>

These amounts are based on the 2013 cost estimates to perform closure and postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. State and federal laws require owners to demonstrate financial assurance for closure, postclosure, and/or corrective action. The City complies with the financial and public notice components of the local government financial test and government-guarantee of the test.

k -- Risk-Related Contingencies

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

<u>Fund Name</u>	<u>Description</u>
Employee Benefits	City employees and retirees may choose a self-insured PPO or HMO for health coverage. Approximately 29% of city employees and 36% of retirees use the HMO option; approximately 71% of city employees and 64% of retirees use the PPO option. Costs are charged to city funds through a charge per employee per pay period.
Liability Reserve	This self-insured program includes losses and claims related to liability for bodily injury, property damage, professional liability, and certain employment liability. Premiums are charged to other city funds each year based on historical costs.
Workers' Compensation	Premium charges for this self-insured program are assessed to other funds each year based on the number of full-time equivalent (FTE) employees per fund.

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

The City purchases stop-loss insurance for the City's PPO and HMO. This stop-loss insurance covers individual claims that exceed \$500,000 per calendar year, up to a maximum of \$5 million. In fiscal year 2013, nine claims exceeded the stop-loss limit of \$500,000; during fiscal year 2012, five claims exceeded the stop-loss limit of \$500,000, and during fiscal year 2011, six claims exceeded the stop-loss limit of \$500,000. City coverage is unlimited for lifetime benefits. The City does not purchase stop-loss insurance for workers' compensation claims.

The City is self-insured for much of its risk exposure; however, the City purchases commercial insurance coverage for loss or damage to real property, theft and other criminal acts committed by employees, and third party liability associated with the airport, owned aircraft, and electric utility operations. There have been no claims settlements in excess of the purchased insurance coverage for the last three years. The City also purchases insurance coverage through a program that provides workers' compensation, employer's liability, and third party liability coverage to contractors working on designated capital improvement project sites.

Liabilities are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The City utilizes actuarial information and historical claim settlement trends to determine the claim liabilities for the Employee Benefits Fund and Workers' Compensation Fund. Claims liabilities for the Liability Reserve Fund are calculated based on an estimate of outstanding claims, which may differ from the actual amounts paid. Possible losses are estimated to range from \$39.8 to 52 million. In accordance with GAAP, \$39.8 million is recognized as claims payable in the financial statements with \$20.7 million recognized as a current liability and \$19.1 recognized as long term. The City contributes amounts to an internal service fund based on an estimate of anticipated costs for claims each year.

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

	Employee Benefits		Liability Reserve		Workers' Compensation	
	2013	2012	2013	2012	2013	2012
Liability balances, beginning of year	\$10,304	10,638	6,324	7,585	17,591	15,638
Claims and changes in estimates	9,677	8,348	5,547	803	6,870	6,608
Claim payments	(9,061)	(8,682)	(1,748)	(2,064)	(5,622)	(4,655)
Liability balances, end of year	<u>\$10,920</u>	<u>10,304</u>	<u>10,123</u>	<u>6,324</u>	<u>18,839</u>	<u>17,591</u>

The Liability Reserve Fund claims liability balance at fiscal year end includes liabilities of \$3.5 million discounted at 4.85% in 2013 and \$3.4 million discounted at 3.99% in 2012.

l – Redevelopment of Robert Mueller Municipal Airport

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

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

In October 2009, the MLGC issued debt in the amount of \$15 million. Proceeds of 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.

In October 2012, the MLGC issued debt in the amount of \$16,735,000. 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.

13 – COMMITMENTS AND CONTINGENCIES, continued
I – Redevelopment of Robert Mueller Municipal Airport, continued

The development contains over 1.15 million square feet of institutional and Class A office space and approximately 500,000 square feet of retail space. Over 50 employers provide approximately 4,000 jobs at Mueller. From the start of home sales in 2007, the community has been well received. As of September 30, 2013, approximately 1,023 single-family homes and 1,222 multi-family units were either complete or under construction. Catellus has also started the infrastructure for an additional 334 single-family homes.

m -- No-Commitment Special Assessment Debt

In November 2011, the City issued \$15,500,000 of Special Assessment Revenue Bonds, Senior Series 2011 related to the Whisper Valley Public Improvement District. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments were levied in the year ended September 30, 2013. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2013 are \$15,500,000 and \$11,945,594, respectively.

In November 2011, the City issued \$2,860,000 of Special Assessment Revenue Bonds, Senior Series 2011 related to the Indian Hills Public Improvement District. The bonds are special obligations of the City payable solely from the assessments levied against parcels within the Public Improvement District and other pledged funds held under the indenture. The bonds do not give rise to a charge against the general credit or taxing powers of the City. The City is acting as an agent for the property owners within the district in collecting the future assessments, forwarding collections to trustees, approving bond proceed disbursements, and initiating any future foreclosures. No assessments were levied in the year ended September 30, 2013. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2013 are \$2,860,000 and \$2,202,719, 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. No assessments were levied in the year ended September 30, 2013. The aggregate principal outstanding and the balance of bond proceeds held by the trustee at September 30, 2013 are \$12,590,000 and \$7,157,734, respectively.

n -- Other Commitments and Contingencies

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, 2013 was \$29.5 million. The City expects these leases to be replaced with similar leases in the ordinary course of business. Future minimum lease payments for these leases will remain approximately the same.

The City has entered into a lease agreement to finance equipment for business-type activities. This lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of the future minimum lease payments at their inception date. The lease agreement ends in 2031. Refer to Note 6 for the debt service requirements on this lease.

The following summarizes capital assets recorded at September 30, 2013, under capital lease obligations (in thousands):

	Business-type Activities
	Austin
Capital Assets	Energy
Building and improvements	\$ 1,405
Accumulated depreciation	(386)
Net capital assets	<u>\$ 1,019</u>

14 – LITIGATION

A number of claims and lawsuits against the City are pending with respect to various matters arising in the normal course of the City's operations. Legal counsel and city management are of the opinion that settlement of these claims and lawsuits will not have a material effect on the City's financial statements. The City has accrued liabilities in the Liability Reserve Fund for claims payable at September 30, 2013. These liabilities, reported in the government-wide statement of net position, include amounts for claims and lawsuits settled subsequent to year-end.

15 – CONDUIT DEBT

The City has issued several series of housing revenue bonds to provide for low cost housing. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The City has issued \$110.5 million in various series of housing revenue bonds that have an outstanding balance of \$105.2 million as of September 30, 2013.

Revenue bonds have been issued by various related entities to provide for facilities located at the international airport and convention center. These bonds are special limited obligations payable solely from and secured by a pledge of revenue to be received from agreements between the entities and various third parties. As of September 30, 2013, \$158.9 million in revenue and revenue refunding bonds were outstanding with an original issue value of \$164.7 million. Included in these amounts is \$143.8 million in taxable revenue bonds issued during Fiscal Year 2013 for the Austin Bergstrom International Airport Consolidated Rental Car Facility. These funds are to be used for the construction of a 1.6 million square foot parking complex, consolidating all rental car operations and providing 900 new public parking spaces. These bonds are payable by revenues collected through a customer facility charge.

The above bonds do not constitute a debt or pledge of the faith and credit of the City and accordingly have not been reported in the accompanying financial statements.

16 – SEGMENT INFORMATION – CONVENTION CENTER

The Convention Center provides event facilities and services to its customers. Below are the condensed financial statements for this segment (in thousands):

Condensed Statement of Net Position	
ASSETS	
Current assets	\$ 63,202
Capital assets	255,513
Other assets	16,869
Total assets	<u>335,584</u>
Deferred outflows of resources	<u>12,549</u>
LIABILITIES	
Due to other funds	326
Other current liabilities	19,368
Advances from other funds	671
Other noncurrent liabilities	220,482
Total liabilities	<u>240,847</u>
NET POSITION	
Net investment in capital assets	55,668
Restricted	26,323
Unrestricted	25,295
Total net position	<u>\$ 107,286</u>

16 – SEGMENT INFORMATION – CONVENTION CENTER, continued

Condensed Statement of Revenues, Expenses, and Changes in Net Position

OPERATING REVENUES	
User fees and rentals	\$ 22,783
Total operating revenues	<u>22,783</u>
OPERATING EXPENSES	
Operating expenses before depreciation	45,641
Depreciation and amortization	8,901
Total operating expenses	<u>54,542</u>
Operating income (loss)	(31,759)
Nonoperating revenues (expenses)	(10,104)
Capital contributions	366
Transfers	<u>50,877</u>
Change in net position	9,380
Total net position - beginning	<u>97,906</u>
Total net position - ending	<u><u>\$ 107,286</u></u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ (20,697)
Noncapital financing activities	50,560
Capital and related financing activities	(24,918)
Investing activities	<u>(3,148)</u>
Net increase (decrease) in cash and cash equivalents	1,797
Cash and cash equivalents, October 1	<u>50,055</u>
Cash and cash equivalents, September 30	<u><u>\$ 51,852</u></u>

17 – DISCRETELY PRESENTED COMPONENT UNITS

Condensed financial information is included below for the discretely presented component units of the City. See Note 1 for the additional information about how to obtain the complete financial statements of these organizations. Subsequent to the issuance of the City's 2012 financial statements, the City's management determined that these discretely presented component units were incorrectly classified as related organizations of the City. As a result, the discretely presented component units are now presented in the City's Government-wide Statement of Net Position and Statement of Activities. The most recently available financial statements for these organizations are for the year ended December 31, 2012 (in thousands):

Condensed Combining Statement of Net Position

	Austin Bergstrom Landhost Enterprises, Inc.	Austin Convention Enterprises, Inc.	Total
ASSETS			
Cash, receivable, and other current assets	\$ 805	7,965	8,770
Noncurrent assets	1,760	85,291	87,051
Depreciable capital assets, net of accumulated depreciation	26,793	154,778	181,571
Total assets	<u>29,358</u>	<u>248,034</u>	<u>277,392</u>
LIABILITIES			
Current Liabilities	46,719	18,060	64,779
Noncurrent liabilities	2	36	38
Bonds payable, net of discount and inclusive of premium	15,373	250,353	265,726
Total liabilities	<u>62,094</u>	<u>268,449</u>	<u>330,543</u>
NET POSITION			
Net investment in capital assets	(26,320)	(86,337)	(112,657)
Restricted for debt service	--	4,696	4,696
Unrestricted (deficit)	(6,416)	61,226	54,810
Total net position	<u>\$ (32,736)</u>	<u>(20,415)</u>	<u>(53,151)</u>

Condensed Combining Statement of Revenues, Expenses, and Changes in Net Position

	Austin Bergstrom Landhost Enterprises, Inc.	Austin Convention Enterprises, Inc.	Total
OPERATING REVENUES			
User fees and rentals	\$ 14,259	67,724	81,983
Total operating revenues	<u>14,259</u>	<u>67,724</u>	<u>81,983</u>
OPERATING EXPENSES			
Operating expenses before depreciation	11,785	36,932	48,717
Depreciation and amortization	1,308	6,053	7,361
Total operating expenses	<u>13,093</u>	<u>42,985</u>	<u>56,078</u>
Operating income (loss)	<u>1,166</u>	<u>24,739</u>	<u>25,905</u>
NONOPERATING REVENUES (EXPENSES)			
Nonoperating revenues (expenses)	(4,048)	(14,466)	(18,514)
Change in net position	<u>(2,882)</u>	<u>10,273</u>	<u>7,391</u>
Total net position - beginning	<u>(29,854)</u>	<u>(30,688)</u>	<u>(60,542)</u>
Total net position - ending	<u>\$ (32,736)</u>	<u>(20,415)</u>	<u>(53,151)</u>

18 – RESTATEMENT AS A RESULT OF THE IMPLEMENTATION OF A NEW ACCOUNTING STANDARD

During fiscal year 2013, the City implemented a new accounting standard, GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (SCAs), which established standards of accounting and reporting for SCAs between a government and an operator. GASB Statement No. 60 requires a restatement of prior financial statements for prior period impacts of implementation. The statement also requires the City to report the activities for certain public-private partnerships as SCAs in the financial statements, including the recognition, measurement, and disclosure of information regarding those SCAs. As described in Note 5, the City identified two SCAs as a result of the implementation of this standard.

The City has restated the beginning net position in 2012 for the governmental activities to reflect this implementation as follows (in thousands):

September 30, 2012	Exhibit A-2	
	Governmental Activities	Business-Type Activities
Net assets, as previously reported	\$ 1,415,237	3,051,742
Adjustments to properly record:		
Implementation of GASB Statement No. 60	552	--
Net assets, as restated	<u>\$ 1,415,789</u>	<u>3,051,742</u>

19 – SUBSEQUENT EVENTS

a – Halloween Flood Event

On October 31, 2013, a record flood occurred on Onion Creek within the City of Austin. Preliminary estimates indicate 825 homes were damaged, and four people died in the City of Austin/Travis County area. Implementation of an emergency buyout program is underway to purchase homes in the flood plain area utilizing funds identified from the Drainage Fund, existing bond funds designated for flood property buyouts, and the Regional Stormwater Management Program. In addition, the City expects to receive additional buyout funding from the U.S. Army Corps of Engineers buyout program.

In addition to private property losses, the City of Austin experienced damage to public property. The City is assessing impairments to City assets and submitting insurance claims. As a result of the significant impact to the area, the City anticipates receiving several grants from the Federal Emergency Management Agency in 2014 to assist with restoration and cleanup of public property.

b -- General Obligation Bond Issue

In October 2013, the City issued \$104,665,000 of Public Improvement Bonds, Series 2013. The net proceeds of \$113,250,000 (after issue costs, discounts, and premiums) from the issue will be used as follows: streets and signals (\$50,335,000), watershed protection improvements (\$35,000,000), parks and recreation (\$1,425,000), central library (\$20,000,000), and facility improvements (\$6,490,000). These bonds will be amortized serially on September 1 of each year from 2014 to 2033. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2014. Total interest requirements for these bonds, at rates ranging from 2.0% to 5.0%, are \$63,690,050.

In October 2013, the City issued \$25,355,000 of Certificates of Obligation, Series 2013. The net proceeds of \$25,355,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: solid waste services environmental remediation (\$355,000) and Waller Creek Tunnel (\$25,000,000). These certificates of obligation will be amortized serially on September 1 of each year from 2016 to 2038. Interest is payable on March 1 and September 1 of each year, commencing on March 1, 2014. Total interest requirements for these obligations, at rates ranging from 3.25% to 5.0%, are \$16,526,625.

In October 2013, the City issued \$50,150,000 of Public Property Finance Contractual Obligations, Series 2013. The net proceeds of \$51,240,000 (after issue costs, discounts, and premiums) from this issue will be used as follows: water utility capital equipment (\$1,245,000), wastewater utility capital equipment (\$1,760,000), public safety radio replacements (\$5,355,000), general government and support services capital equipment (\$13,425,000), police capital equipment (\$3,745,000), public works capital equipment (\$9,210,000), fire capital equipment (\$2,865,000), transportation capital equipment (\$635,000) and solid waste services capital equipment (\$13,000,000). These contractual obligations will be amortized serially on May 1 and November 1 of each year from 2014 to 2020. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2014. Total interest requirements for these obligations, at rates ranging from 0.5% to 3.0%, are \$4,487,556.

19 – SUBSEQUENT EVENTS, continued

c -- Public Improvement Refunding Bond Issue

In October 2013, the City issued \$43,250,000 of Public Improvement Refunding Bonds, Series 2013A. The net proceeds of \$49,640,369 (after issue costs, discounts, and premiums) from the refunding were used to refund \$3,670,000 of Public Improvement Refunding Bonds, Series 2003; \$220,000 of Certificates of Obligation, Series 2003; \$4,405,000 of Certificates of Obligation, Series 2004; and \$39,435,000 of Public Improvement Refunding Bonds, Series 2004. The refunding resulted in future interest requirements to service the debt of \$13,047,317 with interest rates ranging from 2.0% to 5.0%. Interest is payable March 1 and September 1 of each year from 2014 to 2024, commencing on March 1, 2014. Principal payments are due September 1 of each year from 2014 to 2021, and 2023 to 2024. An economic gain of \$3,773,236 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$4,286,744.

In October 2013, the City issued \$71,455,000 of Public Improvement Refunding Bonds, Taxable Series 2013B. The net proceeds of \$71,252,539 (after issue costs, discounts, and premiums) from the refunding were used to refund \$66,475,000 of Public Improvement Refunding Bonds, Series 2005. The refunding resulted in future interest requirements to service the debt of \$6,190,387 with interest rates ranging from 0.20% to 2.72%. Interest is payable March 1 and September 1 of each year from 2014 to 2020, commencing on March 1, 2014. Principal payments are due September 1 of each year from 2014 to 2020. An economic gain of \$3,993,908 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$4,325,025.

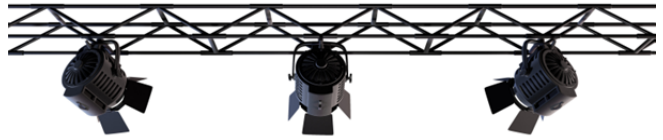
d -- Convention Center – Revenue Refunding Bond Issue

In December 2013, the City issued \$26,485,000 of Hotel Occupancy Tax Revenue Refunding Bonds, Series 2013. The net proceeds of \$29,154,825 (after issue costs, discounts, and premiums) from the refunding were used to refund \$28,890,000 of the City's outstanding Hotel Occupancy Tax Revenue Refunding Bonds, Series 2004. The debt service requirements on the refunding bonds are \$30,852,642, with interest rates ranging from 2.0% to 5.0%. Interest is payable May 15 and November 15 of each year from 2014 to 2019, commencing on May 15, 2014. Principal payments are due November 15 of each year from 2014 to 2019. An economic gain of \$3,013,625 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$3,166,933.

e -- Airport – Revenue Refunding Bond Issue

In October 2013, the City issued \$35,620,000 of Airport System Revenue Refunding Bonds, Series 2013A. The net proceeds of \$36,868,542 (after issue costs, discounts, and premiums) from the refunding were used to refund \$35,880,000 of the City's outstanding Airport System Prior Lien Revenue Refunding Bonds, Series 2003. The debt service requirements on the refunding bonds are \$37,590,793, with an interest rate of 1.56%. Interest is payable May 15 and November 15 of each year from 2014 to 2018, commencing on May 15, 2014. Principal payments are due November 15 of each year from 2014 to 2018. An economic gain of \$5,698,670 was recognized on this transaction. The change in net cash flows that resulted from the refunding was a decrease of \$5,899,132.





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, 2013
(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	498,605	100	498,705	483,261	485,461	13,244
Franchise fees	35,040	16	35,056	33,300	33,300	1,756
Fines, forfeitures and penalties	16,971	--	16,971	17,910	17,910	(939)
Licenses, permits and inspections	28,669	8	28,677	20,000	20,000	8,677
Charges for services/goods	49,579	(164)	49,415	44,291	44,571	4,844
Interest and other	6,027	(1,668)	4,359	3,149	3,149	1,210
Total revenues	634,891	(1,708)	633,183	601,911	604,391	28,792
EXPENDITURES						
General government						
Municipal Court	13,926	(38)	13,888	14,292	14,260	372
Public safety						
Police	280,954	359	281,313	284,416	284,717	3,404
Fire	138,676	619	139,295	138,337	139,366	71
Emergency Medical Services	54,350	195	54,545	57,923	56,382	1,837
Transportation, planning, and sustainability						
Transportation, planning, and sustainability	9	(9)	--	--	--	--
Public health						
Health	48,232	841	49,073	48,360	49,045	(28)
Public recreation and culture						
Parks and Recreation	51,910	299	52,209	51,875	52,397	188
Austin Public Library	29,983	114	30,097	30,304	30,254	157
Urban growth management						
Neighborhood Planning and Zoning	25,022	78	25,100	25,186	25,199	99
Other Urban Growth Management	19,912	(3,808)	16,104	17,770	17,820	1,716
General city responsibilities (4)	87,126	(73,796)	13,330	26,590	14,625	1,295
Total expenditures	750,100	(75,146)	674,954	695,053	684,065	9,111
Excess (deficiency) of revenues over expenditures	(115,209)	73,438	(41,771)	(93,142)	(79,674)	37,903
OTHER FINANCING SOURCES (USES)						
Transfers in	145,764	27,992	173,756	163,532	174,050	(294)
Transfers out	(13,626)	(89,406)	(103,032)	(82,629)	(103,576)	544
Total other financing sources (uses)	132,138	(61,414)	70,724	80,903	70,474	250
Excess (deficiency) of revenues and other sources over expenditures and other uses	16,929	12,024	28,953	(12,239)	(9,200)	38,153
Fund balance at beginning of year	130,163	(8,819)	121,344	65,411	84,991	36,353
Fund balance at end of year	147,092	3,205	150,297	53,172	75,791	74,506

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

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 five separately budgeted funds: the General Fund, as budgeted by the City plus the Economic Incentives Reserve, Music Venue Assistance Program, Neighborhood Housing and Community Development, and Sustainability activities.

The General Fund budget includes other revenues and requirements, which are presented in the general city responsibilities category. The expenditure budget for these general city requirements includes the following: tuition reimbursement (\$340,000), accrued payroll (\$1,942,337), expenditures for workers' compensation (\$6,420,101), liability reserve (\$2,100,000), public safety (\$2,822,908), and customer service call center (\$1,000,000).

b -- Budget Amendments

The original revenue budget of the General Fund was amended during the fiscal year 2013 to increase sales taxes and the transfer in from the Budget Stabilization Reserve. The original expenditure budget of the General Fund was amended during fiscal year 2013 primarily for the increased transfer to capital improvement projects as well as increased fire and social services costs. The original and final budget is presented in the accompanying schedule.

c -- Reconciliation of GAAP Basis and Budget Basis Amounts

The primary differences between GAAP-basis and budget-basis reporting for the General Fund are the reporting of encumbrances and the reporting of certain transfers. General Fund accrued payroll is recorded at the department level on a GAAP basis and as an expenditure in the general city responsibilities activity on the budget basis. Adjustments necessary to convert the excess revenues and other sources over expenditures and other uses on a GAAP basis to a budget basis for the activities comprising the General Fund are provided, as follows (in thousands):

	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ 16,929
Adjustments - increases (decreases) due to:	
Unbudgeted revenues	(1,144)
Net compensated absences accrual	484
Outstanding encumbrances established in current year	(7,495)
Payments against prior year encumbrances	4,227
Other	15,952
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	<u>\$ 28,953</u>

RETIREMENT PLANS-TREND INFORMATION

Information pertaining to the latest actuarial valuation for each plan is as follows (in thousands):

Valuation Date, December 31	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
City Employees						
2010	\$ 1,711,600	2,460,700	749,100	69.6%	438,900	170.7%
2011	1,790,900	2,723,800	932,900	65.7%	451,800	207.0%
2012	1,897,700	2,968,400	1,070,700	63.9%	470,200	227.7%
Police Officers						
2010	546,957	776,231	229,274	70.5%	127,732	179.5%
2011	553,702	815,259	261,557	67.9%	134,844	194.0%
2012	558,476	856,577	298,101	65.2%	141,561	210.6%
Fire Fighters (2)						
2007	584,420	586,802	2,382	99.6%	76,556	3.1%
2009	589,261	664,185	74,924	88.7%	78,980	94.9%
2011	651,557	746,143	94,586	87.3%	76,700	123.3%

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

(2) The actuarial study for the Fire Fighters' plan is performed biannually.

Information on where to obtain financial statements and supplementary information for each plan can be found in Footnote 7.

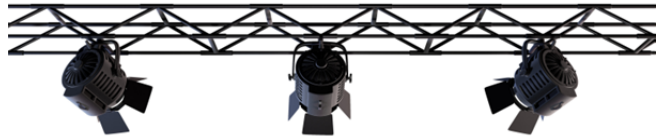
OTHER POST-EMPLOYMENT BENEFITS-TREND INFORMATION

Under GAAP, the City is required to have an actuarial valuation of its other post-employment benefits program every other year. The Schedule of Funding Progress for other post-employment benefits is as follows (in thousands):

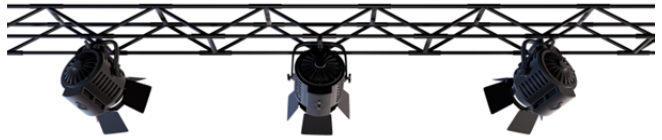
Fiscal Year Ended September 30	Valuation Date, October 1	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL(1)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL to Covered Payroll
2011	2010	\$ --	1,404,692	1,404,692	0.0%	668,679	210.1%
2012	2010	--	1,499,465	1,499,465	0.0%	668,679	224.2%
2013	2012	--	1,384,490	1,384,490	0.0%	696,559	198.8%

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

Supplementary information for the OPEB plan can be found in Footnote 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, 2013
(In thousands)

City of Austin, Texas
Exhibit E-1

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Taxes					
Property taxes:					
Current	\$ 312,978	100	313,078	311,396	1,682
Delinquent	1,266	--	1,266	1,000	266
Penalty and interest	1,222	--	1,222	890	332
Sales taxes	176,198	--	176,198	166,436	9,762
Other taxes	6,941	--	6,941	5,739	1,202
Total taxes	498,605	100	498,705	485,461	13,244
Franchise fees	35,040	16	35,056	33,300	1,756
Fines, forfeitures, and penalties					
Library fines	592	--	592	613	(21)
Traffic fines	8,795	--	8,795	8,968	(173)
Parking violations	3,317	--	3,317	3,679	(362)
Other	4,267	--	4,267	4,650	(383)
Total fines, forfeitures, and penalties	16,971	--	16,971	17,910	(939)
Licenses, permits, and inspections					
Alarm permits	2,503	(1)	2,502	2,217	285
Public health	3,266	(1)	3,265	3,005	260
Development	6,094	--	6,094	4,375	1,719
Building safety	16,085	--	16,085	9,768	6,317
Beer and wine permits	356	--	356	341	15
Other	365	10	375	294	81
Total licenses, permits, and inspections	28,669	8	28,677	20,000	8,677
Charges for services/goods					
Recreation and culture	7,274	--	7,274	7,432	(158)
Public health	6,242	(1,152)	5,090	4,786	304
Emergency medical services	34,858	988	35,846	31,089	4,757
General government	1,205	--	1,205	1,264	(59)
Total charges for services/goods	49,579	(164)	49,415	44,571	4,844
Interest and other					
Interest	531	--	531	684	(153)
Rental income	2,249	(3)	2,246	1,809	437
Sale of property	210	--	210	352	(142)
Other	3,037	(1,665)	1,372	304	1,068
Total interest and other	6,027	(1,668)	4,359	3,149	1,210
Total revenues	\$ 634,891	(1,708)	633,183	604,391	28,792

(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, 2013
(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	\$ 11,380	(25)	11,355	11,546	191
Contractual services	2,560	14	2,574	2,739	165
Commodities	134	4	138	139	1
Expense refunds	(187)	--	(187)	(172)	15
Capital outlay	39	(31)	8	8	--
Total general government	13,926	(38)	13,888	14,260	372
Public safety					
Police:					
Salaries and fringe benefits	266,583	(645)	265,938	268,484	2,546
Contractual services	25,129	800	25,929	25,236	(693)
Commodities	3,200	274	3,474	3,615	141
Expense refunds	(14,305)	80	(14,225)	(12,799)	1,426
Capital outlay	347	(150)	197	181	(16)
	280,954	359	281,313	284,717	3,404
Fire:					
Salaries and fringe benefits	136,431	(200)	136,231	134,381	(1,850)
Contractual services	7,281	66	7,347	8,356	1,009
Commodities	2,814	205	3,019	2,528	(491)
Indirect cost	216	--	216	312	96
Expense refunds	(8,151)	172	(7,979)	(6,411)	1,568
Capital outlay	85	376	461	200	(261)
	138,676	619	139,295	139,366	71
Emergency Medical Services:					
Salaries and fringe benefits	46,911	(68)	46,843	48,493	1,650
Contractual services	4,760	40	4,800	4,509	(291)
Commodities	2,858	112	2,970	3,108	138
Expense refunds	(782)	46	(736)	(398)	338
Capital outlay	603	65	668	670	2
	54,350	195	54,545	56,382	1,837
Total public safety	473,980	1,173	475,153	480,465	5,312
Transportation, planning, and sustainability					
Contractual services	12	(12)	--	--	--
Expense refunds	(3)	3	--	--	--
Total transportation, planning, and sustainability	9	(9)	--	--	--
Public health					
Salaries and fringe benefits	23,613	(7)	23,606	24,004	398
Contractual services	23,562	750	24,312	24,488	176
Commodities	2,153	86	2,239	1,321	(918)
Expense refunds	(1,119)	--	(1,119)	(803)	316
Capital outlay	23	12	35	35	--
Total public health	48,232	841	49,073	49,045	(28)
Public recreation and culture					
Parks and Recreation:					
Salaries and fringe benefits	40,643	(72)	40,571	41,865	1,294
Contractual services	13,054	279	13,333	12,484	(849)
Commodities	3,671	175	3,846	2,867	(979)
Indirect cost	694	--	694	580	(114)
Expense refunds	(6,503)	--	(6,503)	(5,706)	797
Capital outlay	351	(83)	268	307	39
	\$ 51,910	299	52,209	52,397	188

(Continued)

General Fund
Schedule of Expenditures - Budget and Actual-Budget Basis
As of September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-2

(Continued)

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Austin Public Library:					
Salaries and fringe benefits	\$ 23,510	(66)	23,444	24,059	615
Contractual services	3,063	204	3,267	3,257	(10)
Commodities	3,601	(24)	3,577	2,994	(583)
Expense refunds	(191)	--	(191)	(64)	127
Capital outlay	--	--	--	8	8
	29,983	114	30,097	30,254	157
Total public recreation and culture	81,893	413	82,306	82,651	345
Urban growth management					
Neighborhood Planning & Zoning:					
Salaries and fringe benefits	28,174	(64)	28,110	28,311	201
Contractual services	3,903	70	3,973	3,905	(68)
Commodities	229	21	250	328	78
Expense refunds	(7,334)	--	(7,334)	(7,445)	(111)
Capital outlay	50	51	101	100	(1)
	25,022	78	25,100	25,199	99
Other Urban Growth Management:					
Salaries and fringe benefits	2,136	--	2,136	2,171	35
Contractual services	18,430	(4,143)	14,287	15,929	1,642
Commodities	57	(21)	36	50	14
Expense refunds	(711)	356	(355)	(335)	20
Capital outlay	--	--	--	5	5
	19,912	(3,808)	16,104	17,820	1,716
Total urban growth management	44,934	(3,730)	41,204	43,019	1,815
General city responsibilities (2)	87,126	(73,796)	13,330	14,625	1,295
Total expenditures	750,100	(75,146)	674,954	684,065	9,111
General fund expenditures					
Salaries	579,381	(1,147)	578,234	583,314	5,080
Contractuals	101,754	(1,932)	99,822	100,903	1,081
Commodities	18,717	832	19,549	16,950	(2,599)
Indirect cost	910	--	910	892	(18)
Expense refunds	(39,286)	657	(38,629)	(34,133)	4,496
Capital outlay	1,498	240	1,738	1,514	(224)
General city responsibilities	87,126	(73,796)	13,330	14,625	1,295
Total expenditures	\$ 750,100	(75,146)	674,954	684,065	9,111

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

General Fund
Schedule of Transfers - Budget and Actual-Budget Basis
As of September 30, 2013
(In thousands)

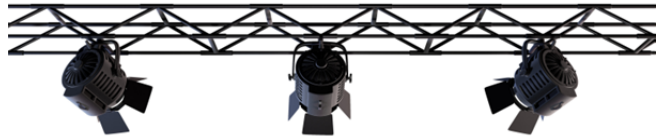
City of Austin, Texas
Exhibit E-3

	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Positive (Negative)
Transfers in					
General fund:					
General fund	--	12,965	12,965	12,965	--
Budget stabilization reserve	--	10,518	10,518	10,518	--
Sustainability	--	3,329	3,329	3,623	(294)
Enterprise funds:					
Austin Energy (2)	105,333	--	105,333	105,333	--
Austin Water Utility	39,684	1,200	40,884	40,884	--
Golf	20	(20)	--	--	--
Austin Resource Recovery (3)	727	--	727	727	--
Total transfers in	145,764	27,992	173,756	174,050	(294)
Transfers out					
General fund:					
Barton Springs Conservation	--	45	45	45	--
Economic Incentive Reserve	--	12,965	12,965	12,965	--
General Fund	--	96	96	96	--
Music Venue Assistance Program	--	100	100	100	--
Neighborhood Housing and Community Development	--	3,233	3,233	3,527	294
Special revenue funds:					
Housing Trust	602	--	602	602	--
Austin Cable Access	450	--	450	450	--
Mueller Local Government Corp	982	(982)	--	--	--
Tax Increment Finance	--	100	100	100	--
Urban Renewal Agency	17	(17)	--	--	--
Austin Housing Finance	355	(355)	--	--	--
Capital Improvement Projects	10,320	(232)	10,088	10,338	250
Debt Service funds:					
Debt Service	9	(9)	--	--	--
Enterprise funds:					
Transportation	851	--	851	851	--
Internal service funds:					
CTECC	--	10,011	10,011	10,011	--
Fleet Maintenance	40	6,324	6,364	6,364	--
Information Systems	--	20,826	20,826	20,826	--
Liability Reserve	--	20	20	20	--
Support Services	--	35,561	35,561	35,561	--
Wireless Communication	--	1,700	1,700	1,700	--
Workers Compensation	--	20	20	20	--
Total transfers out	13,626	89,406	103,032	103,576	544
Net transfers	\$ 132,138	(61,414)	70,724	70,474	250

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

(2) Formerly reported as Electric

(3) Formerly reported as Solid Waste Services



NONMAJOR GOVERNMENTAL FUNDS



Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-4

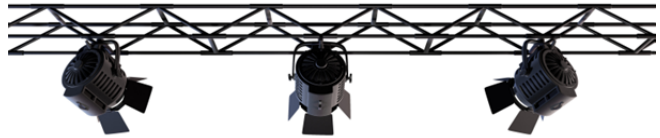
	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
ASSETS					
Cash	\$ 4	--	--	--	4
Pooled investments and cash	89,020	205	141,125	1,483	231,833
Investments, at fair value	--	15,591	--	--	15,591
Cash held by trustee - restricted	5,362	--	--	--	5,362
Property taxes receivable, net of allowance	--	3,595	--	--	3,595
Accounts receivable, net of allowance	21,640	--	9,808	--	31,448
Receivables from other governments	13,647	--	--	--	13,647
Notes receivable, net of allowance	21,227	--	--	--	21,227
Due from other funds	12,264	--	36,241	--	48,505
Advances to other funds	--	2,585	--	--	2,585
Real property held for resale	6,911	--	--	--	6,911
Other assets	765	--	99	--	864
Total assets	170,840	21,976	187,273	1,483	381,572
LIABILITIES AND FUND BALANCES					
Accounts payable	6,387	--	33,592	--	39,979
Accrued payroll	63	--	--	--	63
Due to other funds	12,264	238	36,241	--	48,743
Deferred revenue	8,456	3,459	7,636	--	19,551
Advances from other funds	--	1,211	--	--	1,211
Deposits and other liabilities	54,344	--	498	32	54,874
Total liabilities	81,514	4,908	77,967	32	164,421
Fund balances					
Nonspendable:					
Permanent funds	--	--	--	1,040	1,040
Restricted	65,797	17,068	77,207	411	160,483
Committed	22,921	--	22,039	--	44,960
Assigned	1,590	--	56,590	--	58,180
Unassigned	(982)	--	(46,530)	--	(47,512)
Total fund balances	89,326	17,068	109,306	1,451	217,151
Total liabilities and fund balances	\$ 170,840	21,976	187,273	1,483	381,572

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-5

	Special Revenue	Debt Service	Capital Projects	Permanent Funds	Total
REVENUES					
Property taxes	\$ 3,941	100,558	--	--	104,499
Franchise fees and other taxes	72,058	--	--	--	72,058
Fines, forfeitures and penalties	4,157	--	--	--	4,157
Charges for services/goods	13,247	--	--	742	13,989
Intergovernmental	66,192	--	9,893	--	76,085
Property owners' participation and contributions	3,199	--	6,968	--	10,167
Interest and other	11,221	4,932	2,135	30	18,318
Total revenues	174,015	105,490	18,996	772	299,273
EXPENDITURES					
Current:					
General government	2,657	--	--	--	2,657
Public safety	7,370	--	--	--	7,370
Transportation, planning, and sustainability	15,728	--	--	--	15,728
Public health	20,782	--	--	--	20,782
Public recreation and culture	7,754	--	--	742	8,496
Urban growth management	52,289	--	--	--	52,289
Debt service:					
Principal	1,568	68,057	--	--	69,625
Interest	1,781	46,418	--	--	48,199
Fees and commissions	--	17	--	--	17
Capital outlay	--	--	214,294	--	214,294
Total expenditures	109,929	114,492	214,294	742	439,457
Excess (deficiency) of revenues over expenditures	64,086	(9,002)	(195,298)	30	(140,184)
OTHER FINANCING SOURCES (USES)					
Issuance of tax supported debt	16,735	108	114,656	--	131,499
Bond premiums	--	365	8,087	--	8,452
Transfers in	9,154	7,970	46,273	--	63,397
Transfers out	(75,480)	--	(10,561)	--	(86,041)
Total other financing sources (uses)	(49,591)	8,443	158,455	--	117,307
Net change in fund balances	14,495	(559)	(36,843)	30	(22,877)
Fund balances at beginning of year	74,831	17,627	146,149	1,421	240,028
Fund balances at end of year	\$ 89,326	17,068	109,306	1,451	217,151





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:

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.

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

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

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

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

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

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:

Fiscal Surety - Land Development Fund - Escrow funds received from contractors for hydromulch and erosion control.

Capital Area Metropolitan Planning Organization - Accounts for a transportation study regarding the Austin Metropolitan roadways, bicycle areas, and pedestrian walkways.

Child Safety Fund - Accounts for certain fines and fees used to provide school crossing guards at City schools.

Public Health

Health and Human Services:

Health Miscellaneous Fund - Accounts for contributions for Strategic Intervention for High Risk Youth.

Other Public Health:

Animal Services Fund - Accounts for donations to fund animal services activities.

Animal Shelter Building Fund - Accounts for donations to improve the Town Lake Animal Shelter.

Public Recreation and Culture

Austin Public Library:

Austin History Center Fund - Accounts for contributions to be used for the Austin-Travis County Collection.

Friends of Austin Public Library Fund - Accounts for proceeds of book sales.

Special Library Fund - Accounts for donations received to purchase books or special equipment.

Parks and Recreation:

Adaptive Programs Fund - Accounts for various revenues and fees generated by programs and activities sponsored by the Parks and Recreation Dept.

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

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

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

Republic Square Fund - Accounts for donations for the improvement and beautification of Republic Square.

Summer Musical Fund - Accounts for funds for the annual summer musical production that is administered by the Parks and Recreation Department.

Teen Activity Fund - Accounts for contributions received to provide leisure activities for teenagers.

Tennis League Fund - Accounts for tournament fees received from participants of Austin Tennis League activities and tournaments.

Town Lake Beautification Fund - Accounts for donations for the beautification of Lady Bird Lake.

Urban Growth Management

Neighborhood Housing & Community Development:

Housing Loan Fund - Accounts for Affordable Housing loan activities.

Housing Trust Social Equity Fund - Accounts for housing funds set aside for SMART Housing initiative.

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 Fund (AIDC) - Accounts for the administrative costs related to the Corporation. (blended component unit)

Barton Springs Zone Mitigation - Accounts for the Barton Springs zone mitigation fee.

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.

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.

Performance Contracting Fund - Accounts for revenues and expenditures of loan funds received from the State Energy Conservation Office (SECO) for the implementation of energy conservation measures.

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

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.

Other Urban Growth Management:

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

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

City Hall Fund - Accounts for revenue and operating expenses 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.

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.

Mueller Development Fund - Accounts for the costs of overseeing the life of the redevelopment project, Robert Mueller Municipal Airport site.

Mueller Local Government Corporation Fund - Established for the purpose of financing projects required for the development of the former site of Mueller Airport. (blended component unit)

Mueller Tax Increment Financing Fund - Accounts for property tax revenue that is collected in the Mueller Tax increment Financing reinvestment Zone No. 16.

Music Loan Program Fund - Provides resources for one-time music projects.

One Texas Center Fund - Accounts for the revenues and debt service requirements of the One Texas Center building.

Public Arts Fund - Provides for preservation and conservation of the City of Austin public art collection.

Rutherford Lane Facility Fund - Accounts for the revenue, expenditures and debt service requirements associated with the Rutherford Lane facilities.

Section 108 Family Business Loan - Accounts for the public-private partnership loan program funded by a U.S. Department of Housing and Urban Development (HUD) Section 108 loan guarantee.

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

Tourism and Promotion Fund - Accounts for the promotion of tourism in Austin as both a leisure and business destination. Funded by a portion of bed tax receipts.

Vehicle Rental Tax Fund - Accounts for the levy of a short-term motor vehicle rental tax.

Waller Creek Reserve Fund - Provides reserve funding for the proposed Waller Creek tunnel project.

Waller Creek Tax Increment Finance Fund - Accounts for property tax revenue that is collected in the Waller Creek Tax Increment Financing Reinvestment Zone No. 17.

Wildland Conservation Fund - Accounts for the City and County's management of preserve systems.

Special Revenue Funds
Combining Balance Sheet
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
 Exhibit E-6

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Total
ASSETS				
Cash	\$ --	4	--	4
Pooled investments and cash	1,848	84,611	2,561	89,020
Cash held by trustee - restricted	539	4,823	--	5,362
Accounts receivable, net of allowance	--	20,907	733	21,640
Receivables from other governments	13,647	--	--	13,647
Notes receivable, net of allowance	--	4,956	16,271	21,227
Due from other funds	--	12,264	--	12,264
Real property held for resale	--	890	6,021	6,911
Other assets	26	636	103	765
Total assets	16,060	129,091	25,689	170,840
LIABILITIES AND FUND BALANCES				
Accounts payable	1,428	4,955	4	6,387
Accrued payroll	--	63	--	63
Due to other funds	11,607	657	--	12,264
Deferred revenue	2,976	5,480	--	8,456
Deposits and other liabilities	49	52,373	1,922	54,344
Total liabilities	16,060	63,528	1,926	81,514
Fund balances				
Restricted	--	42,034	23,763	65,797
Committed	--	22,921	--	22,921
Assigned	--	1,590	--	1,590
Unassigned	--	(982)	--	(982)
Total fund balances	--	65,563	23,763	89,326
Total liabilities and fund balances	\$ 16,060	129,091	25,689	170,840

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-7

	Federal, State, and Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Total
REVENUES				
Property taxes	\$ --	3,941	--	3,941
Franchise fees and other taxes	--	72,058	--	72,058
Fines, forfeitures, and penalties	--	4,157	--	4,157
Charges for services/goods	--	13,152	95	13,247
Intergovernmental	56,351	--	9,841	66,192
Property owners' participation and contributions	--	3,199	--	3,199
Interest and other	--	11,208	13	11,221
Total revenues	56,351	107,715	9,949	174,015
EXPENDITURES				
Current:				
General government	1,393	1,264	--	2,657
Public safety	6,030	1,340	--	7,370
Transportation, planning, and sustainability	11,040	4,688	--	15,728
Public health	20,658	124	--	20,782
Public recreation and culture	659	7,095	--	7,754
Urban growth management	16,571	19,691	16,027	52,289
Debt service:				
Principal	--	1,568	--	1,568
Interest	--	1,781	--	1,781
Total expenditures	56,351	37,551	16,027	109,929
Excess of revenues over expenditures	--	70,164	(6,078)	64,086
OTHER FINANCING SOURCES (USES)				
Issuance of tax supported debt	--	16,735	--	16,735
Transfers in	--	4,587	4,567	9,154
Transfers out	--	(75,480)	--	(75,480)
Total other financing sources (uses)	--	(54,158)	4,567	(49,591)
Net change in fund balances	--	16,006	(1,511)	14,495
Fund balances at beginning of year	--	49,557	25,274	74,831
Fund balances at end of year	\$ --	65,563	23,763	89,326

Special Revenue Funds
Combining Balance Sheet - All Special Revenue Grants
September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-8

	Assets					Liabilities and Fund Balances						
	Pooled	Receivables		Other	Total	Accounts	Due to	Deferred	Other	Total	Fund	Total
	Investments	Cash held	from									Liabilities
	and Cash	by trustee	Governments	Assets	Assets	Payable	Funds	Revenue	Liabilities	Liabilities	Balances	and Fund
												Balances
Federal grants												
U.S. Department of Agriculture	\$ 190	--	892	13	1,095	30	902	146	17	1,095	--	1,095
Equal Employment Opportunity Commission	11	--	108	--	119	--	108	11	--	119	--	119
U.S. Department of Justice	--	--	397	--	397	115	282	--	--	397	--	397
U.S. Department of Labor	--	--	10	--	10	--	10	--	--	10	--	10
U.S. Department of Transportation	711	--	3,635	--	4,346	--	4,329	17	--	4,346	--	4,346
U.S. Health & Human Services	489	--	2,169	12	2,670	251	1,572	823	24	2,670	--	2,670
U.S. Department of Homeland Security	58	--	1,163	--	1,221	7	1,032	182	--	1,221	--	1,221
U.S. Housing/Urban Development	100	539	3,036	--	3,675	847	1,284	1,538	6	3,675	--	3,675
U.S. National Foundation on the Arts and Humanities	20	--	100	--	120	1	99	20	--	120	--	120
U.S. Department of Interior	--	--	8	--	8	8	--	--	--	8	--	8
U.S. Department of Energy	29	--	--	--	29	--	--	29	--	29	--	29
U.S. Department of Commerce	--	--	--	--	--	--	--	--	--	--	--	--
Total federal grants	1,608	539	11,518	25	13,690	1,259	9,618	2,766	47	13,690	--	13,690
State grants												
Texas Governor's Office Criminal Justice Division	2	--	--	--	2	--	--	2	--	2	--	2
State Health Services	--	--	157	--	157	9	148	--	--	157	--	157
Texas Commission of the Arts	1	--	2	--	3	--	--	3	--	3	--	3
Texas Comptroller of Public Accounts	11	--	--	--	11	--	--	10	1	11	--	11
Texas Parks and Wildlife	--	--	66	--	66	2	33	31	--	66	--	66
Texas Department of Transportation	--	--	134	--	134	--	134	--	--	134	--	134
Texas Department of Motor Vehicles	--	--	123	1	124	6	84	34	--	124	--	124
Texas Commission on Environmental Quality	--	--	1,253	--	1,253	--	1,253	--	--	1,253	--	1,253
Texas Department of Housing and Community Affairs	--	--	224	--	224	148	75	--	1	224	--	224
Total state grants	14	--	1,959	1	1,974	165	1,727	80	2	1,974	--	1,974
Other special revenue grants	226	--	170	--	396	4	262	130	--	396	--	396
Total all grants	\$ 1,848	539	13,647	26	16,060	1,428	11,607	2,976	49	16,060	--	16,060

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Special Revenue Grants
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-9

	Revenues	Expenditures	Excess (Deficiency) Of Revenues Over Expenditures	Fund Balances at Beginning of Year	Fund Balances at End of Year
	Inter- governmental	Special Projects			
Federal grants					
U.S. Department of Agriculture	\$ 5,762	5,762	--	--	--
Equal Employment Opportunity Commission	116	116	--	--	--
U.S. Department of Justice	1,824	1,824	--	--	--
U.S. Department of Labor	--	--	--	--	--
U.S. Department of Transportation	10,902	10,902	--	--	--
U.S. Health & Human Services	13,016	13,016	--	--	--
U.S. Department of Homeland Security	2,728	2,728	--	--	--
U.S. Housing/Urban Development	17,081	17,081	--	--	--
U.S. National Foundation on the Arts and Humanities	(31)	(31)	--	--	--
U.S. Department of Interior	35	35	--	--	--
U.S. Department of Energy	--	--	--	--	--
U.S. Department of Commerce	6	6	--	--	--
Total federal grants	51,439	51,439	--	--	--
State grants					
Texas Governor's Office Criminal Justice Division	34	34	--	--	--
State Health Services	687	687	--	--	--
Texas Commission of the Arts	1	1	--	--	--
Texas Comptroller of Public Accounts	3	3	--	--	--
Texas Parks and Wildlife	499	499	--	--	--
Texas Department of Transportation	889	889	--	--	--
Texas Department of Motor Vehicles	310	310	--	--	--
Texas Commission on Environmental Quality	1,253	1,253	--	--	--
Texas Department of Housing and Community Affairs	664	664	--	--	--
Total state grants	4,340	4,340	--	--	--
Other special revenue grants	572	572	--	--	--
Total all grants	\$ 56,351	56,351	--	--	--

Special Revenue Funds
Combining Schedule of Expenditures - All Special Revenue Grants
From Inception to September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-10

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	In-Kind		Total	In-Kind		In-Kind		Total	In-Kind		Total
	Grant	Match		Grant	Match	Grant	Match		Grant	Match	
Federal grants											
U.S. Department of Agriculture	\$ 32,811	--	32,811	5,762	--	38,573	--	38,573	39,941	--	39,941
Equal Employment Opportunity Commission	669	--	669	116	--	785	--	785	840	--	840
U.S. Department of Justice	26,594	4,991	31,585	1,824	34	28,418	5,025	33,443	31,892	4,984	36,876
U.S. Department of Labor	68	--	68	--	--	68	--	68	410	--	410
U.S. Department of Transportation	22,359	4,420	26,779	10,902	3,537	33,261	7,957	41,218	51,040	13,669	64,709
U.S. Health & Human Services	93,984	350	94,334	13,016	119	107,000	469	107,469	124,632	888	125,520
U.S. Department of Homeland Security	36,857	860	37,717	2,728	205	39,585	1,065	40,650	48,876	1,286	50,162
U.S. Housing/Urban Development	221,689	2,649	224,338	17,081	447	238,770	3,096	241,866	256,027	4,369	260,396
U.S. National Foundation on the Arts and Humanities	1,655	47	1,702	(31)	--	1,624	47	1,671	1,713	94	1,807
U.S. Department of Interior	334	265	599	35	17	369	282	651	924	279	1,203
U.S. Department of Energy	807	1,190	1,997	--	1	807	1,191	1,998	1,009	1,203	2,212
U.S. Department of Commerce	58	35	93	6	--	64	35	99	65	35	100
Total federal grants	437,885	14,807	452,692	51,439	4,360	489,324	19,167	508,491	557,369	26,807	584,176
State grants											
Texas Governor's Office Criminal Justice Division	544	157	701	34	--	578	157	735	618	157	775
State Health Services	4,422	333	4,755	687	61	5,109	394	5,503	6,381	420	6,801
Texas Commission of the Arts	117	--	117	1	1	118	1	119	121	1	122
Texas Comptroller of Public Accounts	1,302	73	1,375	3	--	1,305	73	1,378	2,614	152	2,766
Texas Parks and Wildlife	43	20	63	499	515	542	535	1,077	547	557	1,104
Texas Department of Transportation	210	37	247	889	--	1,099	37	1,136	1,485	62	1,547
Texas Department of Motor Vehicles	1,619	452	2,071	310	163	1,929	615	2,544	2,445	715	3,160
Texas Commission on Environmental Quality	5,005	3,285	8,290	1,253	(42)	6,258	3,243	9,501	7,545	5,577	13,122
Texas Department of Housing and Community Affairs	2,212	192	2,404	664	--	2,876	192	3,068	2,915	192	3,107
Total state grants	15,474	4,549	20,023	4,340	698	19,814	5,247	25,061	24,671	7,833	32,504
Other special revenue grants	4,024	16	4,040	572	--	4,596	16	4,612	6,296	41	6,337
Total all grants	\$ 457,383	19,372	476,755	56,351	5,058	513,734	24,430	538,164	588,336	34,681	623,017

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2013
(In thousands)

	Assets								
	Cash	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Due from Other Funds	Net Notes Receivable	Property Held for Resale	Other Assets	Total Assets
General government									
Municipal Court:									
Municipal Court Building Security	\$ --	87	--	--	--	--	--	--	87
Municipal Court Juvenile Case Manager	--	2,141	--	--	--	--	--	--	2,141
Municipal Court Technology	--	1,321	--	--	--	--	--	--	1,321
Total general government	--	3,549	--	--	--	--	--	--	3,549
Public safety									
Police:									
ARIC Sustainability	--	325	--	--	--	--	--	--	325
Auto Theft Interdiction	--	40	--	--	--	--	--	--	40
Police Benefit	--	127	--	1	--	--	--	--	128
Police Federal Dept. of Treasury Asset Forfeiture	4	1,060	--	--	--	--	--	--	1,064
Police Federal Dept. of Justice Asset Forfeiture	--	2,276	--	--	--	--	--	--	2,276
Police State Contraband Asset Forfeiture	--	676	--	--	--	--	--	--	676
Texas State Forfeiture Gambling	--	594	--	--	--	--	--	--	594
Municipal Court Traffic Safety	--	161	--	--	--	--	--	--	161
Total Police	4	5,259	--	1	--	--	--	--	5,264
Fire:									
Fire Miscellaneous	--	45	--	--	--	--	--	--	45
Total Fire	--	45	--	--	--	--	--	--	45
Total public safety	4	5,304	--	1	--	--	--	--	5,309
Transportation, planning, and sustainability									
Public Works and Transportation:									
Fiscal Surety - Land Development	--	40,608	--	--	11,704	--	--	--	52,312
Capital Area Metropolitan Planning Organization (1)	--	--	--	818	--	--	--	--	818
Child Safety	--	325	--	70	--	--	--	--	395
Total Public Works and Transportation	--	40,933	--	888	11,704	--	--	--	53,525
Total transportation, planning, and sustainability	\$ --	40,933	--	888	11,704	--	--	--	53,525

(1) Formerly reported as Austin Transportation Study.

City of Austin, Texas
Exhibit E-11

Liabilities						Fund Balances				Total Fund Balances	Total Liabilities and Fund Balances
Accounts Payable	Accrued Payroll	Due to Other Funds	Deferred Revenue	Deposits and Other Liabilities	Total Liabilities	Restricted	Committed	Assigned	Unassigned		
12	--	--	--	--	12	75	--	--	--	75	87
19	9	--	--	--	28	2,113	--	--	--	2,113	2,141
507	--	--	--	--	507	814	--	--	--	814	1,321
538	9	--	--	--	547	3,002	--	--	--	3,002	3,549
--	--	--	--	--	--	325	--	--	--	325	325
--	--	--	--	31	31	9	--	--	--	9	40
38	--	--	--	--	38	90	--	--	--	90	128
--	--	--	--	--	--	1,064	--	--	--	1,064	1,064
--	--	--	--	--	--	2,276	--	--	--	2,276	2,276
--	--	--	--	--	--	676	--	--	--	676	676
--	--	--	--	--	--	594	--	--	--	594	594
72	1	--	--	--	73	88	--	--	--	88	161
110	1	--	--	31	142	5,122	--	--	--	5,122	5,264
--	--	--	--	1	1	44	--	--	--	44	45
--	--	--	--	1	1	44	--	--	--	44	45
110	1	--	--	32	143	5,166	--	--	--	5,166	5,309
328	--	--	--	51,942	52,270	--	42	--	--	42	52,312
269	--	97	272	--	638	180	--	--	--	180	818
3	53	--	--	--	56	327	4	8	--	339	395
600	53	97	272	51,942	52,964	507	46	8	--	561	53,525
600	53	97	272	51,942	52,964	507	46	8	--	561	53,525

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2013
(In thousands)

	Assets							
	Cash	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Due from Other Funds	Net Notes Receivable	Property Held for Resale	Total Assets
Public health								
Health and Human Services:								
Health Miscellaneous	\$ --	160	--	--	--	--	--	160
Total Health and Human Services	--	160	--	--	--	--	--	160
Other public health:								
Animal Services	--	336	--	--	--	--	--	336
Animal Shelter Building	--	15	--	--	--	--	--	15
Total other public health	--	351	--	--	--	--	--	351
Total public health	--	511	--	--	--	--	--	511
Public recreation and culture								
Austin Public Library:								
Austin History Center	--	117	--	--	--	--	--	117
Friends of Austin Public Library	--	404	--	--	--	--	6	410
Special Library	--	624	--	--	--	--	--	624
Total Austin Public Library	--	1,145	--	--	--	--	6	1,151
Parks and Recreation:								
Adaptive Programs	--	16	--	--	--	--	--	16
PARD Cultural Projects	--	2,931	--	--	--	--	--	2,931
PARD Miscellaneous	--	576	--	--	--	--	--	576
Planting for the Future	--	502	--	--	--	--	--	502
Republic Square	--	1	--	--	--	--	--	1
Summer Musical	--	215	--	--	--	--	--	215
Teen Activity	--	46	--	--	--	--	--	46
Tennis League	--	11	--	--	--	--	--	11
Town Lake Beautification	--	91	--	--	--	--	--	91
Total Parks and Recreation	--	4,389	--	--	--	--	--	4,389
Total public recreation and culture	\$ --	5,534	--	--	--	--	6	5,540

(Continued)

Liabilities						Fund Balances				Total	Total
Accounts Payable	Accrued Payroll	Other Funds	Deferred Revenue	Deposits and	Total	Restricted	Committed	Assigned	Unassigned	Fund Balances	Liabilities and Fund Balances
				Other Liabilities	Liabilities						
--	--	--	--	115	115	44	--	1	--	45	160
--	--	--	--	115	115	44	--	1	--	45	160
4	--	--	--	69	73	252	--	11	--	263	336
--	--	--	--	--	--	--	--	15	--	15	15
4	--	--	--	69	73	252	--	26	--	278	351
4	--	--	--	184	188	296	--	27	--	323	511
--	--	--	--	--	--	117	--	--	--	117	117
6	--	--	--	11	17	387	--	6	--	393	410
--	--	--	--	--	--	624	--	--	--	624	624
6	--	--	--	11	17	1,128	--	6	--	1,134	1,151
--	--	--	--	--	--	16	--	--	--	16	16
323	--	--	--	--	323	--	2,590	18	--	2,608	2,931
8	--	--	--	--	8	502	--	66	--	568	576
--	--	--	--	--	--	502	--	--	--	502	502
--	--	--	--	--	--	1	--	--	--	1	1
--	--	--	--	--	--	215	--	--	--	215	215
--	--	--	--	--	--	46	--	--	--	46	46
--	--	--	--	--	--	11	--	--	--	11	11
--	--	--	--	--	--	91	--	--	--	91	91
331	--	--	--	--	331	1,384	2,590	84	--	4,058	4,389
337	--	--	--	11	348	2,512	2,590	90	--	5,192	5,540

(Continued)

Special Revenue Funds - Other
Combining Balance Sheet
September 30, 2013
(In thousands)

	Assets								
	Cash	Pooled Investments and Cash	Cash Held by Trustee	Net Accounts Receivable	Due from Other Funds	Net Notes Receivable	Property Held for Resale	Other Assets	Total Assets
Urban growth management									
Neighborhood Housing & Community Housing Loan	\$ --	--	--	--	--	4,956	--	--	4,956
Housing Trust Social Equity	--	858	--	--	--	--	--	--	858
UNO Housing Trust	--	688	--	7	--	--	--	--	695
Urban Renewal Agency	--	--	--	--	--	--	890	--	890
Total Neighborhood Housing & Community Development	--	1,546	--	7	--	4,956	890	--	7,399
Development Services and Watershed Protection:									
Austin Industrial Development Corporation (AIDC)	--	182	--	--	--	--	--	--	182
Barton Springs Zone Mitigation	--	10	--	--	--	--	--	--	10
Austin Lake Hills Water Quality	--	77	--	--	--	--	--	--	77
East Sixth Street Public Improvement District	--	108	--	38	--	--	--	--	146
Performance Contracting	--	--	--	1,539	--	--	--	--	1,539
Public Improvement District	--	1,748	--	191	--	--	--	--	1,939
Urban Forest Replenishment	--	2,172	--	--	--	--	--	--	2,172
Total Development Services and Watershed Protection	--	4,297	--	1,768	--	--	--	--	6,065
Other urban growth management:									
Business Retention & Enhancement	--	2,000	--	214	--	--	--	205	2,419
Cable TV	--	3,156	--	--	--	--	--	--	3,156
City Hall	--	1,395	--	12	--	--	--	--	1,407
City Hall Retail Tenant Improvement	--	117	--	--	--	--	--	--	117
Hotel-Motel Occupancy Tax	--	131	--	13,751	--	--	--	--	13,882
I-35 Parking Program	--	431	--	--	--	--	--	--	431
Mueller Development	--	18	--	2,208	--	--	--	--	2,226
Mueller Local Government Corporation	--	305	1,823	--	--	--	--	--	2,128
Mueller Tax Increment Financing	--	1	--	--	--	--	--	--	1
Music Loan Program	--	59	--	--	--	--	--	--	59
One Texas Center	--	69	--	--	--	--	--	--	69
Public Arts	--	11	--	--	--	--	--	--	11
Rutherford Lane Facility	--	--	--	--	--	--	--	--	--
Section 108 Family Business Loan	--	--	3,000	--	--	--	--	--	3,000
Tax Increment Finance	--	382	--	--	--	--	--	--	382
Tourism and Promotion	--	2,216	--	--	--	--	--	425	2,641
Vehicle Rental Tax	--	--	--	2,058	--	--	--	--	2,058
Waller Creek Reserve	--	6,614	--	--	560	--	--	--	7,174
Waller Creek Tax Increment Finance	--	4,767	--	--	--	--	--	--	4,767
Wildland Conservation	--	1,265	--	--	--	--	--	--	1,265
Total other urban growth management	--	22,937	4,823	18,243	560	--	--	630	47,193
Total urban growth management	--	28,780	4,823	20,018	560	4,956	890	630	60,657
Total	\$ 4	84,611	4,823	20,907	12,264	4,956	890	636	129,091

(Continued)

Liabilities						Fund Balances				Total	Total
Accounts Payable	Accrued Payroll	Other Funds	Deferred Revenue	Deposits and Other	Total	Restricted	Committed	Assigned	Unassigned	Fund Balances	Liabilities and Fund Balances
				Liabilities	Liabilities						
--	--	--	--	--	--	4,956	--	--	--	4,956	4,956
6	--	--	--	--	6	--	725	127	--	852	858
--	--	--	--	--	--	678	--	17	--	695	695
--	--	--	--	--	--	--	890	--	--	890	890
6	--	--	--	--	6	5,634	1,615	144	--	7,393	7,399
--	--	--	--	--	--	--	182	--	--	182	182
--	--	--	--	--	--	--	10	--	--	10	10
--	--	--	--	--	--	--	77	--	--	77	77
33	--	--	--	--	33	--	111	2	--	113	146
1,539	--	--	--	--	1,539	--	--	--	--	--	1,539
--	--	--	--	--	--	--	1,639	300	--	1,939	1,939
100	--	--	--	--	100	--	2,072	--	--	2,072	2,172
1,672	--	--	--	--	1,672	--	4,091	302	--	4,393	6,065
--	--	--	--	--	--	--	2,309	110	--	2,419	2,419
26	--	--	--	--	26	2,418	--	712	--	3,130	3,156
60	--	--	--	2	62	--	1,345	--	--	1,345	1,407
--	--	--	--	24	24	93	--	--	--	93	117
--	--	--	--	131	131	13,751	--	--	--	13,751	13,882
5	--	--	--	--	5	416	--	10	--	426	431
5	--	--	2,208	17	2,230	--	--	--	(4)	(4)	2,226
--	--	--	--	--	--	--	2,128	--	--	2,128	2,128
--	--	--	--	--	--	1	--	--	--	1	1
5	--	--	--	--	5	--	54	--	--	54	59
--	--	--	--	1	1	--	68	--	--	68	69
--	--	--	--	11	11	--	--	--	--	--	11
415	--	545	--	3	963	--	--	--	(963)	(963)	--
--	--	15	3,000	--	3,015	--	--	--	(15)	(15)	3,000
15	--	--	--	15	30	352	--	--	--	352	382
1,157	--	--	--	--	1,157	1,095	389	--	--	1,484	2,641
--	--	--	--	--	--	2,024	--	34	--	2,058	2,058
--	--	--	--	--	--	--	7,174	--	--	7,174	7,174
--	--	--	--	--	--	4,767	--	--	--	4,767	4,767
--	--	--	--	--	--	--	1,112	153	--	1,265	1,265
1,688	--	560	5,208	204	7,660	24,917	14,579	1,019	(982)	39,533	47,193
3,366	--	560	5,208	204	9,338	30,551	20,285	1,465	(982)	51,319	60,657
4,955	63	657	5,480	52,373	63,528	42,034	22,921	1,590	(982)	65,563	129,091

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

	Revenues						
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Contributions	Interest and Other	Total Revenues
General government							
Municipal Court:							
Municipal Court Building Security	\$ --	--	382	--	--	--	382
Municipal Court Juvenile Case Manager	--	--	504	--	--	4	508
Municipal Court Technology	--	--	509	--	--	1	510
Total general government	--	--	1,395	--	--	5	1,400
Public safety							
Police:							
ARIC Sustainability	--	--	--	--	363	--	363
Auto Theft Interdiction	--	--	--	--	--	--	--
Police Benefit	--	--	--	12	2	--	14
Police Federal Dept. of Treasury Asset Forfeiture	--	--	144	--	--	2	146
Police Federal Dept. of Justice Asset Forfeiture	--	--	201	--	--	4	205
Police State Contraband Asset Forfeiture	--	--	151	--	--	1	152
Texas State Forfeiture Gambling	--	--	38	--	--	1	39
Municipal Court Traffic Safety	--	--	530	--	--	57	587
Total Police	--	--	1,064	12	365	65	1,506
Fire:							
Fire Miscellaneous	--	--	--	14	--	--	14
Total Fire	--	--	--	14	--	--	14
Total public safety	--	--	1,064	26	365	65	1,520
Transportation, planning, and sustainability							
Public Works and Transportation:							
Fiscal Surety - Land Development	--	--	--	--	--	(135)	(135)
Capital Area Metropolitan Planning Organization (2)	--	--	--	2,733	--	--	2,733
Child Safety	--	--	1,698	--	--	1	1,699
Total Public Works and Transportation	--	--	1,698	2,733	--	(134)	4,297
Total transportation, planning, and sustainability	\$ --	--	1,698	2,733	--	(134)	4,297

(1) Expenditures include capital outlay of \$707 thousand.

(2) Formerly reported as Austin Transportation Study.

Expenditures			Excess (Deficiency) Of Revenues Over Expenditures	Other Financing Sources (Uses)			Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
Current Expenditures (1)	Debt Service			Issuance of Tax Supported Debt	Transfers In	Transfers Out			
	Principal	Interest							
320	--	--	62	--	--	--	62	13	75
452	--	--	56	--	--	--	56	2,057	2,113
492	--	--	18	--	--	--	18	796	814
1,264	--	--	136	--	--	--	136	2,866	3,002
38	--	--	325	--	--	--	325	--	325
--	--	--	--	--	--	--	--	9	9
42	--	--	(28)	--	--	--	(28)	118	90
439	--	--	(293)	--	--	--	(293)	1,357	1,064
158	--	--	47	--	--	--	47	2,229	2,276
154	--	--	(2)	--	--	--	(2)	678	676
99	--	--	(60)	--	--	--	(60)	654	594
390	--	--	197	--	--	--	197	(109)	88
1,320	--	--	186	--	--	--	186	4,936	5,122
20	--	--	(6)	--	--	--	(6)	50	44
20	--	--	(6)	--	--	--	(6)	50	44
1,340	--	--	180	--	--	--	180	4,986	5,166
--	--	--	(135)	--	--	--	(135)	177	42
2,747	--	--	(14)	--	--	--	(14)	194	180
1,941	--	--	(242)	--	--	--	(242)	581	339
4,688	--	--	(391)	--	--	--	(391)	952	561
4,688	--	--	(391)	--	--	--	(391)	952	561

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

	Revenues					
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Contributions	Interest and Other
						Total Revenues
Public health						
Health and Human Services:						
Health Miscellaneous	\$ --	--	--	--	--	1
Total Health and Human Services	--	--	--	--	--	1
Other public health:						
Animal Services	--	--	--	--	139	1
Animal Shelter Building	--	--	--	--	--	--
Total other public health	--	--	--	--	139	1
Total public health	--	--	--	--	139	2
Public recreation and culture						
Austin Public Library:						
Austin History Center	--	--	--	--	4	--
Friends of Austin Public Library	--	--	--	--	154	--
Special Library	--	--	--	--	140	--
Total Austin Public Library	--	--	--	--	298	--
Parks and Recreation:						
Adaptive Programs	--	--	--	--	2	--
PARD Cultural Projects	--	6,958	--	--	--	4
PARD Miscellaneous	--	--	--	--	127	3
Planting for the Future	--	--	--	--	167	--
Republic Square	--	--	--	--	1	--
Summer Musical	--	--	--	--	158	--
Teen Activity	--	--	--	--	8	--
Tennis League	--	--	--	--	--	--
Town Lake Beautification	--	--	--	--	1	--
Total parks and recreation	--	6,958	--	--	464	7
Total public recreation and culture	\$ --	6,958	--	--	762	7

(1) Expenditures include capital outlay of \$707 thousand.

(Continued)

Expenditures			Excess (Deficiency) Of Revenues Over Expenditures	Other Financing Sources (Uses)			Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
Current Expenditures	Debt Service			Issuance of	Transfers	Transfers			
(1)	Principal	Interest		Tax Supported Debt	In	Out			
--	--	--	1	--	--	--	1	44	45
--	--	--	1	--	--	--	1	44	45
124	--	--	16	--	--	--	16	247	263
--	--	--	--	--	--	--	--	15	15
124	--	--	16	--	--	--	16	262	278
124	--	--	17	--	--	--	17	306	323
--	--	--	4	--	--	--	4	113	117
58	--	--	96	--	--	--	96	297	393
131	--	--	9	--	--	--	9	615	624
189	--	--	109	--	--	--	109	1,025	1,134
--	--	--	2	--	--	--	2	14	16
6,449	--	--	513	--	--	--	513	2,095	2,608
174	--	--	(44)	--	--	--	(44)	612	568
113	--	--	54	--	--	--	54	448	502
--	--	--	1	--	--	--	1	--	1
169	--	--	(11)	--	--	--	(11)	226	215
1	--	--	7	--	--	--	7	39	46
--	--	--	--	--	--	--	--	11	11
--	--	--	1	--	--	--	1	90	91
6,906	--	--	523	--	--	--	523	3,535	4,058
7,095	--	--	632	--	--	--	632	4,560	5,192

(Continued)

Special Revenue Funds - Other
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

	Revenues						
	Property Taxes	Gross Receipts Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Contributions	Interest and Other	Total Revenues
Urban growth management							
Neighborhood Housing & Community Development:							
Housing Loan	\$ --	--	--	--	--	4,956	4,956
Housing Trust Social Equity	--	--	--	2	--	2	4
UNO Housing Trust	--	--	--	380	--	1	381
Urban Renewal Agency	--	--	--	--	1,260	152	1,412
Total Neighborhood Housing & Community Development	--	--	--	382	1,260	5,111	6,753
Development Services and Watershed Protection:							
Austin Industrial Development Corporation (AIDC)	--	--	--	--	--	--	--
Barton Springs Zone Mitigation	--	--	--	--	--	--	--
Austin Lake Hills Water Quality	--	--	--	--	77	--	77
East Sixth Street Public Improvement District	--	--	--	84	44	--	128
Performance Contracting	--	--	--	--	--	2,248	2,248
Public Improvement District	--	--	--	3,102	--	5	3,107
Urban Forest Replenishment	--	--	--	--	552	4	556
Total Development Services and Watershed Protection	--	--	--	3,186	673	2,257	6,116
Other urban growth management:							
Business Retention & Enhancement	--	--	--	257	--	278	535
Cable TV	--	1,961	--	--	--	4	1,965
City Hall	--	--	--	1,196	--	2	1,198
City Hall Retail Tenant Improvement	--	--	--	--	--	--	--
Hotel-Motel Occupancy Tax	--	45,190	--	--	--	--	45,190
I-35 Parking Program	--	--	--	359	--	1	360
Mueller Development	--	--	--	--	--	--	--
Mueller Local Government Corporation	--	--	--	--	--	66	66
Mueller Tax Increment Financing	2,261	--	--	--	--	1	2,262
Music Loan Program	--	--	--	--	--	--	--
One Texas Center	--	--	--	1,741	--	--	1,741
Public Arts	--	--	--	--	--	--	--
Rutherford Lane Facility	--	--	--	3,272	--	--	3,272
Section 108 Family Business Loan	--	--	--	--	--	--	--
Tax Increment Finance	100	--	--	--	--	1	101
Tourism and Promotion	--	9,605	--	--	--	5	9,610
Vehicle Rental Tax	--	8,344	--	--	--	3	8,347
Waller Creek Reserve	--	--	--	--	--	3,332	3,332
Waller Creek Tax Increment Finance	1,580	--	--	--	--	6	1,586
Wildland Conservation	--	--	--	--	--	196	196
Total other urban growth management	3,941	65,100	--	6,825	--	3,895	79,761
Total urban growth management	3,941	65,100	--	10,393	1,933	11,263	92,630
Total	\$ 3,941	72,058	4,157	13,152	3,199	11,208	107,715

(1) Expenditures include capital outlay of \$707 thousand.

(Continued)

Expenditures			Excess (Deficiency) Of Revenues Over Expenditures	Other Financing Sources (Uses)			Net Change in Fund Balances	Fund Balances at Beginning of Year	Fund Balances at End of Year
Current	Debt Service			Issuance of	Transfers In	Transfers Out			
Expenditures (1)	Principal	Interest		Tax Supported Debt					
--	--	--	4,956	--	--	--	4,956	--	4,956
152	--	--	(148)	--	602	(941)	(487)	1,339	852
--	--	--	381	--	--	--	381	314	695
539	--	--	873	--	17	--	890	--	890
691	--	--	6,062	--	619	(941)	5,740	1,653	7,393
--	--	--	--	--	--	--	--	182	182
--	--	--	--	--	--	--	--	10	10
--	--	--	77	--	--	--	77	--	77
121	--	--	7	--	--	--	7	106	113
2,248	--	--	--	--	--	--	--	--	--
3,061	--	--	46	--	150	--	196	1,743	1,939
350	--	--	206	--	--	--	206	1,866	2,072
5,780	--	--	336	--	150	--	486	3,907	4,393
--	--	--	535	--	--	--	535	1,884	2,419
738	--	--	1,227	--	450	--	1,677	1,453	3,130
562	--	--	636	--	--	--	636	709	1,345
--	--	--	--	--	--	--	--	93	93
--	--	--	45,190	--	--	(43,059)	2,131	11,620	13,751
139	68	42	111	--	--	(58)	53	373	426
17	--	--	(17)	--	--	--	(17)	13	(4)
2	1,500	1,739	(3,175)	16,735	3,243	(16,500)	303	1,825	2,128
--	--	--	2,262	--	--	(2,261)	1	--	1
75	--	--	(75)	--	--	--	(75)	129	54
7	--	--	1,734	--	--	(1,601)	133	(65)	68
--	--	--	--	--	--	--	--	--	--
1,941	--	--	1,331	--	--	(1,359)	(28)	(935)	(963)
--	--	--	--	--	--	(15)	(15)	--	(15)
146	--	--	(45)	--	--	--	(45)	397	352
9,586	--	--	24	--	125	--	149	1,335	1,484
--	--	--	8,347	--	--	(8,018)	329	1,729	2,058
--	--	--	3,332	--	--	(1,668)	1,664	5,510	7,174
--	--	--	1,586	--	--	--	1,586	3,181	4,767
7	--	--	189	--	--	--	189	1,076	1,265
13,220	1,568	1,781	63,192	16,735	3,818	(74,539)	9,206	30,327	39,533
19,691	1,568	1,781	69,590	16,735	4,587	(75,480)	15,432	35,887	51,319
34,202	1,568	1,781	70,164	16,735	4,587	(75,480)	16,006	49,557	65,563

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2013
(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							
Municipal Court:							
Municipal Court Building Security							
Actual-budget basis	\$ (137)	382	322	--	--	60	(77)
Budget	82	344	344	--	--	--	82
Variance-Positive (Negative)	(219)	38	22	--	--	60	(159)
Municipal Court Technology							
Actual-budget basis	716	510	571	--	--	(61)	655
Budget	658	465	735	--	--	(270)	388
Variance-Positive (Negative)	58	45	164	--	--	209	267
Municipal Court Juvenile Case Manager							
Actual-budget basis	1,756	508	452	--	--	56	1,812
Budget	1,949	461	728	--	10	(277)	1,672
Variance-Positive (Negative)	(193)	47	276	--	10	333	140
Public safety							
Police:							
Federal Dept. of Justice Asset Forfeiture							
Actual-budget basis	2,201	205	205	--	--	--	2,201
Budget	1,363	--	1,363	--	--	(1,363)	--
Variance-Positive (Negative)	838	205	1,158	--	--	1,363	2,201
Federal Dept. of Treasury Asset Forfeiture							
Actual-budget basis	1,001	146	232	--	--	(86)	915
Budget	905	--	905	--	--	(905)	--
Variance-Positive (Negative)	96	146	673	--	--	819	915
State Contraband Asset Forfeiture							
Actual-budget basis	574	153	166	--	--	(13)	561
Budget	506	--	506	--	--	(506)	--
Variance-Positive (Negative)	68	153	340	--	--	493	561
State Gambling Asset Forfeiture							
Actual-budget basis	651	40	96	--	--	(56)	595
Budget	536	--	536	--	--	(536)	--
Variance-Positive (Negative)	115	40	440	--	--	480	595
Traffic Safety							
Actual-budget basis	(105)	586	660	--	--	(74)	(179)
Budget	--	1,665	1,370	--	295	--	--
Variance-Positive (Negative)	(105)	(1,079)	710	--	295	(74)	(179)

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2013
(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							
Public Works and Transportation							
Child Safety							
Actual-budget basis	\$ 442	1,700	1,944	--	--	(244)	198
Budget	618	1,605	1,847	--	4	(246)	372
Variance-Positive (Negative)	(176)	95	(97)	--	4	2	(174)
Public recreation and culture							
PARD Cultural Projects							
Actual-budget basis	1,433	6,961	6,608	--	--	353	1,786
Budget	1,685	--	6,807	6,026	--	(781)	904
Variance-Positive (Negative)	(252)	6,961	199	(6,026)	--	1,134	882
Urban growth management							
Neighborhood Housing & Community Development:							
Housing Trust Social Equity							
Actual-budget basis	1,338	4	1,171	602	--	(565)	773
Budget	1,174	--	1,776	602	--	(1,174)	--
Variance-Positive (Negative)	164	4	605	--	--	609	773
UNO Housing Trust							
Actual-budget basis	306	381	--	--	--	381	687
Budget	297	--	297	--	--	(297)	--
Variance-Positive (Negative)	9	381	297	--	--	678	687
Neighborhood Planning and Zoning:							
Austin Energy Performance Contracting							
Actual-budget basis	(5,205)	709	--	--	--	709	(4,496)
Budget	(4,687)	3,723	--	--	--	3,723	(964)
Variance	(518)	(3,014)	--	--	--	(3,014)	(3,532)
Other urban growth management:							
Business Retention and Enhancement							
Actual-budget basis	1,687	549	--	--	--	549	2,236
Budget	1,523	205	250	--	--	(45)	1,478
Variance-Positive (Negative)	164	344	250	--	--	594	758
Cable TV							
Actual-budget basis	1,329	1,965	1,061	450	--	1,354	2,683
Budget	1,014	1,702	2,263	450	--	(111)	903
Variance-Positive (Negative)	315	263	1,202	--	--	1,465	1,780

(Continued)

Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2013
(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							
City Hall							
Actual-budget basis	\$ 642	1,198	536	--	--	662	1,304
Budget	508	772	731	--	--	41	549
Variance-Positive (Negative)	134	426	195	--	--	621	755
Hotel-Motel Occupancy Tax							
Actual-budget basis	2,733	60,423	--	--	59,622	801	3,534
Budget	--	51,489	--	--	51,489	--	--
Variance-Positive (Negative)	2,733	8,934	--	--	(8,133)	801	3,534
I-35 Parking Program							
Actual-budget basis	366	360	180	--	58	122	488
Budget	355	356	175	--	178	3	358
Variance-Positive (Negative)	11	4	(5)	--	120	119	130
Mueller Tax Increment Financing							
Actual-budget basis	--	2,261	2,261	--	--	--	--
Budget	--	2,240	2,240	--	--	--	--
Variance-Positive (Negative)	--	21	(21)	--	--	--	--
One Texas Center							
Actual-budget basis	(105)	1,741	7	--	1,601	133	28
Budget	(525)	3,764	2,097	--	1,601	66	(459)
Variance-Positive (Negative)	420	(2,023)	2,090	--	--	67	487
Rutherford Lane Facility							
Actual-budget basis	(1,039)	3,272	1,940	--	1,359	(27)	(1,066)
Budget	(1,206)	3,558	3,309	--	--	249	(957)
Variance-Positive (Negative)	167	(286)	1,369	--	(1,359)	(276)	(109)
Section 108 Family Business Loan							
Actual-budget basis	3,000	--	--	--	--	--	3,000
Budget	3,000	99	3,000	--	99	(3,000)	--
Variance-Positive (Negative)	--	(99)	3,000	--	99	3,000	3,000
Tourism and Promotion							
Actual-budget basis	1,348	9,610	9,586	125	--	149	1,497
Budget	1,163	3	9,586	8,420	--	(1,163)	--
Variance-Positive (Negative)	185	9,607	--	(8,295)	--	1,312	1,497
Vehicle Rental Tax							
Actual-budget basis	(2,046)	8,018	--	--	8,018	--	(2,046)
Budget	--	7,165	--	--	7,165	--	--
Variance-Positive (Negative)	(2,046)	853	--	--	(853)	--	(2,046)

(Continued)

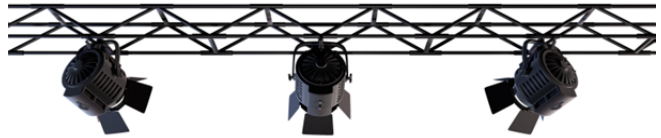
Special Revenue Funds - Other
Combining Schedule of Revenues, Expenditures, and Transfers -
Budget and Actual-Budget Basis
For the year ended September 30, 2013
(In thousands)

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	\$ 5,511	3,332	--	--	1,668	1,664	7,175
Budget	5,511	1,362	--	--	3,128	(1,766)	3,745
Variance-Positive (Negative)	--	1,970	--	--	1,460	3,430	3,430
Waller Creek Tax Increment Finance							
Actual-budget basis	3,180	1,586	--	--	--	1,586	4,766
Budget	3,180	1,606	--	--	--	1,606	4,786
Variance-Positive (Negative)	--	(20)	--	--	--	(20)	(20)
Wildland Conservation							
Actual-budget basis	746	196	9	--	--	187	933
Budget	797	200	250	--	--	(50)	747
Variance-Positive (Negative)	(51)	(4)	241	--	--	237	186
Total							
Actual-budget basis	\$ 22,323	106,796	28,007	1,177	72,326	7,640	29,963
Budget	20,406	82,784	41,115	15,498	63,969	(6,802)	13,604
Variance-Positive (Negative)	1,917	24,012	13,108	(14,321)	(8,357)	14,442	16,359





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, 2013
(In thousands)

City of Austin, Texas
 Exhibit E-14

	General Obligation	HUD Section 108 Loans	Total
ASSETS			
Pooled investments and cash	\$ 205	--	205
Investments, at fair value	15,591	--	15,591
Property taxes receivable, net of allowance	3,595	--	3,595
Advances to other funds	2,585	--	2,585
Total assets	21,976	--	21,976
LIABILITIES AND FUND BALANCES			
Due to other funds	238	--	238
Deferred revenue	3,459	--	3,459
Advances from other funds	1,211	--	1,211
Total liabilities	4,908	--	4,908
Fund balances			
Restricted	17,068	--	17,068
Total fund balances	17,068	--	17,068
Total liabilities and fund balances	\$ 21,976	--	21,976

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

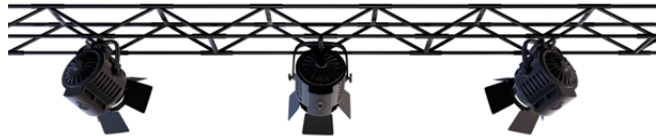
City of Austin, Texas
 Exhibit E-15

	General Obligation	HUD Section 108 Loans	Total
REVENUES			
Property taxes			
Current	\$ 100,119	--	100,119
Penalty and interest	439	--	439
Interest and other	3,969	963	4,932
Total revenues	104,527	963	105,490
EXPENDITURES			
Debt service:			
Principal	67,282	775	68,057
Interest	46,217	201	46,418
Fees and commissions	6	11	17
Total expenditures	113,505	987	114,492
Excess (deficiency) of revenues over expenditures	(8,978)	(24)	(9,002)
OTHER FINANCING SOURCES (USES)			
Issuance of tax supported debt	108	--	108
Bond premiums	365	--	365
Transfers in	7,946	24	7,970
Total other financing sources (uses)	8,419	24	8,443
Net change in fund balances	(559)	--	(559)
Fund balances at beginning of year	17,627	--	17,627
Fund balances at end of year	\$ 17,068	--	17,068

Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual-Budget Basis
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit E-16

	General Obligation			HUD Section 108 Loans			Total
	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual- Budget Basis	Budget	Variance- Positive (Negative)	Actual-Budget Basis
REVENUES							
General property taxes	\$ 100,558	100,264	294	--	--	--	100,558
Interest	66	22	44	--	--	--	66
Other revenue	3,692	3,113	579	963	1,069	(106)	4,655
Total revenues	<u>104,316</u>	<u>103,399</u>	<u>917</u>	<u>963</u>	<u>1,069</u>	<u>(106)</u>	<u>105,279</u>
EXPENDITURES							
Principal retirement	87,210	86,075	(1,135)	775	775	--	87,985
Interest and other	50,829	53,478	2,649	201	283	82	51,030
Fees and commissions	6	15	9	11	11	--	17
Total expenditures	<u>138,045</u>	<u>139,568</u>	<u>1,523</u>	<u>987</u>	<u>1,069</u>	<u>82</u>	<u>139,032</u>
Excess (deficiency) of revenues over expenditures	(33,729)	(36,169)	2,440	(24)	--	(24)	(33,753)
OTHER FINANCING SOURCES (USES)							
Transfers in	33,668	33,941	(273)	24	--	24	33,692
Total other financing sources (uses)	<u>33,668</u>	<u>33,941</u>	<u>(273)</u>	<u>24</u>	<u>--</u>	<u>24</u>	<u>33,692</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(61)	(2,228)	2,167	--	--	--	(61)
Fund balances at beginning of year	15,753	14,195	1,558	--	--	--	15,753
Fund balances at end of year	<u>\$ 15,692</u>	<u>11,967</u>	<u>3,725</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,692</u>



CAPITAL PROJECTS FUNDS

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those reported within proprietary funds). The City reports the following nonmajor capital projects funds:

Prior

to 1984: Funds authorized August 29, 1981, for emergency medical service projects;

1984: Funds authorized September 8, 1984, for parks and recreation, street and drainage improvements, and fire projects;

1985: Funds authorized January 19, 1985, for cultural arts;

Funds authorized July 26, 1985, for parks and recreation;

1987: Funds authorized September 3, 1987, for street improvements;

1992: Funds authorized August 10, 1992, for various purposes;

1997: Funds authorized May 3, 1997, for radio trunking;

1998: Funds authorized November 3, 1998, for various purposes;

2000: Funds authorized November 7, 2000, for transportation mobility and land acquisition;

2006: Funds authorized November 7, 2006, for various purposes;

2010: Funds authorized November 2, 2010, for transportation mobility;

2012: Funds authorized November 5, 2012, for various purposes; and

Other: Other funds established for various purposes.



Capital Projects Funds
Combining Balance Sheet
September 30, 2013
(In thousands)

	Assets					Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Due from Other Funds	Other Assets	Total Assets	Accounts Payable	Due to Other Funds
Funds Authorized							
August 29, 1981							
EMS buildings	\$ 225	--	--	--	225	--	--
Total Funds Authorized Prior to 1984	225	--	--	--	225	--	--
Funds Authorized							
September 8, 1984							
Parkland acquisition	2	--	--	--	2	--	--
Drainage and flood improvements	1,172	--	--	--	1,172	--	--
Street improvements	1,193	12	--	--	1,205	--	--
Fire improvements	4	--	--	--	4	--	--
Total Funds Authorized in 1984	2,371	12	--	--	2,383	--	--
Funds Authorized							
January 19, 1985							
Cultural arts	263	--	--	--	263	--	--
Funds Authorized							
July 26, 1985							
Neighborhood park and recreation	16,145	--	--	--	16,145	3	--
Total Funds Authorized in 1985	16,408	--	--	--	16,408	3	--
Funds Authorized							
September 3, 1987							
Street resurfacing	192	--	--	--	192	--	--
Total Funds Authorized in 1987	192	--	--	--	192	--	--
Funds Authorized							
August 10, 1992							
Police substations	31	--	--	--	31	--	--
Asbestos abatement/ADA compliance/ East Austin health clinic	128	--	--	--	128	--	--
Erosion & flood control	1	--	--	--	1	--	--
Street & traffic signals	--	--	--	--	--	--	8
Neighborhood sidewalks	2	--	--	--	2	--	--
Parks and recreation facilities	--	--	--	--	--	--	288
Libraries	--	--	--	--	--	--	17
Barton Creek greenway	320	--	--	--	320	--	--
Total Funds Authorized in 1992	482	--	--	--	482	--	313
Funds Authorized							
May 3, 1997							
Radio Trunking	--	1,042	--	--	1,042	--	1,089
Total Funds Authorized in 1997	--	1,042	--	--	1,042	--	1,089
Funds Authorized							
November 3, 1998							
Cultural arts and land	666	--	--	--	666	106	--
Traffic signals	3,437	63	1,401	--	4,901	7	--
Public safety facilities	601	--	--	--	601	16	--
Parks and recreation facilities	3,454	--	--	--	3,454	340	--
Total Funds Authorized in 1998	8,158	63	1,401	--	9,622	469	--
Funds Authorized							
November 7, 2000							
Transportation Mobility Improvement	24,625	--	13,499	--	38,124	11,614	--
Open Spaces	--	4	--	--	4	--	4
Total Funds Authorized in 2000	\$ 24,625	4	13,499	--	38,128	11,614	4

Liabilities			Fund Balances					Total Liabilities and Fund Balances
Deferred Revenue	Other Liabilities	Total Liabilities	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	
--	--	--	--	--	225	--	225	225
--	--	--	--	--	225	--	225	225
--	--	--	--	--	2	--	2	2
--	--	--	252	--	920	--	1,172	1,172
--	--	--	--	1	1,204	--	1,205	1,205
--	--	--	--	--	4	--	4	4
--	--	--	252	1	2,130	--	2,383	2,383
--	--	--	--	--	263	--	263	263
--	--	3	16,127	--	15	--	16,142	16,145
--	--	3	16,127	--	278	--	16,405	16,408
--	--	--	--	--	192	--	192	192
--	--	--	--	--	192	--	192	192
--	--	--	--	--	31	--	31	31
--	--	--	--	1	127	--	128	128
--	--	--	--	--	1	--	1	1
--	--	8	--	--	--	(8)	(8)	--
--	--	--	2	--	--	--	2	2
--	--	288	--	--	--	(288)	(288)	--
--	--	17	--	--	--	(17)	(17)	--
--	--	--	320	--	--	--	320	320
--	--	313	322	1	159	(313)	169	482
--	--	1,089	--	--	--	(47)	(47)	1,042
--	--	1,089	--	--	--	(47)	(47)	1,042
--	--	106	560	--	--	--	560	666
--	--	7	4,894	--	--	--	4,894	4,901
--	--	16	585	--	--	--	585	601
--	--	340	3,114	--	--	--	3,114	3,454
--	--	469	9,153	--	--	--	9,153	9,622
--	--	11,614	11,672	--	14,838	--	26,510	38,124
--	--	4	--	--	--	--	--	4
--	--	11,618	11,672	--	14,838	--	26,510	38,128

(Continued)

Capital Projects Funds
Combining Balance Sheet
September 30, 2013
(In thousands)

	Assets					Liabilities	
	Pooled Investments and Cash	Net Accounts Receivable	Due from Other Funds	Other Assets	Total Assets	Accounts Payable	Due to Other Funds
Funds Authorized							
November 7, 2006							
Transportation	\$ 107	--	--	--	107	1,027	--
Drainage & Open Spaces	5,932	--	204	--	6,136	1,730	--
Parks	11,093	--	--	--	11,093	594	--
Cultural Facilities	2,072	--	--	--	2,072	29	--
Affordable Housing	3,344	--	--	--	3,344	229	--
Central Library	--	--	--	--	--	294	2,750
Public Safety	9,599	--	--	--	9,599	12	--
Total Funds Authorized in 2006	32,147	--	204	--	32,351	3,915	2,750
Funds Authorized							
November 2, 2010							
Mobility	--	--	--	--	--	4,913	8,497
Total Funds Authorized in 2010	--	--	--	--	--	4,913	8,497
Funds Authorized							
November 5, 2012							
Transportation	--	--	--	--	--	218	955
Open Space	--	--	--	--	--	--	1,335
Parks	--	--	--	--	--	180	42
Public Safety	--	--	--	--	--	--	14
Health	--	--	--	--	--	40	96
Library & Cultural	--	--	--	--	--	--	10
Total Funds Authorized in 2012	--	--	--	--	--	438	2,452
Other funds							
Planning & development improvements	--	--	--	--	--	--	1
TPSD general improvements	5,441	36	--	--	5,477	911	--
Library automation system	3,963	--	7,797	--	11,760	4	--
Fire/EMS/NW Austin MUD #1	760	--	--	--	760	--	--
General government projects	7	--	12,317	--	12,324	3,234	--
Health projects	--	--	--	--	--	42	145
Build Austin	--	184	--	--	184	7	519
CMTA Mobility	10,637	7,636	--	--	18,273	561	--
Park improvements	--	--	--	--	--	309	1,596
Parks and Recreation	6,553	--	--	--	6,553	936	--
Police and courts	--	--	--	--	--	--	2,095
Fire - general	1,756	--	--	--	1,756	--	--
Capital reserve	--	226	--	--	226	305	1,049
CTM	7,275	--	--	--	7,275	239	--
Public Works	246	576	--	--	822	318	1,023
Watershed Protection	--	--	--	--	--	--	699
Great Streets	1,659	--	--	--	1,659	--	--
City Hall, plaza, parking garage	--	29	--	--	29	--	7,061
Conservation Land	--	--	--	--	--	--	--
Colony Park	8,761	--	1,023	--	9,784	136	--
Mueller redevelopment	--	--	--	--	--	--	--
NPZ General	5,534	--	--	--	5,534	200	--
Economic Development	39	--	--	--	39	--	--
Waller Creek Tunnel	--	--	--	--	--	5,035	6,948
Fleet General Improvements	--	--	--	--	--	--	--
Interest income fund	3,886	--	--	99	3,985	3	--
Total other funds	56,517	8,687	21,137	99	86,440	12,240	21,136
Totals	\$ 141,125	9,808	36,241	99	187,273	33,592	36,241

(Continued)

Liabilities			Fund Balances					Total
Deferred Revenue	Other Liabilities	Total Liabilities	Restricted	Committed	Assigned	Unassigned	Total Fund Balances	Liabilities and Fund Balances
--	--	1,027	--	--	--	(920)	(920)	107
--	--	1,730	4,406	--	--	--	4,406	6,136
--	--	594	10,499	--	--	--	10,499	11,093
--	--	29	2,043	--	--	--	2,043	2,072
--	--	229	3,115	--	--	--	3,115	3,344
--	--	3,044	--	--	--	(3,044)	(3,044)	--
--	--	12	9,587	--	--	--	9,587	9,599
--	--	6,665	29,650	--	--	(3,964)	25,686	32,351
--	--	13,410	--	--	--	(13,410)	(13,410)	--
--	--	13,410	--	--	--	(13,410)	(13,410)	--
--	--	1,173	--	--	--	(1,173)	(1,173)	--
--	--	1,335	--	--	--	(1,335)	(1,335)	--
--	--	222	--	--	--	(222)	(222)	--
--	--	14	--	--	--	(14)	(14)	--
--	--	136	--	--	--	(136)	(136)	--
--	--	10	--	--	--	(10)	(10)	--
--	--	2,890	--	--	--	(2,890)	(2,890)	--
--	--	1	--	--	--	(1)	(1)	--
--	--	911	--	4,471	95	--	4,566	5,477
--	--	4	--	435	11,321	--	11,756	11,760
--	--	--	--	--	760	--	760	760
--	412	3,646	--	4,802	3,876	--	8,678	12,324
--	--	187	--	--	--	(187)	(187)	--
--	--	526	--	--	--	(342)	(342)	184
7,636	--	8,197	10,031	--	45	--	10,076	18,273
--	--	1,905	--	--	--	(1,905)	(1,905)	--
--	--	936	--	5,617	--	--	5,617	6,553
--	--	2,095	--	--	--	(2,095)	(2,095)	--
--	--	--	--	4	1,752	--	1,756	1,756
--	--	1,354	--	--	--	(1,128)	(1,128)	226
--	--	239	--	5,425	1,611	--	7,036	7,275
--	--	1,341	--	--	--	(519)	(519)	822
--	--	699	--	--	--	(699)	(699)	--
--	--	--	--	--	1,659	--	1,659	1,659
--	--	7,061	--	--	--	(7,032)	(7,032)	29
--	15	15	--	--	--	(15)	(15)	--
--	--	136	--	839	8,809	--	9,648	9,784
--	--	--	--	--	--	--	--	--
--	--	200	--	444	4,890	--	5,334	5,534
--	--	--	--	--	39	--	39	39
--	--	11,983	--	--	--	(11,983)	(11,983)	--
--	--	--	--	--	--	--	--	--
--	71	74	--	--	3,911	--	3,911	3,985
7,636	498	41,510	10,031	22,037	38,768	(25,906)	44,930	86,440
7,636	498	77,967	77,207	22,039	56,590	(46,530)	109,306	187,273

Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
August 29, 1981					
EMS buildings	\$ --	--	--	--	--
Total Funds Authorized					
Prior to 1984	--	--	--	--	--
Funds Authorized					
September 8, 1984					
Parkland acquisition	--	--	--	--	--
Drainage and flood improvements	--	--	--	--	492
Street improvements	--	--	--	--	--
Fire improvements	--	--	--	--	--
Total Funds Authorized in 1984	--	--	--	--	492
Funds Authorized					
January 19, 1985					
Cultural arts	--	--	--	--	--
Funds Authorized					
July 26, 1985					
Neighborhood park and recreation	--	3,738	15	3,753	365
Total Funds Authorized in 1985	--	3,738	15	3,753	365
Funds Authorized					
September 3, 1987					
Street resurfacing	--	--	3	3	--
Total Funds Authorized in 1987	--	--	3	3	--
Funds Authorized					
August 10, 1992					
Police substations	--	--	--	--	--
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	--	--	12
Erosion & flood control	--	--	--	--	--
Street & traffic signals	--	--	--	--	--
Neighborhood sidewalks	--	--	--	--	--
Parks and recreation facilities	--	--	--	--	--
Libraries	--	--	--	--	--
Barton Creek greenway	--	--	--	--	--
Total Funds Authorized in 1992	--	--	--	--	12
Funds Authorized					
May 3, 1997					
Radio Trunking	--	--	--	--	--
Total Funds Authorized in 1997	--	--	--	--	--
Funds Authorized					
November 3, 1998					
Cultural arts and land	--	--	--	--	317
Traffic signals	--	--	--	--	1,005
Public safety facilities	--	--	--	--	80
Parks and recreation facilities	513	--	--	513	1,651
Total Funds Authorized in 1998	513	--	--	513	3,053
Funds Authorized					
November 7, 2000					
Transportation Mobility Improvement	--	--	--	--	20,374
Open Spaces	--	--	--	--	5
Total Funds Authorized in 2000	\$ --	--	--	--	20,379

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)			
--	--	--	--	--	--	--	225	225
--	--	--	--	--	--	--	225	225
--	--	--	--	--	--	--	2	2
(492)	--	--	--	--	--	(492)	1,664	1,172
--	--	--	--	--	--	--	1,205	1,205
--	--	--	--	--	--	--	4	4
(492)	--	--	--	--	--	(492)	2,875	2,383
--	--	--	--	--	--	--	263	263
3,388	--	--	--	--	--	3,388	12,754	16,142
3,388	--	--	--	--	--	3,388	13,017	16,405
3	--	--	--	--	--	3	189	192
3	--	--	--	--	--	3	189	192
--	--	--	--	--	--	--	31	31
(12)	--	--	--	--	--	(12)	140	128
--	--	--	--	--	--	--	1	1
--	--	--	--	--	--	--	(8)	(8)
--	--	--	--	--	--	--	2	2
--	--	--	--	--	--	--	(288)	(288)
--	--	--	--	--	--	--	(17)	(17)
--	--	--	--	--	--	--	320	320
(12)	--	--	--	--	--	(12)	181	169
--	--	--	--	--	--	--	(47)	(47)
--	--	--	--	--	--	--	(47)	(47)
(317)	--	--	--	--	--	(317)	877	560
(1,005)	--	--	--	--	--	(1,005)	5,899	4,894
(80)	--	--	--	--	--	(80)	665	585
(1,138)	--	--	--	--	--	(1,138)	4,252	3,114
(2,540)	--	--	--	--	--	(2,540)	11,693	9,153
(20,374)	--	--	--	--	--	(20,374)	46,884	26,510
(5)	--	--	--	--	--	(5)	5	--
(20,379)	--	--	--	--	--	(20,379)	46,889	26,510

(Continued)

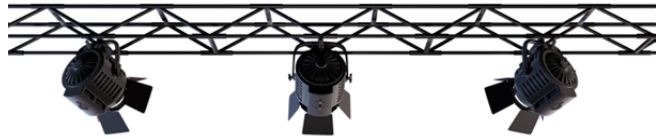
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
November 7, 2006					
Transportation	\$ --	--	--	--	14,977
Drainage & Open Spaces	--	--	--	--	14,358
Parks	139	--	--	139	12,768
Cultural Facilities	--	--	--	--	3,646
Affordable Housing	--	--	--	--	2,633
Central Library	--	--	--	--	3,839
Public Safety	--	--	--	--	1,009
Total Funds Authorized in 2006	139	--	--	139	53,230
Funds Authorized					
November 2, 2010					
Mobility	320	--	--	320	34,166
Total Funds Authorized in 2010	320	--	--	320	34,166
Funds Authorized					
November 5, 2012					
Transportation	--	--	--	--	1,173
Open Space	--	--	--	--	1,335
Parks	--	--	--	--	222
Public Safety	--	--	--	--	14
Health	--	--	--	--	136
Library & Cultural	--	--	--	--	10
Total Funds Authorized in 2012	--	--	--	--	2,890
Other funds					
Planning & development improvements	--	--	--	--	--
TPSD general improvements	--	1,920	--	1,920	8,071
Library automation system	--	--	--	--	753
Fire/EMS/NW Austin MUD #1	--	--	1	1	--
General government projects	--	--	1,200	1,200	6,840
Health projects	--	--	--	--	149
Build Austin	358	--	--	358	293
CMTA Mobility	(3,096)	--	23	(3,073)	4,630
Park improvements	3,659	--	--	3,659	4,671
Parks and Recreation	355	430	26	811	8,632
Police and courts	--	--	--	--	4,889
Fire - general	--	--	--	--	104
Capital reserve	--	--	--	--	318
CTM	1,945	684	--	2,629	8,930
Public Works	5,461	152	--	5,613	3,771
Watershed Protection	--	--	--	--	29
Great Streets	--	--	688	688	--
City Hall, plaza, parking garage	--	--	--	--	(23)
Conservation Land	--	--	--	--	--
Colony Park	158	44	--	202	105
Mueller Redevelopment	--	--	--	--	16,500
NPZ General	81	--	--	81	509
Economic Development	--	--	--	--	--
Waller Creek Tunnel	--	--	5	5	30,378
Fleet General Improvements	--	--	--	--	148
Interest income fund	--	--	174	174	10
Total other funds	8,921	3,230	2,117	14,268	99,707
Totals	\$ 9,893	6,968	2,135	18,996	214,294

(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)			
(14,977)	13,885	1,758	--	--	15,643	666	(1,586)	(920)
(14,358)	4,725	275	--	--	5,000	(9,358)	13,764	4,406
(12,629)	19,921	1,159	--	--	21,080	8,451	2,048	10,499
(3,646)	5,575	325	--	--	5,900	2,254	(211)	2,043
(2,633)	6,284	366	--	--	6,650	4,017	(902)	3,115
(3,839)	1,228	72	--	--	1,300	(2,539)	(505)	(3,044)
(1,009)	945	55	--	--	1,000	(9)	9,596	9,587
(53,091)	52,563	4,010	--	--	56,573	3,482	22,204	25,686
(33,846)	28,350	1,650	--	--	30,000	(3,846)	(9,564)	(13,410)
(33,846)	28,350	1,650	--	--	30,000	(3,846)	(9,564)	(13,410)
(1,173)	--	--	--	--	--	(1,173)	--	(1,173)
(1,335)	--	--	--	--	--	(1,335)	--	(1,335)
(222)	--	--	--	--	--	(222)	--	(222)
(14)	--	--	--	--	--	(14)	--	(14)
(136)	--	--	--	--	--	(136)	--	(136)
(10)	--	--	--	--	--	(10)	--	(10)
(2,890)	--	--	--	--	--	(2,890)	--	(2,890)
--	--	--	--	--	--	--	(1)	(1)
(6,151)	9,477	702	4,569	(1,981)	12,767	6,616	(2,050)	4,566
(753)	--	--	232	--	232	(521)	12,277	11,756
1	--	--	--	--	--	1	759	760
(5,640)	--	--	625	(2,582)	(1,957)	(7,597)	16,275	8,678
(149)	--	--	--	--	--	(149)	(38)	(187)
65	--	--	--	--	--	65	(407)	(342)
(7,703)	--	--	--	--	--	(7,703)	17,779	10,076
(1,012)	--	--	338	--	338	(674)	(1,231)	(1,905)
(7,821)	3,848	212	1,941	--	6,001	(1,820)	7,437	5,617
(4,889)	10,940	991	--	--	11,931	7,042	(9,137)	(2,095)
(104)	--	--	--	--	--	(104)	1,860	1,756
(318)	--	--	--	--	--	(318)	(810)	(1,128)
(6,301)	--	--	6,640	--	6,640	339	6,697	7,036
1,842	--	--	--	--	--	1,842	(2,361)	(519)
(29)	--	--	--	--	--	(29)	(670)	(699)
688	--	--	728	(728)	--	688	971	1,659
23	--	--	--	--	--	23	(7,055)	(7,032)
--	--	--	--	--	--	--	(15)	(15)
97	--	--	9,750	(3,270)	6,480	6,577	3,071	9,648
(16,500)	--	--	16,500	--	16,500	--	--	--
(428)	--	--	4,210	--	4,210	3,782	1,552	5,334
--	--	--	--	--	--	--	39	39
(30,373)	9,478	522	--	--	10,000	(20,373)	8,390	(11,983)
(148)	--	--	--	--	--	(148)	148	--
164	--	--	740	(2,000)	(1,260)	(1,096)	5,007	3,911
(85,439)	33,743	2,427	46,273	(10,561)	71,882	(13,557)	58,487	44,930
(195,298)	114,656	8,087	46,273	(10,561)	158,455	(36,843)	146,149	109,306





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, 2013
(In thousands)

City of Austin, Texas
 Exhibit E-19

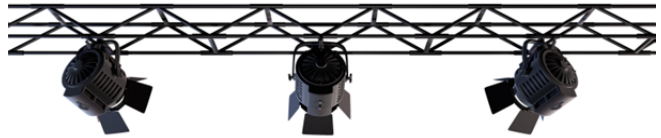
	3M			
	Maintenance	Ellis Library	Perpetual	
	Endowment	Trust	Care	Total
ASSETS				
Pooled investments and cash	\$ 50	26	1,407	1,483
Total assets	50	26	1,407	1,483
LIABILITIES AND FUND BALANCES				
Deposits and other liabilities	--	--	32	32
Total liabilities	--	--	32	32
Fund balances				
Nonspendable:				
Permanent funds	50	9	981	1,040
Restricted	--	17	394	411
Total fund balances	50	26	1,375	1,451
Total liabilities and fund balances	\$ 50	26	1,407	1,483

Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
 Exhibit E-20

	3M			
	Maintenance	Ellis Library	Perpetual	
	Endowment	Trust	Care	Total
REVENUES				
Charges for services/goods	\$ --	--	742	742
Interest and other	--	--	30	30
Total revenues	--	--	772	772
EXPENDITURES				
Current:				
Public recreation and culture	--	--	742	742
Total expenditures	--	--	742	742
Net change in fund balances	--	--	30	30
Fund balances at beginning of year	50	26	1,345	1,421
Fund balances at end of year	\$ 50	26	1,375	1,451





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:

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

Drainage Fund – Accounts for drainage activities.

Golf Fund – Accounts for golf activities.

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

Transportation Fund – Accounts for transportation activities.



Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2013
(In thousands)

	Convention Center	Drainage	Golf
ASSETS			
Current assets:			
Cash	\$ 21	2	5
Pooled investments and cash	36,531	87,513	--
Pooled investments and cash - restricted	15,300	12,156	439
Total pooled investments and cash	51,831	99,669	439
Investments, at fair value - restricted	10,406	--	--
Accounts receivable, net of allowance	843	6,551	--
Due from other funds	--	287	--
Inventories, at cost	54	--	--
Prepaid expenses	--	5	35
Other receivables - restricted	47	349	--
Total current assets	63,202	106,863	479
Noncurrent assets:			
Advances to other funds - restricted	42	--	--
Investments, at fair value - restricted	13,304	--	--
Depreciable capital assets, net of accumulated depreciation	185,512	108,532	9,198
Nondepreciable capital assets	70,001	71,770	598
Deferred costs and expenses, net of amortization	3,523	85	10
Total noncurrent assets	272,382	180,387	9,806
Total assets	335,584	287,250	10,285
Deferred outflows of resources	\$ 12,549	--	--

	Austin Resource Recovery	Transportation	Total
ASSETS			
Current assets:			
Cash	3	2	33
Pooled investments and cash	7,390	16,911	148,345
Pooled investments and cash - restricted	20,356	200	48,451
Total pooled investments and cash	27,746	17,111	196,796
Investments, at fair value - restricted	--	--	10,406
Accounts receivable, net of allowance	11,935	5,277	24,606
Due from other funds	--	--	287
Inventories, at cost	--	2,782	2,836
Prepaid expenses	--	--	40
Other receivables - restricted	--	--	396
Total current assets	39,684	25,172	235,400
Noncurrent assets:			
Advances to other funds - restricted	692	--	734
Investments, at fair value - restricted	--	--	13,304
Depreciable capital assets, net of accumulated depreciation	37,761	18,943	359,946
Nondepreciable capital assets	19,464	2,960	164,793
Deferred costs and expenses, net of amortization	561	73	4,252
Total noncurrent assets	58,478	21,976	543,029
Total assets	98,162	47,148	778,429
Deferred outflows of resources	--	--	12,549

(Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2013
(In thousands)

	Convention Center	Drainage	Golf
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 998	599	112
Accounts and retainage payable from restricted assets	857	1,572	--
Accrued payroll	398	568	79
Accrued compensated absences	865	1,401	124
Due to other funds	326	--	287
Accrued interest payable from restricted assets	1,687	--	--
Interest payable on other debt	75	39	13
Bonds payable	1,461	1,412	326
Bonds payable from restricted assets	10,750	--	--
Customer and escrow deposits payable from restricted assets	2,212	303	--
Accrued landfill closure and postclosure costs	--	--	--
Deferred credits and other liabilities	65	--	1
Other liabilities payable from restricted assets	--	--	--
Total current liabilities	19,694	5,894	942
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	44	--	100
Advances from other funds	671	201	--
Bonds payable, net of discount and inclusive of premium	193,662	9,273	1,149
Pension obligation payable	2,363	4,421	438
Other post employment benefits payable	8,955	13,976	--
Accrued landfill closure and postclosure costs	--	--	--
Derivative instruments - interest rate swaps	12,549	--	--
Deferred credits and other liabilities	2,909	--	--
Other liabilities payable from restricted assets	--	455	--
Total noncurrent liabilities	221,153	28,326	1,687
Total liabilities	240,847	34,220	2,629
NET POSITION			
Net investment in capital assets	55,668	168,214	8,384
Restricted for:			
Debt service	10,931	--	--
Capital projects	--	11,770	386
Renewal and replacement	1,046	--	--
Bond Reserve	10,310	--	--
Operating reserve	4,036	--	--
Unrestricted	25,295	73,046	(1,114)
Total net position	\$ 107,286	253,030	7,656
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	1,466	1,222	314
Total net position - Business-type activities	\$ 108,752	254,252	7,970

(Continued)

	Austin Resource Recovery	Transportation	Total
LIABILITIES			
Current liabilities:			
Accounts payable	1,257	2,749	5,715
Accounts and retainage payable from restricted assets	894	--	3,323
Accrued payroll	802	728	2,575
Accrued compensated absences	1,798	1,657	5,845
Due to other funds	--	--	613
Accrued interest payable from restricted assets	--	--	1,687
Interest payable on other debt	475	104	706
Bonds payable	9,797	2,552	15,548
Bonds payable from restricted assets	--	--	10,750
Customer and escrow deposits payable from restricted assets	981	--	3,496
Accrued landfill closure and postclosure costs	656	--	656
Deferred credits and other liabilities	--	199	265
Other liabilities payable from restricted assets	4,275	--	4,275
Total current liabilities	20,935	7,989	55,454
Noncurrent liabilities, net of current portion:			
Accrued compensated absences	39	42	225
Advances from other funds	--	--	872
Bonds payable, net of discount and inclusive of premium	56,067	9,980	270,131
Pension obligation payable	4,984	3,979	16,185
Other post employment benefits payable	18,928	18,420	60,279
Accrued landfill closure and postclosure costs	9,654	--	9,654
Derivative instruments - interest rate swaps	--	--	12,549
Deferred credits and other liabilities	--	--	2,909
Other liabilities payable from restricted assets	--	--	455
Total noncurrent liabilities	89,672	32,421	373,259
Total liabilities	110,607	40,410	428,713
NET POSITION			
Net investment in capital assets	29,369	9,444	271,079
Restricted for:			
Debt service	692	--	11,623
Capital projects	--	200	12,356
Renewal and replacement	--	--	1,046
Bond Reserve	--	--	10,310
Operating reserve	--	--	4,036
Unrestricted	(42,506)	(2,906)	51,815
Total net position	(12,445)	6,738	362,265
Reconciliation to government-wide Statement of Net Position			
Adjustment to consolidate internal service activities	2,877	684	6,563
Total net position - Business-type activities	(9,568)	7,422	368,828

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2013
(In thousands)

	Convention Center	Drainage	Golf
OPERATING REVENUES			
User fees and rentals	\$ 22,783	64,073	6,069
Total operating revenues	<u>22,783</u>	<u>64,073</u>	<u>6,069</u>
OPERATING EXPENSES			
Operating expenses before depreciation	45,641	46,553	6,523
Depreciation and amortization	8,901	5,879	679
Total operating expenses	<u>54,542</u>	<u>52,432</u>	<u>7,202</u>
Operating income (loss)	<u>(31,759)</u>	<u>11,641</u>	<u>(1,133)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	58	63	1
Interest on revenue bonds and other debt	(9,181)	(438)	(13)
Interest capitalized during construction	1,138	438	--
Amortization of bond issue cost	(256)	(10)	(3)
Other nonoperating revenue (expense)	(1,863)	(1,053)	(1)
Total nonoperating revenues (expenses)	<u>(10,104)</u>	<u>(1,000)</u>	<u>(16)</u>
Income (loss) before contributions and transfers	<u>(41,863)</u>	<u>10,641</u>	<u>(1,149)</u>
Capital contributions	366	9,596	707
Transfers in	51,077	--	--
Transfers out	(200)	(57)	(19)
Change in net position	<u>9,380</u>	<u>20,180</u>	<u>(461)</u>
Total net position - beginning	<u>97,906</u>	<u>232,850</u>	<u>8,117</u>
Total net position - ending	<u>\$ 107,286</u>	<u>253,030</u>	<u>7,656</u>
Reconciliation to government-wide Statement of Activities			
Change in net position	9,380	20,180	(461)
Adjustment to consolidate internal service activities	280	248	34
Change in net position - Business-type activities	<u>\$ 9,660</u>	<u>20,428</u>	<u>(427)</u>

	Austin Resource Recovery	Transportation	Total
OPERATING REVENUES			
User fees and rentals	81,833	67,488	242,246
Total operating revenues	81,833	67,488	242,246
OPERATING EXPENSES			
Operating expenses before depreciation	74,403	66,881	240,001
Depreciation and amortization	6,862	3,004	25,325
Total operating expenses	81,265	69,885	265,326
Operating income (loss)	568	(2,397)	(23,080)
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenues	73	8	203
Interest on revenue bonds and other debt	(1,682)	(276)	(11,590)
Interest capitalized during construction	--	--	1,576
Amortization of bond issue cost	(76)	(18)	(363)
Other nonoperating revenue (expense)	1,326	1,088	(503)
Total nonoperating revenues (expenses)	(359)	802	(10,677)
Income (loss) before contributions and transfers	209	(1,595)	(33,757)
Capital contributions	1,247	443	12,359
Transfers in	90	2,249	53,416
Transfers out	(906)	(6,173)	(7,355)
Change in net position	640	(5,076)	24,663
Total net position - beginning	(13,085)	11,814	337,602
Total net position - ending	(12,445)	6,738	362,265
Reconciliation to government-wide Statement of Activities			
Change in net position	640	(5,076)	24,663
Adjustment to consolidate internal service activities	153	376	1,091
Change in net position - Business-type activities	<u>793</u>	<u>(4,700)</u>	<u>25,754</u>

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Convention Center	Drainage	Golf
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 22,859	63,518	6,069
Cash payments to suppliers for goods and services	(25,631)	(22,667)	(2,341)
Cash payments to employees for services	(17,925)	(21,658)	(3,441)
Net cash provided (used) by operating activities	(20,697)	19,193	287
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	51,077	--	--
Transfers out	(200)	--	(19)
Contributions (to) from other funds	--	(701)	--
Loans to other funds	3	(77)	--
Loans from other funds	--	185	--
Loan repayments to other funds	(320)	--	77
Collections from other governments	--	574	--
Net cash provided (used) by noncapital financing activities	50,560	(19)	58
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of general obligation bonds and other tax-supported debt	--	--	795
Principal paid on long-term debt	(11,379)	(1,156)	(320)
Purchased interest received	--	--	2
Interest paid on revenue bonds and other debt	(8,967)	(513)	(26)
Acquisition and construction of capital assets	(4,572)	(14,385)	(1,127)
Contributions in aid of construction	--	2,050	136
Bond issuance costs	--	--	(6)
Bond premiums	--	--	76
Net cash provided (used) by capital and related financing activities	\$ (24,918)	(14,004)	(470)

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	80,523	67,261	240,230
Cash payments to suppliers for goods and services	(44,869)	(30,526)	(126,034)
Cash payments to employees for services	(34,705)	(32,496)	(110,225)
Net cash provided (used) by operating activities	949	4,239	3,971

CASH FLOWS FROM NONCAPITAL

FINANCING ACTIVITIES:

Transfers in	90	2,249	53,416
Transfers out	(727)	(6,173)	(7,119)
Contributions (to) from other funds	1,608	(256)	651
Loans to other funds	(366)	--	(440)
Loans from other funds	--	--	185
Loan repayments to other funds	--	--	(243)
Collections from other governments	--	--	574
Net cash provided (used) by noncapital financing activities	605	(4,180)	47,024

CASH FLOWS FROM CAPITAL AND RELATED

FINANCING ACTIVITIES:

Proceeds from the sale of general obligation bonds and other tax-supported debt	15,073	--	15,868
Principal paid on long-term debt	(9,625)	(2,890)	(25,370)
Purchased interest received	43	--	45
Interest paid on revenue bonds and other debt	(2,202)	(384)	(12,092)
Acquisition and construction of capital assets	(11,912)	(1,676)	(33,672)
Contributions in aid of construction	--	--	2,186
Bond issuance costs	(118)	--	(124)
Bond premiums	1,376	--	1,452
Net cash provided (used) by capital and related financing activities	(7,365)	(4,950)	(51,707)

(Continued)

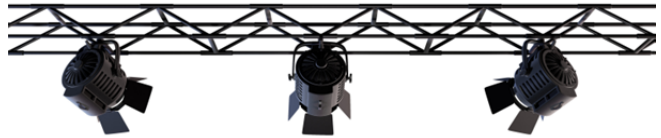
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Convention Center	Drainage	Golf
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	\$ (22,815)	--	--
Proceeds from sale and maturities of investment securities	19,609	--	--
Interest on investments	58	63	1
Net cash provided (used) by investing activities	(3,148)	63	1
Net increase (decrease) in cash and cash equivalents	1,797	5,233	(124)
Cash and cash equivalents, October 1	50,055	94,438	568
Cash and cash equivalents, September 30	51,852	99,671	444
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	(31,759)	11,641	(1,133)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	8,901	5,879	679
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(9)	(1,084)	--
Increase (decrease) in allowance for doubtful accounts	--	528	--
(Increase) decrease in inventory	(19)	--	--
(Increase) decrease in prepaid expenses and other assets	131	1	--
Decrease in deferred costs and other expenses	(47)	--	--
(Increase) decrease in other long-term assets	--	--	680
Increase (decrease) in accounts payable	789	142	57
Increase (decrease) in accrued payroll and compensated absences	81	136	27
Increase (decrease) in pension obligations payable	(171)	(243)	(24)
Increase (decrease) in other post employment benefits payable	1,128	2,251	--
Increase (decrease) in deferred credits and other liabilities	145	(58)	1
Increase (decrease) in customer deposits	133	--	--
Total adjustments	11,062	7,552	1,420
Net cash provided (used) by operating activities	\$ (20,697)	19,193	287
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
(Increase) decrease in deferred assets/expenses	\$ 256	--	--
Capital assets contributed from other funds	366	7,546	571
Capital assets contributed to other funds	(1,858)	--	--
Amortization of bond issue costs	(256)	(10)	(3)
Amortization of bond (discounts) premiums	689	109	20
Amortization of deferred gain (loss) on refundings	(1,181)	(38)	--
Gain (loss) on disposal of assets	(5)	(551)	(1)
Transfers (to) from other funds	--	(57)	--
Capitalized interest	1,138	438	--

(Continued)

	Austin Resource Recovery	Transportation	Total
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	--	--	(22,815)
Proceeds from sale and maturities of investment securities	--	--	19,609
Interest on investments	73	8	203
Net cash provided (used) by investing activities	<u>73</u>	<u>8</u>	<u>(3,003)</u>
Net increase (decrease) in cash and cash equivalents	(5,738)	(4,883)	(3,715)
Cash and cash equivalents, October 1	33,487	21,996	200,544
Cash and cash equivalents, September 30	<u>27,749</u>	<u>17,113</u>	<u>196,829</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	568	(2,397)	(23,080)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	6,862	3,004	25,325
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,046)	(617)	(3,756)
Increase (decrease) in allowance for doubtful accounts	648	390	1,566
(Increase) decrease in inventory	--	(332)	(351)
(Increase) decrease in prepaid expenses and other assets	--	5	137
Decrease in deferred costs and other expenses	--	--	(47)
(Increase) decrease in other long-term assets	--	--	680
Increase (decrease) in accounts payable	(438)	(21)	529
Increase (decrease) in accrued payroll and compensated absences	285	188	717
Increase (decrease) in pension obligations payable	(346)	(295)	(1,079)
Increase (decrease) in other post employment benefits payable	2,735	4,255	10,369
Increase (decrease) in deferred credits and other liabilities	(7,405)	59	(7,258)
Increase (decrease) in customer deposits	86	--	219
Total adjustments	<u>381</u>	<u>6,636</u>	<u>27,051</u>
Net cash provided (used) by operating activities	<u>949</u>	<u>4,239</u>	<u>3,971</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
(Increase) decrease in deferred assets/expenses	(36)	--	220
Capital assets contributed from other funds	1,247	443	10,173
Capital assets contributed to other funds	--	--	(1,858)
Amortization of bond issue costs	(76)	(18)	(363)
Amortization of bond (discounts) premiums	514	47	1,379
Amortization of deferred gain (loss) on refundings	22	--	(1,197)
Gain (loss) on disposal of assets	(364)	(22)	(943)
Transfers (to) from other funds	(179)	--	(236)
Capitalized interest	--	--	1,576





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, 2013
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
ASSETS					
Current assets:					
Cash	\$ --	--	--	1	--
Pooled investments and cash	960	1,438	55,514	15,277	7,847
Cash held by trustee - restricted	--	--	1,234	--	--
Accounts receivable, net of allowance	261	542	1,601	67	--
Due from other funds	--	--	--	--	--
Inventories, at cost	--	--	--	1,488	--
Prepaid expenses	16	5	--	--	53
Total current assets	1,237	1,985	58,349	16,833	7,900
Noncurrent assets:					
Advances to other funds	--	--	--	159	--
Depreciable capital assets, net of accumulated depreciation	754	27,168	--	7,150	8,973
Nondepreciable capital assets	--	32	--	254	--
Deferred costs and expenses, net of amortization	--	--	--	10	--
Total noncurrent assets	754	27,200	--	7,573	8,973
Total assets	1,991	29,185	58,349	24,406	16,873
LIABILITIES					
Current liabilities:					
Accounts payable	118	312	2,273	4,962	1,082
Accrued payroll	475	90	--	316	507
Accrued compensated absences	1,121	213	--	714	1,508
Claims payable	--	--	10,920	--	--
Due to other funds	--	--	--	--	--
Interest payable on other debt	--	--	--	14	--
Bonds payable	--	--	--	346	--
Deferred credits and other liabilities	6	3	1,128	--	--
Total current liabilities	1,720	618	14,321	6,352	3,097
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	34	--	--	--
Claims payable	--	--	--	--	--
Advances from other funds	--	--	--	--	--
Bonds payable, net of discount and inclusive of premium	--	--	--	3,134	--
Total noncurrent liabilities	--	34	--	3,134	--
Total liabilities	1,720	652	14,321	9,486	3,097
NET POSITION					
Net investment in capital assets	754	27,200	--	3,934	8,973
Restricted for:					
Capital projects	--	--	--	627	--
Unrestricted	(483)	1,333	44,028	10,359	4,803
Total net position	\$ 271	28,533	44,028	14,920	13,776

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
ASSETS					
Current assets:					
Cash	--	11	--	--	12
Pooled investments and cash	16,525	16,874	1,888	18,529	134,852
Cash held by trustee - restricted	--	--	--	--	1,234
Accounts receivable, net of allowance	--	18	347	--	2,836
Due from other funds	--	11	--	--	11
Inventories, at cost	--	13	108	--	1,609
Prepaid expenses	--	29	--	--	103
Total current assets	16,525	16,956	2,343	18,529	140,657
Noncurrent assets:					
Advances to other funds	--	1	--	--	160
Depreciable capital assets, net of accumulated depreciation	--	3,005	12,690	--	59,740
Nondepreciable capital assets	--	25	262	--	573
Deferred costs and expenses, net of amortization	--	--	--	--	10
Total noncurrent assets	--	3,031	12,952	--	60,483
Total assets	16,525	19,987	15,295	18,529	201,140
LIABILITIES					
Current liabilities:					
Accounts payable	314	5,962	521	97	15,641
Accrued payroll	--	1,680	92	--	3,160
Accrued compensated absences	--	4,016	181	--	7,753
Claims payable	5,118	--	--	4,712	20,750
Due to other funds	--	154	--	--	154
Interest payable on other debt	--	1	--	--	15
Bonds payable	--	31	--	--	377
Deferred credits and other liabilities	--	474	274	--	1,885
Total current liabilities	5,432	12,318	1,068	4,809	49,735
Noncurrent liabilities, net of current portion:					
Accrued compensated absences	--	145	60	--	239
Claims payable	5,005	--	--	14,127	19,132
Advances from other funds	--	13	--	--	13
Bonds payable, net of discount and inclusive of premium	--	205	--	--	3,339
Total noncurrent liabilities	5,005	363	60	14,127	22,723
Total liabilities	10,437	12,681	1,128	18,936	72,458
NET POSITION					
Net investment in capital assets	--	2,794	12,952	--	56,607
Restricted for:					
Capital projects	--	--	--	--	627
Unrestricted	6,088	4,512	1,215	(407)	71,448
Total net position	6,088	7,306	14,167	(407)	128,682

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2013
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
OPERATING REVENUES					
Billings to departments	\$ 23,603	10,181	102,273	54,590	39,670
Employee contributions	--	--	31,948	--	--
Operating revenues from other governments	--	3,150	--	--	--
Other operating revenues	--	1	1	3,017	213
Total operating revenues	23,603	13,332	134,222	57,607	39,883
OPERATING EXPENSES					
Operating expenses before depreciation	23,628	11,700	129,801	45,624	33,480
Depreciation and amortization	176	3,159	--	874	2,171
Total operating expenses	23,804	14,859	129,801	46,498	35,651
Operating income (loss)	(201)	(1,527)	4,421	11,109	4,232
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	1	--	--	20	5
Interest on bonds and other debt	--	--	--	(179)	(3)
Amortization of bond issue cost	--	--	--	8	--
Other nonoperating revenue (expense)	(8)	(308)	--	(10,819)	(235)
Total nonoperating revenues (expenses)	(7)	(308)	--	(10,970)	(233)
Income (loss) before contributions and transfers	(208)	(1,835)	4,421	139	3,999
Capital contributions	--	20,294	--	--	1,677
Transfers in	2	--	--	199	8
Transfers out	(30)	(1,288)	--	(90)	(4,072)
Change in net position	(236)	17,171	4,421	248	1,612
Total net position - beginning	507	11,362	39,607	14,672	12,164
Total net position - ending	\$ 271	28,533	44,028	14,920	13,776

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
OPERATING REVENUES					
Billings to departments	3,802	87,006	6,717	12,059	339,901
Employee contributions	--	--	--	--	31,948
Operating revenues from other governments	--	--	284	--	3,434
Other operating revenues	1,651	1,691	2,359	--	8,933
Total operating revenues	5,453	88,697	9,360	12,059	384,216
OPERATING EXPENSES					
Operating expenses before depreciation	7,010	81,458	9,312	12,786	354,799
Depreciation and amortization	--	296	3,762	--	10,438
Total operating expenses	7,010	81,754	13,074	12,786	365,237
Operating income (loss)	(1,557)	6,943	(3,714)	(727)	18,979
NONOPERATING REVENUES (EXPENSES)					
Interest and other revenues	--	10	4	--	40
Interest on bonds and other debt	--	(19)	--	--	(201)
Amortization of bond issue cost	--	--	--	--	8
Other nonoperating revenue (expense)	--	(519)	(28)	--	(11,917)
Total nonoperating revenues (expenses)	--	(528)	(24)	--	(12,070)
Income (loss) before contributions and transfers	(1,557)	6,415	(3,738)	(727)	6,909
Capital contributions	--	392	2,367	--	24,730
Transfers in	--	31	3	--	243
Transfers out	--	(3,951)	(1,284)	--	(10,715)
Change in net position	(1,557)	2,887	(2,652)	(727)	21,167
Total net position - beginning	7,645	4,419	16,819	320	107,515
Total net position - ending	6,088	7,306	14,167	(407)	128,682

Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 23,604	13,724	138,771	57,606	39,883
Cash payments to suppliers for goods and services	(4,444)	(8,537)	(15,994)	(29,221)	(11,178)
Cash payments to employees for services	(19,560)	(3,644)	--	(13,902)	(21,605)
Cash payments to claimants/beneficiaries	--	--	(111,941)	--	--
Net cash provided (used) by operating activities	(400)	1,543	10,836	14,483	7,100
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	--	--	--	40	--
Transfers out	--	(1,285)	--	(82)	(4,072)
Loan repayments to other funds	--	--	--	--	--
Net cash provided (used) by noncapital financing activities	--	(1,285)	--	(42)	(4,072)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	--	--	(317)	(159)
Interest paid on revenue bonds and other debt	--	--	--	(180)	(3)
Acquisition and construction of capital assets	(169)	(97)	--	(11,298)	(449)
Net cash provided (used) by capital and related financing activities	\$ (169)	(97)	--	(11,795)	(611)

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	5,453	88,692	9,746	12,059	389,538
Cash payments to suppliers for goods and services	(1,282)	(10,160)	(4,263)	(14,014)	(99,093)
Cash payments to employees for services	--	(71,063)	(4,641)	--	(134,415)
Cash payments to claimants/beneficiaries	(1,843)	--	--	2,418	(111,366)
Net cash provided (used) by operating activities	2,328	7,469	842	463	44,664
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	--	31	--	--	71
Transfers out	--	(3,951)	(1,284)	--	(10,674)
Loan repayments to other funds	--	(148)	--	--	(148)
Net cash provided (used) by noncapital financing activities	--	(4,068)	(1,284)	--	(10,751)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal paid on long-term debt	--	(39)	--	--	(515)
Interest paid on revenue bonds and other debt	--	(19)	--	--	(202)
Acquisition and construction of capital assets	--	(79)	(29)	--	(12,121)
Net cash provided (used) by capital and related financing activities	--	(137)	(29)	--	(12,838)

(Continued)

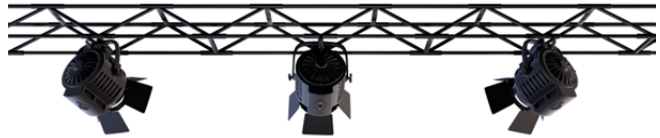
Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2013
(In thousands)

	Capital Projects Management	CTECC	Employee Benefits	Fleet Maintenance	Information Systems
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	\$ 1	--	--	20	5
Net cash provided (used) by investing activities	1	--	--	20	5
Net increase (decrease) in cash and cash equivalents	(568)	161	10,836	2,666	2,422
Cash and cash equivalents, October 1	1,528	1,277	45,912	12,612	5,425
Cash and cash equivalents, September 30	960	1,438	56,748	15,278	7,847
RECONCILIATION OF OPERATING INCOME TO NET					
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(201)	(1,527)	4,421	11,109	4,232
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	176	3,159	--	874	2,171
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	1	394	4,549	(9)	--
(Increase) decrease in inventory	--	--	--	(125)	--
(Increase) decrease in prepaid expenses and other assets	(1)	--	--	--	(2)
(Increase) decrease in advance to other funds	--	--	--	8	--
(Increase) decrease in deferred costs and other expenses	--	(2)	--	--	--
(Increase) decrease in other long-term assets	--	--	--	2	--
Increase (decrease) in accounts payable	(93)	(533)	1,130	2,595	663
Increase (decrease) in accrued payroll and compensated absences	(282)	52	--	29	36
Increase (decrease) in claims payable	--	--	616	--	--
Increase (decrease) in deferred credits and other liabilities	--	--	120	--	--
Total adjustments	(199)	3,070	6,415	3,374	2,868
Net cash provided (used) by operating activities	\$ (400)	1,543	10,836	14,483	7,100
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital assets contributed (to) from other funds	\$ --	20,294	--	--	1,677
Amortization of bond issue costs	--	--	--	(8)	--
Amortization of bond discounts and premiums	--	--	--	--	--
Gain (loss) on disposal of assets	(8)	(308)	--	(10,819)	(235)
Transfers (to) from other funds	(28)	(3)	--	151	8

(Continued)

	Liability Reserve	Support Services	Wireless Communication	Workers' Compensation	Total
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	--	10	4	--	40
Net cash provided (used) by investing activities	--	10	4	--	40
Net increase (decrease) in cash and cash equivalents	2,328	3,274	(467)	463	21,115
Cash and cash equivalents, October 1	14,197	13,611	2,355	18,066	114,983
Cash and cash equivalents, September 30	<u>16,525</u>	<u>16,885</u>	<u>1,888</u>	<u>18,529</u>	<u>136,098</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	(1,557)	6,943	(3,714)	(727)	18,979
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	--	296	3,762	--	10,438
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	--	(5)	168	--	5,098
(Increase) decrease in inventory	--	--	98	--	(27)
(Increase) decrease in prepaid expenses and other assets	--	(8)	--	--	(11)
(Increase) decrease in advance to other funds	--	11	--	--	19
(Increase) decrease in deferred costs and other expenses	--	--	--	--	(2)
(Increase) decrease in other long-term assets	--	--	--	--	2
Increase (decrease) in accounts payable	86	(516)	301	(58)	3,575
Increase (decrease) in accrued payroll and compensated absences	--	683	9	--	527
Increase (decrease) in claims payable	3,799	--	--	1,248	5,663
Increase (decrease) in deferred credits and other liabilities	--	65	218	--	403
Total adjustments	<u>3,885</u>	<u>526</u>	<u>4,556</u>	<u>1,190</u>	<u>25,685</u>
Net cash provided (used) by operating activities	<u>2,328</u>	<u>7,469</u>	<u>842</u>	<u>463</u>	<u>44,664</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Capital assets contributed (to) from other funds	--	392	2,367	--	24,730
Amortization of bond issue costs	--	--	--	--	(8)
Amortization of bond discounts and premiums	--	(3)	--	--	(3)
Gain (loss) on disposal of assets	--	(519)	(28)	--	(11,917)
Transfers (to) from other funds	--	--	3	--	131





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

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

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.

Public Recreation and Culture

Barbara Jordan Memorial Fund - Accounts for and reports donations for a future memorial.

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.

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.

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2013
(In thousands)

City of Austin, Texas
Exhibit H-1

	Assets			Liabilities			Net
	Pooled						Position
	Investments	Other	Total	Accounts	Other	Total	Held in
	and Cash	Assets	Assets	Payable	Liabilities	Liabilities	Trust
General government							
Unclaimed Property	\$ 1,270	--	1,270	--	1,172	1,172	98
Total general government	1,270	--	1,270	--	1,172	1,172	98
Transportation, planning, and sustainability							
Voluntary Utility Assistance	--	--	--	--	--	--	--
Public School Energy Assistance	8	--	8	--	--	--	8
Total transportation, planning, and sustainability	8	--	8	--	--	--	8
Public recreation and culture							
Barbara Jordan Memorial	--	--	--	--	--	--	--
First Step - A Community Project	14	--	14	--	--	--	14
Science Fest	11	--	11	1	--	1	10
Total public recreation and culture	25	--	25	1	--	1	24
Urban growth management							
Leveraged Loan Pool	442	121	563	--	--	--	563
Telecommunity Partnership	16	--	16	--	--	--	16
Total urban growth management	458	121	579	--	--	--	579
Total	\$ 1,761	121	1,882	1	1,172	1,173	709

Fiduciary Funds
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the year ended September 30, 2013
(In thousands)

City of Austin, Texas
 Exhibit H-2

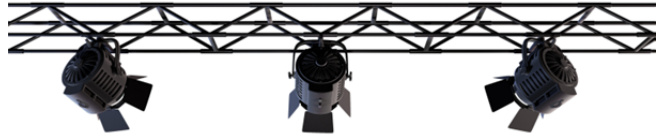
	Additions			Deductions		Net	Net	Net
	Interest			Benefit	Net	Increase	Position	Position
	Contributions	and Other	Total Additions					
				Payments	(Decrease)		at Beginning of Year	at End of Year
General government								
Unclaimed Property	\$ --	2	2	1	1		97	98
Total general government	--	2	2	1	1		97	98
Transportation, planning, and sustainability								
Voluntary Utility Assistance	430	--	430	635	(205)		205	--
Public School Energy Assistance	8	--	8	--	8		--	8
Total transportation, planning, and sustainability	438	--	438	635	(197)		205	8
Public recreation and culture								
Barbara Jordan Memorial	--	--	--	2	(2)		2	--
First Step - A Community Project	--	--	--	--	--		14	14
Science Fest	208	--	208	173	35		(25)	10
Total public recreation and culture	208	--	208	175	33		(9)	24
Urban growth management								
Leveraged Loan Pool	--	1	1	--	1		562	563
Telecommunity Partnership	--	--	--	--	--		16	16
Total urban growth management	--	1	1	--	1		578	579
Total	\$ 646	3	649	811	(162)		871	709

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended September 30, 2013
(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	\$ 30	22	--	52
Total assets	30	22	--	52
Liabilities				
Deposits and other liabilities	30	47	25	52
Total liabilities	30	47	25	52
<u>Municipal Courts</u>				
Assets				
Pooled investments and cash	2,004	11,147	10,709	2,442
Total assets	2,004	11,147	10,709	2,442
Liabilities				
Accounts payable	109	9,740	9,825	24
Due to other governments	1,622	18,406	17,950	2,078
Deposits and other liabilities	273	2,568	2,501	340
Total liabilities	2,004	30,714	30,276	2,442
<u>Neighborhood Revitalization</u>				
Assets				
Pooled investments and cash	242	--	6	236
Total assets	242	--	6	236
Liabilities				
Deposits and other liabilities	242	6	12	236
Total liabilities	242	6	12	236
<u>Total Agency Funds</u>				
Assets				
Pooled investments and cash	2,276	11,169	10,715	2,730
Total assets	2,276	11,169	10,715	2,730
Liabilities				
Accounts payable	109	9,740	9,825	24
Due to other governments	1,622	18,406	17,950	2,078
Deposits and other liabilities	545	2,621	2,538	628
Total liabilities	\$ 2,276	30,767	30,313	2,730





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, 2013
(In thousands)

City of Austin, Texas
Exhibit I-1

The General Fund, as reported in the financial statements, is comprised of five separately budgeted funds in the City's legally adopted budget: the Budgetary General Fund (represented as the General Fund in the City's budget document) plus the Economic Incentives Reserve, the Music Venue Assistance Program, the Neighborhood Housing and Community Development, and the Sustainability funds. RSI reflects the budgetary comparison for the consolidated General Fund. Below are the budgetary comparisons for each of the five funds.

Budgetary General Fund	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive Negative
				Original	Final	
REVENUES						
Taxes	\$ 498,605	100	498,705	483,261	485,461	13,244
Franchise fees	35,040	16	35,056	33,300	33,300	1,756
Fines, forfeitures and penalties	16,971	--	16,971	17,910	17,910	(939)
Licenses, permits and inspections	28,669	8	28,677	20,000	20,000	8,677
Charges for services/goods	49,579	(164)	49,415	44,291	44,571	4,844
Interest and other	4,933	(1,768)	3,165	3,049	3,049	116
Total revenues	633,797	(1,808)	631,989	601,811	604,291	27,698
EXPENDITURES						
General government						
Municipal Court	13,926	(38)	13,888	14,292	14,260	372
Public safety						
Police	280,954	359	281,313	284,416	284,717	3,404
Fire	138,676	619	139,295	138,337	139,366	71
Emergency Medical Services	54,350	195	54,545	57,923	56,382	1,837
Transportation, planning, and sustainability						
Transportation, planning, and sustainability	9	(9)	--	--	--	--
Public health:						
Health	48,232	841	49,073	48,360	49,045	(28)
Public recreation and culture						
Parks and Recreation	51,910	299	52,209	51,875	52,397	188
Austin Public Library	29,983	114	30,097	30,304	30,254	157
Urban growth management						
Neighborhood Planning and Zoning	25,022	78	25,100	25,186	25,199	99
Other Urban Growth Management	45	(45)	--	--	--	--
General city responsibilities (4)	87,126	(73,796)	13,330	26,590	14,625	1,295
Total expenditures	730,233	(71,383)	658,850	677,283	666,245	7,395
Excess (deficiency) of revenues over expenditures	(96,436)	69,575	(26,861)	(75,472)	(61,954)	35,093
OTHER FINANCING SOURCES (USES)						
Transfers in	139,567	11,795	151,362	140,844	151,362	--
Transfers out	(12,193)	(87,401)	(99,594)	(78,966)	(99,844)	250
Total other financing sources (uses)	127,374	(75,606)	51,768	61,878	51,518	250
Excess (deficiency) of revenues and other sources over expenditures and other uses	30,938	(6,031)	24,907	(13,594)	(10,436)	35,343
Fund balance at beginning of year	141,767	(33,091)	108,676	53,859	74,624	34,052
Fund balance at end of year	\$ 172,705	(39,122)	133,583	40,265	64,188	69,395

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, accrued payroll, 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, budgeted payroll accrual, 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, 2013
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

Economic Incentives Reserve

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 28	--	28	--	--	28
Total revenues	28	--	28	--	--	28
EXPENDITURES						
Other Urban Growth Management	14,675	(4,131)	10,544	11,798	11,798	1,254
Total expenditures	14,675	(4,131)	10,544	11,798	11,798	1,254
Excess (deficiency) of revenues over expenditures	(14,647)	4,131	(10,516)	(11,798)	(11,798)	1,282
OTHER FINANCING SOURCES (USES)						
Transfers in	667	12,964	13,631	13,631	13,631	--
Transfers out	(982)	982	--	--	--	--
Total other financing sources (uses)	(315)	13,946	13,631	13,631	13,631	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(14,962)	18,077	3,115	1,833	1,833	1,282
Fund balance at beginning of year	(12,642)	24,597	11,955	10,822	10,822	1,133
Fund balance at end of year	(27,604)	42,674	15,070	12,655	12,655	2,415

Music Venue Assistance Program

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	--	100	100	100	100	--
Total revenues	--	100	100	100	100	--
EXPENDITURES						
Other Urban Growth Management	--	--	--	248	248	248
Total expenditures	--	--	--	248	248	248
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	100	100	(148)	(148)	248
Fund balance at beginning of year	186	--	186	187	187	(1)
Fund balance at end of year	\$ 186	100	286	39	39	247

(Continued)

- (1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, accrued payroll, 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, 2013
(In thousands)

City of Austin, Texas
Exhibit I-1

(Continued)

**Neighborhood Housing and
Community Development**

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
REVENUES						
Interest and other	\$ 1,066	--	1,066	--	--	1,066
Total revenues	1,066	--	1,066	--	--	1,066
EXPENDITURES						
Other Urban Growth Mangement	2,907	459	3,366	3,580	3,580	214
Total expenditures	2,907	459	3,366	3,580	3,580	214
Excess (deficiency) of revenues over expenditures	(1,841)	(459)	(2,300)	(3,580)	(3,580)	1,280
OTHER FINANCING SOURCES (USES)						
Transfers in	--	3,233	3,233	3,527	3,527	(294)
Transfers out	(382)	342	(40)	(40)	(40)	--
Total other financing sources (uses)	(382)	3,575	3,193	3,487	3,487	(294)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,223)	3,116	893	(93)	(93)	986
Fund balance at beginning of year	(4,952)	5,135	183	(188)	(188)	371
Fund balance at end of year	(7,175)	8,251	1,076	(281)	(281)	1,357

Sustainability

	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget		Variance (3) Positive (Negative)
				Original	Final	
EXPENDITURES						
Other Urban Growth Mangement	2,285	(91)	2,194	2,144	2,194	--
Total expenditures	2,285	(91)	2,194	2,144	2,194	--
Excess (deficiency) of revenues over expenditures	(2,285)	91	(2,194)	(2,144)	(2,194)	--
OTHER FINANCING SOURCES (USES)						
Transfers in	5,530	--	5,530	5,530	5,530	--
Transfers out	(69)	(3,329)	(3,398)	(3,623)	(3,692)	294
Total other financing sources (uses)	5,461	(3,329)	2,132	1,907	1,838	294
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,176	(3,238)	(62)	(237)	(356)	294
Fund balance at beginning of year	5,804	(5,460)	344	731	(454)	798
Fund balance at end of year	\$ 8,980	(8,698)	282	494	(810)	1,092

(1) Includes adjustments to expenditures for current year encumbrances, payments against prior year encumbrances, accrued payroll, 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, 2013
(In thousands)

City of Austin, Texas
Exhibit I-2

	Liabilities and Fund Balances					
	Receivables from Other Governments	Total Assets	Other Liabilities	Total Liabilities	Fund Balances	Total Liabilities and Fund Balances
AUSTIN ENERGY RELATED						
U.S. Department of Energy	\$ 806	806	806	806	--	806
U.S. Department of Housing & Urban Development	--	--	--	--	--	--
U.S. National Endowment of the Arts	3	3	3	3	--	3
Texas Commission of the Arts	--	--	--	--	--	--
American Public Power Association	--	--	--	--	--	--
Austin Community Foundation for the Capital Area	--	--	--	--	--	--
Total Austin Energy	<u>809</u>	<u>809</u>	<u>809</u>	<u>809</u>	<u>--</u>	<u>809</u>
AUSTIN WATER UTILITY RELATED						
U.S. Environmental Protection Agency	--	--	--	--	--	--
Total Austin Water Utility	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
AIRPORT RELATED						
U.S. Department of Homeland Security	391	391	391	391	--	391
U.S. Department of Transportation	121	121	121	121	--	121
Federal Bureau of Investigation	1	1	1	1	--	1
Total Airport	<u>513</u>	<u>513</u>	<u>513</u>	<u>513</u>	<u>--</u>	<u>513</u>
CONVENTION CENTER RELATED						
Austin Convention & Visitors Bureau	--	--	--	--	--	--
Total Convention Center	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
DRAINAGE RELATED						
U.S. Department of Agriculture	25	25	25	25	--	25
U.S. Department of Homeland Security	298	298	298	298	--	298
U.S. Department of Interior	2	2	2	2	--	2
U.S. Environmental Protection Agency	--	--	--	--	--	--
Texas Water Development Board	23	23	23	23	--	23
Total Drainage	<u>348</u>	<u>348</u>	<u>348</u>	<u>348</u>	<u>--</u>	<u>348</u>
Total grants, enterprise related	<u>\$ 1,670</u>	<u>1,670</u>	<u>1,670</u>	<u>1,670</u>	<u>--</u>	<u>1,670</u>

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

**Enterprise Related Grants
Combining Schedule of Expenditures
From Inception to September 30, 2013
(In thousands)**

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

	Total Expenditures at Beginning of Year			Current Year		Total Expenditures at End of Year			Budget		
	Grant	In-Kind Match	Total	Grant	In-Kind Match	Grant	In-Kind Match	Total	Grant	In-Kind Match	Total
AUSTIN ENERGY RELATED											
U.S. Department of Energy	\$ 25,443	908	26,351	2,999	87	28,442	995	29,437	28,041	1,293	29,334
U.S. Department of Housing and Urban Development	103	25	128	115	--	218	25	243	238	1,511	1,749
U.S. National Endowment of the Arts	34	--	34	--	--	34	--	34	38	--	38
Texas Commission of the Arts	117	23	140	23	23	140	46	186	148	7	155
American Public Power Association	55	--	55	--	--	55	--	55	55	--	55
Austin Community Foundation for the Capital Area	43	--	43	--	--	43	--	43	43	--	43
Total Austin Energy	25,795	956	26,751	3,137	110	28,932	1,066	29,998	28,563	2,811	31,374
AUSTIN WATER UTILITY RELATED											
U.S. Environmental Protection Agency	1,014	785	1,799	--	--	1,014	785	1,799	959	785	1,744
Total Austin Water Utility	1,014	785	1,799	--	--	1,014	785	1,799	959	785	1,744
AIRPORT RELATED											
U.S. Department of Homeland Security	7,068	--	7,068	718	--	7,786	--	7,786	8,118	--	8,118
U.S. Department of Transportation	62,562	18,672	81,234	4,347	1,409	66,909	20,081	86,990	93,008	26,696	119,704
Federal Bureau of Investigation	23	--	23	--	--	23	--	23	25	--	25
Total Airport	69,653	18,672	88,325	5,065	1,409	74,718	20,081	94,799	101,151	26,696	127,847
CONVENTION CENTER RELATED											
Austin Convention & Visitors Bureau	47	--	47	--	--	47	--	47	47	--	47
Total Convention Center	47	--	47	--	--	47	--	47	47	--	47
DRAINAGE RELATED											
U.S. Department of Agriculture	50	50	100	--	--	50	50	100	50	50	100
U.S. Department of Homeland Security	6,442	2,835	9,277	76	113	6,518	2,948	9,466	15,582	6,004	21,586
U.S. Department of Interior	17	6	23	--	--	17	6	23	25	9	34
U.S. Environmental Protection Agency	1,110	166	1,276	10	--	1,120	166	1,286	1,203	168	1,371
Texas Water Development Board	99	--	99	--	--	99	--	99	401	198	599
Total Drainage	7,718	3,057	10,775	86	113	7,804	3,170	10,974	17,261	6,429	23,690
Total grants, enterprise related	\$ 104,227	23,470	127,697	8,288	1,632	112,515	25,102	137,617	147,981	36,721	184,702

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

**Schedule of General Obligation Bonds
Authorized and Unissued
Year ended September 30, 2013
(In thousands)**

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

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2013
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	Transportation	103,100	79,960	14,700	8,440
11-07-06	Drainage improvements	145,000	125,000	5,000	15,000
11-07-06	Parks improvements	84,700	57,810	21,080	5,810
11-07-06	Cultural arts	31,500	21,600	5,900	4,000
11-07-06	Affordable housing	55,000	48,350	6,650	--
11-07-06	Central library	90,000	5,500	1,300	83,200
11-07-06	Public safety facility	58,100	52,100	1,000	5,000
11-02-10	Mobility Transportation	90,000	15,305	30,000	44,695
11-6-12	Transportation and Mobility	143,299	--	--	143,299
11-6-12	Open Space and Watershed Protection	30,000	--	--	30,000
11-6-12	Park and Recreation Improvements	77,680	--	--	77,680
11-6-12	Public safety facility Improvements	31,079	--	--	31,079
11-6-12	Health and Human Service facility improvements	11,148	--	--	11,148
11-6-12	Library, museum, and cultural arts facility improvements	13,442	--	--	13,442
		<u>\$ 1,044,308</u>	<u>470,948</u>	<u>85,630</u>	<u>487,730</u>

Source: Bond Sale Official Statements

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

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

**Schedule of Revenue Bonds Authorized,
Deauthorized and Unissued
Year ended September 30, 2013
(In thousands)**

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

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2013
AUSTIN ENERGY						
10-22-83	Hydrogeneration power plant and electric system	\$ 39,000	--	10,620	--	28,380
03-01-84	Electric system, South Texas Nuclear Project	605,000	--	315,232	--	289,768
09-08-84	Electric improvements (gas turbines)	32,775	--	31,237	--	1,538
09-08-84	Electric improvements (western coal plant)	47,725	--	31,199	--	16,526
09-08-84	Electric transmission and reliability improvements	39,945	--	20,040	--	19,905
12-14-85	Transmission lines and substations	175,130	--	96,017	--	79,113
12-14-85	Overhead and underground distribution	76,055	--	46,845	--	29,210
12-14-85	Miscellaneous	25,891	--	10,443	--	15,448
08-10-92	Electrical distribution and street lighting	82,500	--	--	--	82,500
Total Austin Energy		1,124,021	--	561,633	--	562,388
AUSTIN WATER UTILITY (Water)						
09-11-82	Green water treatment plant, water lines and reservoir	40,300	--	28,885	--	11,415
09-11-82	Ullrich water treatment plant, water lines and reservoir	49,100	--	42,210	--	6,890
09-11-82	Davis water treatment plant, water lines and reservoir	40,800	--	32,274	--	8,526
09-11-82	Waterworks system rehabilitation and improvements	12,800	--	9,164	--	3,636
09-08-84	Waterworks north central, northeast, and east service area	39,385	17,000	3,990	--	18,395
09-08-84	Waterworks northwest service area	14,970	--	11,430	--	3,540
09-08-84	Water improvements in north central and northwest service area	14,470	--	2,745	--	11,725
09-08-84	Waterworks system improvements	141,110	--	36,513	--	104,597
09-08-84	Ullrich water treatment plant improvements to South Austin	47,870	--	23,245	--	24,625
09-08-84	Water lines, reservoir improvements to south corridor area	12,570	--	6,585	--	5,985
09-08-84	Water lines, pump station improvements to North Austin area	7,945	--	7,765	--	180
09-08-84	Waterworks system rehabilitation and improvements	26,500	--	3,665	--	22,835
12-14-85	Northeast area improvements	37,950	10,000	7,493	--	20,457
12-14-85	South/southeast area improvements	42,090	14,000	6,035	--	22,055
12-14-85	Improvements/extensions	9,775	--	3,689	--	6,086
08-10-92	Improvements to meet EPA safe drinking water act	23,000	--	--	--	23,000
08-10-92	Improvements and replacement of deteriorated water system facilities	5,000	--	--	--	5,000
08-10-92	General utility relocation	2,000	--	--	--	2,000
05-03-97	Improvements/extensions to City's waterworks and wastewater system	35,000	--	--	--	35,000
05-06-98	Improvements/extensions to City's waterworks and wastewater system	65,000	--	--	--	65,000
11-03-98	Water improvements, upgrade, replace	64,900	--	--	--	64,900
11-03-98	Water expansion and improvement	49,940	--	--	--	49,940
11-03-98	Water improvements and extensions	19,800	--	--	--	19,800
Total Austin Water Utility (Water)		\$ 802,275	41,000	225,688	--	535,587

(Continued)

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

**Schedule of Revenue Bonds Authorized,
Deauthorized and Unissued
Year ended September 30, 2013
(In thousands)**

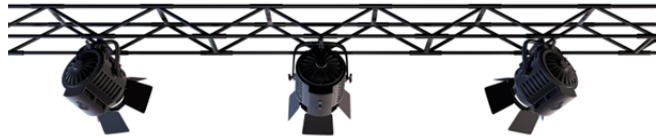
**City of Austin, Texas
Exhibit I-5**

(Continued)

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 2013
AUSTIN WATER UTILITY (Wastewater)						
11-20-76	Sewer system improvements	\$ 46,920	--	38,920	--	8,000
09-11-82	Govalle sewage treatment plant, sewer lines and improvements to Canterbury lift station	28,300	--	24,658	--	3,642
09-11-82	Onion Creek sewage treatment plant and sewer lines	57,000	--	49,345	--	7,655
09-11-82	Sewer lines for north central and northwest Austin	20,700	--	17,975	--	2,725
09-11-82	Walnut Creek sewage treatment plant additions	20,400	--	17,971	--	2,429
09-11-82	Sewer system rehabilitation and improvements	4,800	--	3,930	--	870
09-08-84	Sewer system rehabilitation and improvements	43,515	--	36,950	--	6,565
09-08-84	Onion Creek and Walnut Creek sewage treatment plant improvements	44,795	--	42,284	--	2,511
09-08-84	Sewer system rehabilitation and improvements	46,230	--	14,925	--	31,305
05-06-85	Sewer system improvements	54,000	--	33,106	--	20,894
12-14-85	Advanced wastewater treatment	34,500	--	--	--	34,500
12-14-85	Northeast area improvements	47,035	32,300	1,857	--	12,878
12-14-85	Southeast area improvements	9,200	4,200	757	--	4,243
12-14-85	Improvements/extensions	24,725	--	12,621	--	12,104
12-14-85	Walnut Creek WWTP expansion	46,000	--	13,717	--	32,283
12-14-85	Bear Creek interceptor	1,840	1,511	265	--	64
08-10-92	Improvement to Hornsby Bend beneficial re-use program	11,000	--	--	--	11,000
08-10-92	Replacement and rehabilitation of deteriorated wastewater facilities	3,000	--	--	--	3,000
11-03-98	Wastewater improvements, upgrades and replacements	77,000	--	--	--	77,000
11-03-98	Wastewater improvements and expansion	121,000	--	--	--	121,000
Total Austin Water Utility (Wastewater)		741,960	38,011	309,281	--	394,668
Total Utility		2,668,256	79,011	1,096,602	--	1,492,643
AIRPORT						
11-03-87	Relocation/construction of new airport	728,000	--	30,000	--	698,000
05-01-93	Construction of new municipal airport at Bergstrom AFB site	400,000	--	362,205	--	37,795
Total Airport		1,128,000	--	392,205	--	735,795
CONVENTION CENTER						
07-29-89	New convention center	69,000	--	68,240	--	760
Total Convention Center		69,000	--	68,240	--	760
Total revenue bonds		\$ 3,865,256	79,011	1,557,047	--	2,229,198

Source: Bond sale official statements

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



STATISTICAL SECTION - UNAUDITED

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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



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

City of Austin, Texas
Table 1

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	1,333,779	1,360,509	1,399,316	1,530,124	1,526,481	1,545,216	1,544,834	1,562,046	1,666,653	1,649,431
Restricted	53,482	68,848	84,218	69,982	76,478	95,641	71,716	92,650	82,916	103,246
Unrestricted (deficit)	51,244	65,561	77,564	28,115	1,553	(56,971)	(58,002)	(164,152)	(334,332)	(397,244)
Total governmental activities net position	<u>1,438,505</u>	<u>1,494,918</u>	<u>1,561,098</u>	<u>1,628,221</u>	<u>1,604,512</u>	<u>1,583,886</u>	<u>1,558,548</u>	<u>1,490,544</u>	<u>1,415,237</u>	<u>1,355,433</u>
Business-type activities										
Net investment in capital assets	1,569,489	1,563,831	1,538,572	1,648,758	1,825,599	1,902,398	1,998,753	2,048,964	2,104,623	2,195,358
Restricted	197,174	410,975	469,238	492,356	497,927	488,413	502,211	550,516	554,215	535,490
Unrestricted	477,081	378,537	551,838	562,899	558,625	495,318	403,346	438,240	392,904	466,167
Total business-type activities net position	<u>2,243,744</u>	<u>2,353,343</u>	<u>2,559,648</u>	<u>2,704,013</u>	<u>2,882,151</u>	<u>2,886,129</u>	<u>2,904,310</u>	<u>3,037,720</u>	<u>3,051,742</u>	<u>3,197,015</u>
Primary government										
Net investment in capital assets	2,903,268	2,924,340	2,937,888	3,178,882	3,352,080	3,447,614	3,543,587	3,611,010	3,771,276	3,844,789
Restricted	250,656	479,823	553,456	562,338	574,405	584,054	573,927	643,166	637,131	638,736
Unrestricted	528,325	444,098	629,402	591,014	560,178	438,347	345,344	274,088	58,572	68,923
Total primary government net position	<u>3,682,249</u>	<u>3,848,261</u>	<u>4,120,746</u>	<u>4,332,234</u>	<u>4,486,663</u>	<u>4,470,015</u>	<u>4,462,858</u>	<u>4,528,264</u>	<u>4,466,979</u>	<u>4,552,448</u>

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

City of Austin, Texas
Table 2

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities:										
General government	46,607	73,233	84,693	76,136	97,945	80,819	89,315	99,780	124,735	97,675
Public safety	292,678	320,942	373,361	397,583	440,345	442,690	455,760	485,611	536,132	580,074
Transportation, planning, and sustainability	15,879	17,247	25,426	48,758	49,426	79,840	65,565	74,835	64,247	78,594
Public health	48,733	104,361	94,697	94,158	102,188	81,773	63,215	61,865	75,799	73,186
Public recreation and culture	56,408	58,962	65,453	72,082	87,975	90,307	91,732	106,488	104,026	104,951
Urban growth management	64,631	77,340	81,439	93,185	123,115	121,237	143,884	129,258	93,593	137,478
Unallocated depreciation expense	35,833	58,722	35,357	--	--	--	--	--	--	--
Interest on debt	40,199	41,331	38,766	39,166	40,954	42,435	44,889	45,154	46,417	48,400
Total governmental activities expenses	600,968	752,138	799,192	821,068	941,948	939,101	954,360	1,002,991	1,044,949	1,120,358
Business-Type activities:										
Electric	774,702	804,658	918,369	929,057	1,070,999	1,089,632	1,086,470	1,136,850	1,133,951	1,132,476
Water	155,472	142,061	161,516	162,158	202,900	200,162	169,708	178,712	223,228	231,774
Wastewater	137,227	122,176	132,005	144,573	147,059	160,962	166,979	170,514	194,650	214,580
Airport	77,541	87,538	78,487	80,368	91,557	98,403	92,780	102,774	101,991	107,389
Convention	52,336	38,844	41,992	43,956	52,911	52,219	51,818	54,231	56,142	62,884
Environmental and health services	100,343	45,739	50,290	55,386	69,805	67,097	66,380	91,151	87,450	81,544
Public recreation	9,295	9,408	9,225	9,800	10,169	10,274	9,715	5,209	5,624	7,185
Urban growth management	48,204	60,562	63,981	69,293	84,886	89,306	106,618	110,996	114,270	129,583
Total business-type expenses	1,355,120	1,310,986	1,455,865	1,494,591	1,730,286	1,768,055	1,750,468	1,850,437	1,917,306	1,967,415
Total primary government expenses	1,956,088	2,063,124	2,255,057	2,315,659	2,672,234	2,707,156	2,704,828	2,853,428	2,962,255	3,087,773
Program Revenues										
Governmental activities:										
Charges for services:										
General government	210	7,334	9,718	2,633	9,572	11,319	7,902	8,126	17,285	15,223
Public safety	37,071	37,825	40,314	40,529	45,880	51,710	47,530	52,998	51,009	53,826
Transportation, planning, and sustainability	5,027	2,689	3,186	3,260	3,531	3,960	3,792	3,823	4,158	4,431
Public health	7,617	59,948	45,610	40,238	43,122	25,181	7,561	7,592	5,106	9,510
Public recreation and culture	2,716	3,208	3,339	2,998	3,749	3,819	3,456	7,891	7,576	8,753
Urban growth management	22,020	31,953	37,609	43,012	43,840	45,000	38,895	21,305	28,613	32,917
Operating grants and contributions	52,068	67,494	77,923	57,331	65,782	54,022	66,831	66,348	57,818	48,567
Capital grants and contributions	2,546	5,702	1,111	2,942	3,652	85,085	50,546	51,182	35,880	64,781
Total governmental activities program revenues	129,275	216,153	218,810	192,943	219,128	280,096	226,513	219,265	207,445	238,008
Business-type activities:										
Charges for services:										
Electric	829,018	972,846	1,070,606	1,056,488	1,217,735	1,162,286	1,147,676	1,249,139	1,179,872	1,288,259
Water	119,254	140,356	164,561	138,350	181,515	195,480	171,457	243,382	229,454	240,081
Wastewater	114,710	129,314	141,676	154,118	183,608	196,416	189,192	204,666	213,253	236,700

(Continued)

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

City of Austin, Texas
Table 2
(Continued)

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airport	75,916	82,220	87,473	96,562	102,519	96,618	100,223	106,978	114,318	123,021
Convention	10,404	11,169	14,692	14,577	17,572	16,258	14,784	18,486	19,200	22,783
Environmental and health services	60,883	44,550	45,078	46,310	49,190	65,940	74,399	75,981	75,499	81,833
Public recreation	8,955	9,117	8,968	8,784	9,760	10,119	8,864	5,260	5,239	6,069
Urban growth management	60,425	69,859	77,381	79,252	83,779	90,739	108,312	115,850	123,477	131,561
Operating grants and contributions	--	--	--	--	--	--	--	--	10,950	3,749
Capital grants and contributions	47,570	48,544	69,804	50,898	76,881	71,819	31,703	47,850	50,064	64,124
Total business-type revenues	1,327,135	1,507,975	1,680,239	1,645,339	1,922,559	1,905,675	1,846,610	2,067,592	2,021,326	2,198,180
Total primary government revenues	1,456,410	1,724,128	1,899,049	1,838,282	2,141,687	2,185,771	2,073,123	2,286,857	2,228,771	2,436,188
Net (Expense)/Revenue										
Governmental activities	(471,693)	(535,985)	(580,382)	(628,125)	(722,820)	(659,005)	(727,847)	(783,726)	(837,504)	(882,350)
Business-type activities	(27,985)	196,989	224,374	150,748	192,273	137,620	96,142	217,155	104,020	230,765
Total primary government net expense	(499,678)	(338,996)	(356,008)	(477,377)	(530,547)	(521,385)	(631,705)	(566,571)	(733,484)	(651,585)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	240,536	220,304	236,146	258,943	268,802	309,888	341,812	355,185	381,582	420,000
Sales tax	117,725	123,617	139,289	153,098	154,445	139,795	144,710	151,125	164,193	176,198
Franchise fees and gross receipts tax	63,509	69,120	79,755	87,180	93,236	85,183	87,996	95,029	99,011	114,147
Grants and contributions not restricted to specific programs	81,937	83,365	90,083	73,711	80,178	-- (2)	--	--	--	--
Interest and other	26,799	24,753	35,315	54,963	29,287	20,827	31,960	19,364	15,884	23,888
Special items	(7,700) (1)	(2,639) (1)	--	--	--	--	--	--	--	--
Transfers	39,264	73,879	65,974	67,353	73,163	82,686	96,031	97,100	101,527	87,761
Total general revenues and transfers	562,070	592,399	646,562	695,248	699,111	638,379	702,509	717,803	762,197	821,994
Business-type activities:										
Interest and other	16,582	23,932	47,905	60,970	59,028	27,938	13,935	11,274	11,529	2,269
Special items	(3,000) (1)	(37,443) (1)	--	--	--	--	--	--	--	--
Transfers	(39,264)	(73,879)	(65,974)	(67,353)	(73,163)	(82,686)	(96,031)	(97,100)	(101,527)	(87,761)
Total business-type activities	(25,682)	(87,390)	(18,069)	(6,383)	(14,135)	(54,748)	(82,096)	(85,826)	(89,998)	(85,492)
Total primary government	536,388	505,009	628,493	688,865	684,976	583,631	620,413	631,977	672,199	736,502
Change in Net Position										
Governmental activities	90,377	56,414	66,180	67,123	(23,709)	(20,626)	(25,338)	(65,923)	(75,307)	(60,356)
Business-type activities	(53,667)	109,599	206,305	144,365	178,138	82,872	14,046	131,329	14,022	145,273
Total primary government	36,710	166,013	272,485	211,488	154,429	62,246	(11,292)	65,406	(61,285)	84,917

Note:

(1) Travis County Hospital District reserve payments

(2) Beginning in 2009, these amounts were assigned to the appropriate programs

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

City of Austin, Texas
Table 3

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Function/Program										
Governmental activities:										
General government	586	7,755	10,933	5,678	13,338	15,524	11,831	17,491	31,179	29,603
Public safety	42,847	48,596	62,287	52,317	53,565	64,997	57,135	63,617	59,997	60,221
Transportation, planning, and sustainability	5,828	7,055	3,246	3,260	3,531	57,178	17,928	42,282	24,942	51,095
Public health	27,444	82,395	67,839	61,221	66,680	42,750	34,369	31,185	28,122	30,307
Public recreation and culture	5,620	6,593	4,849	4,505	5,253	7,846	9,536	11,544	13,145	14,343
Urban growth management	46,950	63,759	69,656	65,962	76,761	91,801	95,714	53,146	50,060	52,439
Subtotal governmental activities	<u>129,275</u>	<u>216,153</u>	<u>218,810</u>	<u>192,943</u>	<u>219,128</u>	<u>280,096</u>	<u>226,513</u>	<u>219,265</u>	<u>207,445</u>	<u>238,008</u>
Business-type activities:										
Electric	833,302	978,115	1,083,758	1,065,001	1,228,542	1,168,242	1,152,532	1,259,400	1,201,722	1,303,299
Water	139,156	154,837	182,801	153,148	216,654	225,881	180,918	257,346	241,205	262,212
Wastewater	131,303	138,652	157,973	167,851	189,823	211,080	190,625	213,339	221,561	249,564
Airport	82,033	97,786	103,490	104,462	113,368	112,804	108,022	112,457	124,042	128,301
Convention	10,404	11,459	14,968	14,577	17,572	16,258	14,784	18,499	19,234	23,149
Environmental and health services	60,246	44,887	46,350	46,640	50,311	66,592	75,033	77,008	78,694	83,080
Public recreation	9,038	9,230	9,225	9,073	11,134	11,268	12,809	5,410	5,404	6,776
Urban growth management	61,653	73,009	81,674	84,587	95,155	93,550	111,887	124,133	129,464	141,799
Subtotal business-type activities	<u>1,327,135</u>	<u>1,507,975</u>	<u>1,680,239</u>	<u>1,645,339</u>	<u>1,922,559</u>	<u>1,905,675</u>	<u>1,846,610</u>	<u>2,067,592</u>	<u>2,021,326</u>	<u>2,198,180</u>
Total primary government	<u><u>1,456,410</u></u>	<u><u>1,724,128</u></u>	<u><u>1,899,049</u></u>	<u><u>1,838,282</u></u>	<u><u>2,141,687</u></u>	<u><u>2,185,771</u></u>	<u><u>2,073,123</u></u>	<u><u>2,286,857</u></u>	<u><u>2,228,771</u></u>	<u><u>2,436,188</u></u>

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

City of Austin, Texas
Table 4

		Fiscal Year Ended September 30									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund											
Reserved		5,534	6,504	6,761	9,458	3,566	4,510	4,135	N/A	N/A	N/A
Unreserved		100,753	98,838	105,043	97,352	85,124	87,651	104,575	N/A	N/A	N/A
Nonspendable		N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,109	862	774
Restricted		N/A	N/A	N/A	N/A	N/A	N/A	N/A	--	--	--
Committed		N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,117	5,220	7,130
Assigned		N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,992	11,035	11,329
Unassigned		N/A	N/A	N/A	N/A	N/A	N/A	N/A	119,035	113,046	127,859
Total general fund		106,287	105,342	111,804	106,810	88,690	92,161	108,710	134,253	130,163	147,092
All Other Governmental Funds											
Reserved		97,372	75,227	83,065	108,338	106,399	134,194	174,820	N/A	N/A	N/A
Unreserved, reported in:											
Special revenue fund		26,010	27,994	50,020	48,916	56,008	56,385	57,694	N/A	N/A	N/A
Debt service funds		--	--	--	--	--	--	--	N/A	N/A	N/A
Capital projects funds		79,152	100,663	104,209	46,054	77,469	168,328	28,447	N/A	N/A	N/A
Permanent funds		370	332	443	660	844	819	764	N/A	N/A	N/A
Nonspendable		N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,040	1,040	1,040
Restricted		N/A	N/A	N/A	N/A	N/A	N/A	N/A	175,522	174,773	160,483
Committed		N/A	N/A	N/A	N/A	N/A	N/A	N/A	26,146	27,899	44,960
Assigned		N/A	N/A	N/A	N/A	N/A	N/A	N/A	68,949	74,328	58,180
Unassigned		N/A	N/A	N/A	N/A	N/A	N/A	N/A	(36,582)	(38,012)	(47,512)
Total all other governmental funds		202,904	204,216	237,737	203,968	240,720	359,726	261,725	235,075	240,028	217,151

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

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

City of Austin, Texas
Table 5

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Property taxes	243,370	220,694	234,555	251,470	277,886	308,292	340,804	355,262	381,611	419,965
Sales taxes	117,725	123,617	139,289	153,098	154,445	139,795	144,710	151,125	164,193	176,198
Franchise fees and other taxes	63,509	69,168	79,755	87,180	93,236	85,183	88,321	94,920	98,903	114,039
Fine, forfeitures, and penalties	21,774	21,932	23,697	20,959	24,574	25,380	24,571	24,077	20,251	21,128
Licenses, permits, and inspections	15,317	17,399	22,131	25,635	24,268	20,531	15,716	18,653	22,664	28,669
Charges for services/goods	42,279	100,099	88,789	87,936	96,076	84,905	64,594	55,170	56,397	63,568
Intergovernmental	73,428	88,661	94,955	73,886	91,765	62,802	86,557	78,250	76,233	76,085
Property owners' participation and contributions	3,798	6,152	9,486	2,639	7,065	12,161	6,937	6,624	6,624	10,167
Interest and other	26,544	23,192	34,386	55,522	31,830	31,187	35,563	19,270	15,932	24,345
Total revenues	607,744	670,914	727,043	758,325	801,145	770,236	807,773	803,351	842,808	934,164
Expenditures										
General government	41,411	44,044	50,825	59,043	67,597	53,000	66,287	69,024	74,846	84,504
Public safety	288,152	324,815	359,613	383,685	399,060	409,579	421,958	449,355	483,458	497,371
Transportation, planning, and sustainability	13,208	8,623	4,839	5,559	9,370	7,675	10,634	9,983	7,556	16,007
Public health	49,676	101,917	93,725	90,719	91,863	70,762	53,229	55,508	65,861	69,418
Public recreation and culture	50,567	53,315	54,865	62,578	72,760	74,477	74,089	86,595	80,818	92,282
Urban growth management	63,581	76,142	76,565	77,928	101,492	106,149	100,218	75,865	80,021	97,840
Debt service:										
Principal	48,862	50,608	57,651	59,929	61,800	69,809	70,424	78,568	71,906	69,625
Interest	40,109	41,233	39,023	39,156	40,954	42,170	44,590	44,892	46,188	48,199
Fees and commissions	14	10	10	10	-	8	17	13	16	17
Capital outlay	151,768	81,507	87,931	94,228	119,290	96,342	166,491	160,682	178,380	214,294
Total expenditures	747,348	782,214	825,047	872,835	964,186	929,971	1,007,937	1,030,485	1,089,050	1,189,557
Excess (deficiency) of revenues over expenditures	(139,604)	(111,300)	(98,004)	(114,510)	(163,041)	(159,735)	(200,164)	(227,134)	(246,242)	(255,393)
Other financing sources (uses)										
Issuance of tax supported debt	70,040	26,940	67,735	--	104,060	191,310	15,000	118,778	145,175	131,499
Issuance of refunding bonds	--	148,125	--	--	156,038	--	--	79,342	58,347	--
Bond premiums	28	13,750	11	--	15,090	1,897	--	14,929	8,207	8,452
Payment to escrow agent	--	(161,875)	--	--	(171,128)	--	--	(94,271)	(66,554)	--
Capital leases	646	932	--	--	--	--	--	--	--	--
Transfers in	128,874	142,404	142,064	171,995	173,627	175,250	197,669	179,476	178,768	209,161
Transfers out	(88,548)	(58,609)	(71,823)	(96,248)	(96,014)	(86,245)	(93,957)	(70,146)	(76,838)	(99,667)
Total other financing sources (uses)	111,040	111,667	137,987	75,747	181,673	282,212	118,712	228,108	247,105	249,445
Net change in fund balances	(28,564)	367	39,983	(38,763)	18,632	122,477	(81,452)	974	863	(5,948)
Debt service as a percentage of noncapital expenditures	15.1%	13.3%	13.2%	12.7%	12.3%	13.6%	13.8%	13.6%	12.9%	11.5%

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

City of Austin, Texas
Table 6

202	Fiscal Year Ended Sept. 30	Property Tax	Sales Tax	Mixed Drink Tax	Franchise Fees and Gross Receipts Tax	Total
		\$	\$	\$	\$	\$
	2004	243,370	117,725	3,946	59,563	424,604
	2005	220,694	123,617	4,242	64,926	413,479
	2006	234,555	139,289	4,605	75,150	453,599
	2007	251,470	153,098	5,186	81,994	491,748
	2008	277,886	154,445	5,541	87,695	525,567
	2009	308,292	139,795	5,651	79,532	533,270
	2010	340,804	144,710	6,049	82,272	573,835
	2011	355,262	151,125	6,367	88,553	601,307
	2012	381,611	164,193	5,964	92,939	644,707
	2013	419,965	176,198	6,941	107,098	710,202
	Change 2004-2013	72.56%	49.67%	75.90%	79.81%	

**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 Sept. 30	Valuation Date (January 1)	Ratio of Taxable Value to Appraised Value %	Total Appraised Value at January 1 \$	Less Exemptions (October 1) \$	Total Taxable Value (October 1) \$	Percent of Growth In Taxable Value %	Tax Rate (per \$100 Valuation)			
							General Fund	Debt Service Fund	Total	Percentage Change in Tax Rate %
2004	2003	93.53	52,348,646,852	3,384,371,844	48,964,275,008	(3.54)	0.3236	0.1692	0.4928	7.20
2005 (1)	2004	93.31	53,268,024,350	3,565,117,828	49,702,906,522	1.51	0.2747	0.1683	0.4430	(10.11)
2006	2005	85.47	61,246,465,280	8,896,822,983	52,349,642,297	5.33	0.2841	0.1589	0.4430	0.00
2007	2006	84.61	71,515,572,939	11,003,244,050	60,512,328,889	15.59	0.2760	0.1366	0.4126	(6.86)
2008	2007	85.81	80,103,507,188	11,366,716,262	68,736,790,926	13.59	0.2730	0.1304	0.4034	(2.23)
2009	2008	86.54	88,688,319,460	11,936,311,723	76,752,007,737	11.66	0.2749	0.1263	0.4012	(0.55)
2010	2009	87.63	92,388,003,449	11,427,462,473	80,960,540,976	5.48	0.2950	0.1259	0.4209	4.91
2011	2010	88.15	88,051,834,377	10,432,484,993	77,619,349,384	(4.13)	0.3262	0.1309	0.4571	8.60
2012	2011	87.04	91,015,898,946	11,796,118,067	79,219,780,879	2.06	0.3551	0.1260	0.4811	5.25
2013	2012	87.30	95,412,581,152	12,118,044,659	83,294,536,493	5.14	0.3821	0.1208	0.5029	4.53
2014 (2)	2013	87.04	101,732,331,438	13,183,762,465	88,548,568,973	6.31	0.3856	0.1171	0.5027	(0.04)

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Fiscal Year Ended Sept. 30	Valuation Date (January 1)	Total Tax Levy (October 1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Outstanding Delinquencies (3)	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
		\$	\$	%	\$	\$	%	\$	%
2004	2003	241,295,947	239,017,055	99.06	1,609,686	240,626,741	99.72	8,297,267	3.44
2005 (1)	2004	220,183,876	217,913,724	98.97	1,036,339	218,950,063	99.44	8,411,887	3.82
2006	2005	231,908,915	230,867,812	99.55	691,673	231,559,485	99.85	9,867,232	4.25
2007	2006	249,673,869	248,705,821	99.61	550,777	249,256,598	99.83	8,717,040	3.49
2008	2007	277,284,215	274,903,217	99.14	1,542,120	276,445,337	99.70	9,338,671	3.37
2009	2008	307,929,055	304,956,471	99.03	1,655,867	306,612,338	99.57	9,626,876	3.13
2010	2009	340,762,916	337,268,213	98.97	849,533	338,117,746	99.22	10,591,712	3.11
2011	2010	354,798,046	351,707,776	99.13	1,042,423	352,750,199	99.42	11,589,297	3.27
2012	2011	381,126,366	378,351,758	99.27	--	378,351,758	99.27	12,177,159	3.20
2013	2012	418,888,224	416,202,468	99.36	--	416,202,468	99.36	12,662,032	3.02
2014 (2)	2013	445,133,656	**	**	**	**	**	**	**

** Information not yet available for fiscal year 2014.

Note: Appraisal district appraises property at market value.

- (1) Tax rate decreased by 6.35 cents per \$100 valuation for the value of services transferred to the Travis County Healthcare District.
- (2) Appraised value at January 1, 2014, is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.
- (3) 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)
\$	\$	\$	\$	\$	\$	\$	\$
2004	23,075,733	6,152,987	1,520,231	12,319,063	6,131,395	49,199,409	0.4928
2005	24,636,792	6,234,367	1,520,474	11,469,167	6,135,499	49,996,299	0.4430
2006	25,951,700	6,635,199	1,352,469	12,585,937	5,880,307	52,405,612	0.4430
2007	28,790,589	7,888,961	1,532,388	15,684,225	6,333,882	60,230,045	0.4126
2008	33,316,002	8,839,048	1,524,308	17,725,306	6,779,068	68,183,732	0.4034
2009	37,453,292	9,896,356	1,389,608	19,800,799	7,915,406	76,455,461	0.4012
2010	40,713,121	10,145,319	1,419,091	19,957,214	7,942,287	80,177,032	0.4209
2011	40,652,702	9,611,968	1,367,974	18,531,700	6,932,805	77,097,149	0.4571
2012	40,599,766	9,910,886	1,646,815	18,880,729	9,051,096	80,089,292	0.4811
2013	41,050,945	11,115,108	1,599,889	20,237,454	9,575,131	83,578,527	0.5029

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

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

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

**City of Austin, Texas
Table 9**

Government	Tax Rates (per 000's Assessed Value) for Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	0.4928	0.4430	0.4430	0.4126	0.4034	0.4012	0.4209	0.4571	0.4811	0.5029
Austin Community College	0.0771	0.0900	0.0991	0.0965	0.0958	0.0954	0.0946	0.0951	0.0948	0.0951
Austin Independent School District	1.6137	1.6230	1.6230	1.4930	1.1630	1.2020	1.2020	1.2270	1.2420	1.2420
Del Valle Independent School District	1.7968	1.8063	1.8700	1.7277	1.4800	1.4800	1.4800	1.5300	1.5300	1.5300
Eanes Independent School District	1.7778	1.6705	1.6610	1.5625	1.2025	1.2025	1.2025	1.2025	1.2125	1.2125
Leander Independent School District	1.8300	1.7900	1.7500	1.6438	1.3334	1.3792	1.4223	1.4548	1.4998	1.5119
Manor Independent School District	1.7291	1.8262	1.8000	1.7680	1.5150	1.5350	1.5150	1.5150	1.5150	1.5150
North Austin MUD #1	0.5000	0.4500	0.4500	0.4500	0.4180	0.4050	0.3801	0.3819	0.3719	0.3450
Northwest Austin MUD #1	0.2632	0.2600	0.3000	0.2900	0.2750	0.2525	0.2427	--	--	--
Northwest Travis County RD #3	0.1660	0.1800	0.1650	0.1300	0.1100	0.1100	0.1250	0.1450	0.1550	0.1300
Pflugerville Independent School District	1.8500	1.8300	1.8500	1.6800	1.4700	1.4600	1.4600	1.4600	1.4800	1.5400
Round Rock Independent School District	1.8643	1.8572	1.8335	1.6406	1.3238	1.3324	1.3800	1.3800	1.3350	1.3800
Travis County (1)	0.4918	0.4872	0.4993	0.4499	0.4216	0.4122	0.4215	0.4658	0.4855	0.5001
Travis County Healthcare District	--	0.0779	0.0779	0.0734	0.0693	0.0679	0.0674	0.0719	0.0789	0.0789

Government	Tax Levies (in 000's) for Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
City of Austin	241,296	220,184	231,909	249,674	277,284	307,929	340,763	354,798	381,126	418,888
Austin Community College	37,321	44,345	49,521	70,836	72,389	79,189	82,756	79,524	80,596	84,766
Austin Independent School District	627,876	627,876	636,792	702,291	732,434	704,839	735,582	730,909	746,896	775,231
Del Valle Independent School District	36,980	36,719	38,980	43,792	43,898	47,600	46,563	43,736	44,867	46,004
Eanes Independent School District	104,611	99,760	106,455	116,394	100,971	111,930	115,036	110,042	111,792	116,443
Leander Independent School District	114,260	123,587	129,115	140,287	142,085	173,078	185,502	185,883	195,248	204,896
Manor Independent School District	25,144	26,742	28,499	33,568	35,816	37,916	43,116	38,829	40,609	48,860
North Austin MUD #1	2,736	2,753	1,196	2,765	2,873	2,859	2,859	2,750	2,713	2,660
Northwest Austin MUD #1 (2)	883	867	1,105	1,226	1,230	1,216	1,173	--	--	--
Northwest Travis County RD #3	611	621	627	601	524	546	582	576	607	565
Pflugerville Independent School District	83,918	89,397	96,641	97,889	95,934	104,552	108,097	104,112	105,197	111,719
Round Rock Independent School District	247,373	254,174	268,176	268,063	247,325	272,758	284,082	273,120	268,675	287,687
Travis County (1)	293,345	293,753	320,020	339,590	361,662	391,696	417,426	441,859	466,691	503,068
Travis County Healthcare District	--	50,416	60,798	55,520	59,543	64,629	66,842	68,303	75,928	79,480

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

Note: 2005 was initial year for Travis County Healthcare District Levy.

(1) Includes taxes and levies for Travis County and Farm to Market Roads.

(2) Northwest Austin MUD #1 discontinued in 2010.

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

**City of Austin, Texas
Table 10**

		Fiscal Year Ended September 30					
		2013			2004		
Taxpayer	Type of Property	January 1, 2012 Assessed Valuation	Rank	Percent of Total Assessed Valuation of 83,294,536,493	January 1, 2003 Assessed Valuation	Rank	Percent of Total Assessed Valuation of 48,964,275,008
		\$		%	\$		%
Samsung Austin Semiconductor LLC	Manufacturing	2,301,880,881	1	2.76	207,980,236	8	0.42
Thomas Property Group LLC	Commercial	705,803,174	2	0.85			
Columbia/St. Davids Health Care	Hospital/Medical	473,171,227	3	0.57			
Circuit of the Americas, LLC	Commercial	290,759,234	4	0.35			
IBM Corporation	Manufacturing	231,562,615	5	0.28	294,206,662	5	0.60
Freescale Semiconductor, Inc. (1)	Manufacturing	230,664,320	6	0.28	331,899,320	3	0.68
Shopping Center at Gateway LP	Commercial	214,852,216	7	0.26			
IMT Capital II Riata LP	Commercial	211,437,260	8	0.25			
Brandywine Acquisition Partners LP	Commercial	207,880,187	9	0.25			
HEB Grocery Company LP	Retail	204,172,204	10	0.25			
Motorola, Inc.	Manufacturing				459,627,945	1	0.94
Advanced Micro Devices, Inc.	Manufacturing				353,106,411	2	0.72
Dell Computer Corp	Manufacturing				327,363,461	4	0.67
Applied Materials Inc.	Manufacturing				292,451,929	6	0.60
AT & T (2)	Telephone Utility				281,796,231	7	0.58
Minnesota Mining & Manufacturing	Manufacturing				134,413,547	9	0.27
Blue Star Austin	Commercial				116,083,105	10	0.24
Total Assessed Valuation		5,072,183,318		6.10	2,798,928,847		5.72

Source: Travis Central Appraisal District
Williamson County Appraisal District

(1) Created from the Semiconductor Products Sector of Motorola in 2004.

(2) Formerly Southwestern Bell

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

**City of Austin, Texas
Table 11**

Fiscal Year Ended Sept. 30	City Direct Rate (1)	Capital Metro Rate (2)	State of Texas Rate (3)
	%	%	%
2004	1.00	1.00	6.25
2005	1.00	1.00	6.25
2006	1.00	1.00	6.25
2007	1.00	1.00	6.25
2008	1.00	1.00	6.25
2009	1.00	1.00	6.25
2010	1.00	1.00	6.25
2011	1.00	1.00	6.25
2012	1.00	1.00	6.25
2013	1.00	1.00	6.25

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 (1)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	4,002	3,004	4,822	6,850	7,609	6,929	5,914	4,680	4,212	2,824
Mining	7,667	7,615	10,401	8,709	6,537	4,034	2,854	1,987	5,195	11,995
Construction	254,371	259,845	358,782	436,157	452,770	352,053	368,296	389,154	469,586	531,800
Manufacturing	600,640	711,213	821,000	922,956	1,037,155	936,799	1,041,686	1,433,843	1,653,185	1,835,133
Transportation, communications, utilities	359,521	341,382	386,265	447,312	550,890	447,710	345,173	328,250	509,760	572,167
Wholesale trade	655,358	728,722	874,189	913,648	938,536	787,300	827,894	846,190	893,741	974,597
Retail trade	4,836,334	5,260,730	5,786,205	6,103,478	6,210,206	5,592,033	5,557,165	5,803,739	6,201,284	6,424,589
Finance, insurance, real estate	167,531	189,119	221,387	232,656	239,747	223,759	204,472	190,633	237,980	262,661
Services	971,989	1,024,088	1,144,477	1,251,260	1,355,771	1,233,310	1,189,812	1,257,615	1,393,591	1,499,453
Public administration	313,964	328,926	388,647	402,782	433,151	442,422	443,604	446,197	472,311	481,124
Unclassified establishments	240	28	--	--	--	--	--	--	--	--
Other	2,147,499	2,130,487	2,287,822	2,074,431	2,170,937	2,128,184	2,150,840	2,361,320	2,593,265	2,877,631
Total taxable sales by category	10,319,116	10,985,159	12,283,997	12,800,239	13,403,309	12,154,533	12,137,710	13,063,608	14,434,110	15,473,974

Source: State of Texas Comptroller of Public Accounts

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

(1) Data not available for fourth quarter FY2013. Figures are estimates.

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

City of Austin, Texas
Table 13

Fiscal Year Ended Sept. 30	Governmental Activities									
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Capital Lease Obligations	Total Governmental Activities					
	\$	\$	\$	\$	\$					
2004	738,533	91,021	33,970	813	864,337					
2005	727,011	82,549	31,077	960	841,597					
2006	709,172	101,334	37,229	514	848,249					
2007	659,761	94,919	32,227	475	787,382					
2008	726,678	71,925	31,413	482	830,498					
2009	845,741	78,525	28,456	468	953,190					
2010	789,619	71,586	38,295	716	900,216					
2011	842,708	62,426	32,994	433	938,561					
2012	877,811	95,426	44,570	159	1,017,966					
2013	902,750	114,798	67,788	--	1,085,336					
Business-Type Activities										
Fiscal Year Ended Sept. 30	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Other Tax Supported Debt	Commercial Paper Notes	Revenue Notes	Revenue Bonds	Contract Revenue Bonds	Capital Lease Obligations	Total Business-Type Activities
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2004	20,240	58,616	14,575	10,369	315,616	28,000	2,969,758	13,740	12,753	3,443,667
2005	21,277	52,006	23,198	9,261	356,923	28,000	3,026,009	11,708	9,367	3,537,749
2006	18,796	49,760	33,514	8,405	239,958	28,000	3,197,996	3,134	5,984	3,585,547
2007	16,593	47,413	29,154	7,768	309,003	28,000	3,191,180	2,423	4,572	3,636,106
2008	24,370	34,971	29,211	7,178	213,200	28,000	3,406,897	1,683	2,782	3,748,292
2009	21,510	42,877	60,195	6,650	339,999	28,000	3,442,342	914	1,981	3,944,468
2010	16,233	40,169	50,064	18,178	299,797	28,000	3,643,111	--	1,628	4,097,180
2011	25,398	40,903	54,854	11,274	359,792	28,000	3,694,277	--	1,258	4,215,756
2012	34,661	34,456	52,298	10,605	305,026	--	3,944,795	--	1,218	4,383,059
2013	31,381	33,658	55,508	9,915	193,991	--	4,204,201	--	1,176	4,529,830
Fiscal Year Ended Sept. 30	Total Primary Government	Percentage of Personal Income	Debt Per Capita	Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Population and personal income statistics can be found in Table 18.						
	\$	%	\$							
2004	4,308,004	0.13	6,302							
2005	4,379,346	0.13	6,293							
2006	4,433,796	0.12	6,208							
2007	4,423,488	0.12	6,040							
2008	4,578,790	0.12	6,137							
2009	4,897,658	0.13	6,358							
2010	4,997,396	0.14	6,419							
2011	5,154,317	0.13	6,398							
2012	5,401,025	0.14	6,578							
2013	5,615,166	0.12	6,672							

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Population and personal income statistics can be found in Table 18.

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years (In thousands except per capita)**

**City of Austin, Texas
Table 14**

Fiscal Year Ended Sept. 30	General Bonded Debt Outstanding			Resources Restricted for Repayment of Outstanding Debt Principal	Net General Bonded Debt	Percentage of Actual Taxable Value (1) of Property	Net General Bonded Debt Per Capita (2)
	General Obligation Bonds	Other Tax Supported Debt	Total				
	\$	\$	\$	\$	\$	%	\$
2004	758,773	208,551	967,324	12,168	955,156	1.95	1,397.34
2005	748,288	198,091	946,379	13,199	933,180	1.88	1,341.01
2006	727,968	230,242	958,210	14,898	943,312	1.80	1,320.73
2007	676,354	211,481	887,835	17,861	869,974	1.44	1,187.87
2008	751,048	174,698	925,746	18,079	907,667	1.32	1,216.54
2009	867,251	216,703	1,083,954	18,389	1,065,565	1.39	1,383.32
2010	805,852	218,292	1,024,144	21,958	1,002,186	1.24	1,287.23
2011	868,106	202,451	1,070,557	20,806	1,049,751	1.35	1,302.97
2012	912,472	237,356	1,149,828	17,627	1,132,201	1.43	1,379.03
2013	934,131	281,667	1,215,798	17,068	1,198,730	1.44	1,424.26

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, 2013**

**City of Austin, Texas
Table 15**

Name of Governmental Unit	Net Debt Outstanding as of September 30, 2013 (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	902,750		
Certificates of obligation	114,798		
Contractual obligations	67,788		
Total direct debt	<u>1,085,336</u> (1)	100.00	<u>1,085,336</u>
Overlapping debt			
Greater than 10%			
Austin Community College	85,259	68.34	58,266
Austin Independent School District	772,691	94.37	729,188
Del Valle Independent School District	222,135	70.71	157,072
Leander Independent School District	1,334,709	11.58	154,559
Manor Independent School District	188,815	75.07	141,743
Northwest Travis County RD #3	600	99.84	599
Pflugerville Independent School District	306,575	37.17	113,954
Round Rock Independent School District	664,400	33.49	222,508
Travis County	632,325	70.76	447,433
Williamson County	794,002	10.95	86,943
Eanes Independent School District	136,275	31.80	43,335
Subtotal greater than 10%	<u>5,137,786</u>		<u>2,155,600</u>
Less than 10%			
Subtotal less than 10%	<u>--</u>		<u>--</u>
Total overlapping debt	<u>5,137,786</u>		<u>2,155,600</u>
Total direct and overlapping debt	<u>6,223,122</u>		<u>3,240,936</u>

Ratio of total direct and overlapping debt to assessed valuation (2)

3.89 %

Per capita overlapping debt (3)

\$ 3,850.70

Source: Taxing jurisdictions, Travis Central Appraisal District 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 estimated the portion of the outstanding debt of those overlapping governments that is borne by the City residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) Excludes general obligation debt reported in proprietary funds. See Footnote 6.

(2) Based on assessed valuation of \$83,294,536,493 provided by the Travis Central Appraisal District and Williamson County Appraisal District.

(3) Based on 2013 estimated population of 841,649.

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

**City of Austin, Texas
Table 16**

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed taxable value (1)	82,461,591
Debt limit	12,144,302 (2)
Debt applicable to limit:	
General obligation debt	1,180,890
Less: Amount set aside for repayment of general obligation debt	(17,068)
Total net debt applicable to limit	1,163,822
Legal debt margin	<u>\$ 10,980,480</u>

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	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt limit	7,138,962	7,246,657	7,632,549	10,330,201	10,021,785	11,190,400	11,804,005	11,316,858	11,550,204	12,144,302
Total net debt applicable to limit	931,297	906,446	936,104	846,455	878,798	1,043,671	971,250	1,020,759	1,102,536	1,163,822
Legal debt margin	6,040,147	6,169,474	6,696,445	9,483,746	9,142,987	10,146,729	10,832,755	10,296,099	10,447,668	10,980,480
Total net debt applicable to the limit as a percentage of debt limit	13.05%	12.51%	12.26%	8.19%	8.77%	9.33%	8.23%	9.02%	9.55%	9.58%

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, 2012, of \$83,294,536 at a 99% collection rate.

(2) Assuming the maximum tax rate for debt service of \$1.50 on January 1, 2012, for collections of \$82,461,591 results in tax revenues of \$1,236,924.

This revenue could service the debt on \$12,144,302 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	
				\$	\$					\$	\$	
2004	\$ 841,541	\$ 515,704	\$ 325,837	\$ 93,374	\$ 80,927	1.87	\$ 234,970	\$ 108,911	\$ 126,059	\$ 28,337	\$ 63,066	1.38
2005	989,534	612,866	376,668	89,949	67,907	2.39	270,867	115,863	155,004	40,796	59,135	1.55
2006	1,103,665	692,584	411,081	75,906	63,057	2.96	309,188	128,253	180,935	42,585	63,258	1.71
2007	1,096,869	708,007	388,862	101,312	66,674	2.31	296,475	135,979	160,496	45,208	66,252	1.44
2008	1,260,817	840,898	419,919	81,366	61,834	2.93	367,444	145,101	222,343	56,091	87,544	1.55
2009	1,179,688	851,756	327,932	78,773	93,170	1.91	393,771	181,440	212,331	59,018	88,089	1.45
2010	1,159,295	866,914	292,381	65,823	99,786	1.77	361,342	166,907	194,435	54,413	101,265	1.25
2011	1,258,871	912,651	346,220	75,084	97,547	2.01	448,467	171,833	276,634	50,660	105,221	1.77
2012	1,190,798	875,675	315,123	75,772	92,959	1.87	443,028	178,891	264,137	67,295	110,872	1.48
2013	1,295,116	927,294	367,822	105,091	71,052	2.09	477,013	209,890	267,123	75,186	113,826	1.41

Fiscal Year Ended Sept. 30	Airport Revenue Bonds							Convention Center Revenue Bonds					
	Service Charges (1)	Other Available Funds (5)(6)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	User Fees and Revenue Transfers (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
					Principal	Interest					Principal	Interest	
					\$	\$					\$	\$	
2004	\$ 67,277	\$ 7,384	\$ 38,313	\$ 36,348	\$ 4,922	\$ 14,928	1.83	\$ 34,015	\$ 18,287	\$ 15,728	\$ 5,210	\$ 12,062	0.91
2005	71,831	7,327	48,780	30,378	4,415	12,266	1.82	39,055	19,371	19,684	3,520	12,599	1.22
2006	77,268	7,066	45,427	38,907	8,848	10,476	2.01	49,711	22,917	26,794	2,330	9,899	2.19
2007	87,419	6,820	46,683	47,556	5,386	9,834	3.12	55,932	23,787	32,145	1,260	9,829	2.90
2008	91,271	6,879	49,965	48,185	6,545	11,654	2.65	59,951	29,791	30,160	3,440	12,047	1.95
2009	85,070	7,146	54,453	37,763	6,843	12,851	1.92	54,491	30,058	24,433	4,720	11,330	1.52
2010	85,156	7,930	57,773	35,313	7,168	7,522	2.40	51,226	30,520	20,706	8,215	9,238	1.19
2011	90,259	8,342	64,371	34,230	7,544	7,410	2.29	59,351	32,464	26,887	8,545	9,356	1.50
2012	96,344	35,483	65,689	66,138	35,473	6,902	1.56	63,345	35,640	27,705	9,450	8,423	1.55
2013	103,705	7,778	69,338	42,145	8,438	6,783	2.77	73,977	44,684	29,293	10,205	7,991	1.61

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 post employment 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 and excludes debt service amounts paid with passenger facility charge revenue.

(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.

(5) Pursuant to bond ordinance, Airport is authorized to use "other available funds" in the calculation of revenue bond coverage.

(6) Includes transfer from capital fund to debt service fund to pay off variable rate note.

**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)
				\$	\$	\$	%
2004	683,551	291	1,423,161	46,134,871	39,227	32,417	5.1
2005	695,881	294	1,464,563	51,058,588	40,335	34,863	4.5
2006	714,237	296	1,528,958	56,105,872	40,888	36,695	4.2
2007	732,381	297	1,577,856	59,924,200	42,263	37,978	3.7
2008	746,105	298	1,633,870	65,153,669	46,340	39,877	4.4
2009	770,296	302	1,682,338	64,383,075	47,520	38,270	6.8
2010	778,560	306	1,727,661	67,582,224	48,460	39,118	7.1
2011	805,662	308	1,780,708	74,168,909	46,689	41,651	6.8
2012	821,012	319	1,834,303	78,695,523	46,436	42,902	5.8
2013	841,649	321	1,912,746 (6)	84,931,866 (5)	49,227	44,403	5.3 (5)

214	2004-2013 Change	23.13%	10.31%	34.40%	84.09%	25.49%	36.97%
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Note: Prior year statistics are subject to change as more precise numbers become available.

(1) Source : City Demographer, City of Austin, Planning and Zoning Department based on full purpose area as of September 30.

(2) Source: Bureau of Economic Analysis for all years except 2013 which will not be available until first quarter 2014.

(3) Source: Claritas, a Nielsen company.

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

(5) Data not available for 2013. Figures are estimated.

(6) Source: PFM CBK - CBSA 2013

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

**City of Austin, Texas
Table 19**

		Fiscal Year Ended September 30					
		2013			2004		
10 Largest Employers	Industry	Rank	Employees	Percent of MSA	Rank	Employees	Percent of MSA
				Total (1) %			Total (1) %
State Government (2)	Government	1	36,948 (3)	4.34			
The University of Texas at Austin	Education	2	24,183 (4)	2.84	1	21,000	3.13
Dell Computer Corporation	Computers	3	14,000 (5)	1.64	2	16,500	2.46
Seton Healthcare Network	Healthcare	4	12,609 (5)	1.48	7	6,393	0.95
City of Austin	Government	5	12,372 (6)	1.45	4	10,617	1.58
Austin Independent School District	Education	6	11,465 (8)	1.35	3	10,714	1.60
HEB Grocery	Grocery retail/distribution	7	11,277 (5)	1.32			
Federal Government	Government	8	10,500 (7)	1.23	5	10,200	1.52
St. David's Healthcare Partnership	Healthcare	9	7,950 (5)	0.93	10	5,000	0.74
IBM Corporation	Computers	10	6,000 (5)	0.70	8	6,200	0.92
Freescale	Electronic Components				6	6,500	0.97
Texas State University - San Marcos	Education and research				9	5,103	0.76
			147,304	17.28		98,227	14.63

(1) Texas Workforce Commission - Total refers to a Metropolitan Statistical Area (MSA) employed work force of 852,300 for 2013 and 671,500 for 2004.

(2) FY2013 MSA data not available by state agency. FY2004 data not available by MSA totals.

(3) Texas State Auditor's Office: Regular and Part Time State Employees for 2013 in Bastrop, Caldwell, Hays, Travis and Williamson Counties.

(4) University of Texas Statistical Handbook - Faculty & Staff - Fall 2013.

(5) Austin Chamber of Commerce - Top Employers for Austin MSA - Fall 2013.

(6) FY2013-2014 Personnel Summary (FTE's) City of Austin Budget Volume I Page 568 Approved Budget. (2012-13 Amended Budget Column)

(7) Bureau of labor Statistics Federal Government employees in Austin MSA in September 2013.

(8) Texas Education Agency 2012-2013 Texas Academic Performance Report for AISD Page 15.

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

**City of Austin, Texas
Table 20**

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Governmental activities										
General government	151	152	147	157	171	169	169	169	173	177
Public safety	3,581	3,591	3,790	3,844	3,959	3,938	3,938	4,046	4,117	4,220
Transportation, planning, and sustainability	3	5	5	5	5	5	4	4	4	7
Public health	799	836	893	913	953	484	517	517	520	419
Public recreation	690	694	703	796	838	865	846	890	887	917
Urban growth management	402	308	314	335	373	373	378	387	378	386
Total governmental employees	5,626	5,586	5,852	6,050	6,299	5,834	5,852	6,013	6,079	6,126
Business-type activities										
Electric	1,472	1,538	1,561	1,605	1,679	1,719	1,738	1,737	1,722	1,719
Water	470	462	460	461	481	521	530	535	535	553
Wastewater	535	558	573	574	555	536	540	535	534	541
Airport	377	372	328	340	348	352	345	345	347	351
Convention	224	202	203	209	221	241	244	239	239	239
Environmental and health services	447	414	423	431	448	463	461	461	467	499
Public recreation	89	76	71	90	91	88	88	41	33	33
Urban growth management	489	611	631	645	661	659	632	649	681	693
Total proprietary programs	4,103	4,233	4,250	4,355	4,484	4,579	4,578	4,542	4,558	4,628
Internal Services (1)	1,306	1,283	1,323	1,390	1,453	1,502	1,450	1,482	1,487	1,334
Total full-time equivalent employees	11,035	11,102	11,425	11,795	12,236	11,915	11,880	12,037	12,124	12,088

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

Operating Indicators by Function/Program
Last Ten Fiscal Years

City of Austin, Texas
Table 21

Fiscal Year Ended September 30										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
General government										
Municipal court cases filed	410,924	402,243	414,018	346,223	424,239	431,958	369,053	341,036	323,513	364,930
Central booking cases magistrates/arrested	95,831	93,071	86,067	98,892	92,764	101,649	114,334	106,974	96,898	89,162
Warrants issued	128,741	125,284	118,949	121,704	139,831	159,038	158,597	140,820	115,939	115,545
Number of warrants prepared	120,114	117,022	77,687	70,651	109,239	140,668	138,379	134,038	89,969	88,401
Jail cases prepared	111,070	109,613	106,379	113,811	119,140	125,406	134,018	122,279	103,126	93,949
Public safety										
Number of law offenses	169,221	146,457	160,316	189,581	173,180	161,167	148,479	146,277	144,949	137,317
Physical arrests	56,462	54,472	58,759	60,983	59,000	46,762	45,783	42,220	55,542	41,227
Traffic violations	230,823	260,698	231,169	179,505	239,781	262,700	225,924	165,757	149,257	182,383
Fire emergency responses	58,943	64,771	68,335	75,748	76,347	74,211	75,676	81,982	84,473	86,641
Fire responses	2,186	2,295	2,799	2,241	2,767	2,816	2,172	3,208	2,086	2,404
Fire inspections	26,627	28,527	26,663	25,728	26,834	25,523	25,029	25,621	25,390	29,602
EMS response units dispatched	85,562	103,325	107,162	116,850	116,897	113,410	114,700	122,701	128,334	133,160
EMS 911 calls received	85,453	97,254	100,796	101,787	108,478	106,477	110,703	114,625	117,310	127,772
EMS ground patient transports	42,495	48,787	50,631	56,378	55,738	56,127	61,267	71,577	75,510	75,123
Transportation, planning, and sustainability										
Engineering studies completed in school zones	87	52	51	76	118	35	39	40	82	82
Number of children receiving safety training	29,987	44,880	45,028	47,019	49,077	44,480	44,582	44,648	46,790	52,862
Injuries to children in school zones	1	2	--	1	--	--	--	--	--	--
Public health										
Number of permits issued (food, pools, temporary events)	N/A	N/A	N/A	9,805	10,858	10,586	12,464	12,335	14,805	18,565
Number of animals sheltered	24,800	25,489	24,357	27,163	24,663	22,150	24,026	19,752	19,592	19,760
Birth and death certificates	131,205	131,025	130,526	134,229	121,787	96,421	84,017	63,979	57,841	61,918
STD patient clinic visits	12,007	12,463	13,046	12,856	12,696	13,248	13,869	14,187	13,033	12,927
Immunizations shots administered	46,786	39,542	41,464	48,563	62,949	37,133	42,905	27,194	28,785	23,551
Women and children service encounters	336,142	349,210	352,540	363,624	375,008	433,133	458,580	439,316	421,637	406,774
Participants receiving basic needs services	9,394	10,691	7,587	7,965	8,291	1,098	7,635	9,016	7,531	10,320
Food establishment permits issued	4,760	4,803	4,634	5,016	5,355	5,783	5,909	9,452	10,137	13,968
Pregnancy rate/1000 female teens (13-17 years old)	27	32	32	32	28	30	29	25	21	20
HIV clients	3,267	3,411	3,732	3,950	4,110	4,299	4,413	4,352	4,676	5,084
HIV client visits	26,378	28,190	18,825	15,000	23,478	31,173	25,587	24,397	22,869	27,867
Public recreation and culture										
Volumes in library collection	1,614,460	1,652,303	1,705,805	1,490,814	1,469,288	1,455,793	1,465,765	1,454,103	1,480,479	1,464,512
Library volumes borrowed	3,230,357	3,355,351	3,373,408	3,552,013	3,791,515	4,197,963	4,316,785	4,663,583	4,845,067	5,129,759
Registered library borrowers	516,666	420,461	456,009	489,649	494,757	561,112	483,099	519,788	494,015	497,527
Meals served to senior citizens	126,311	118,066	114,770	107,101	119,224	64,821	64,032	63,299	65,965	62,053
Participant hours in nature center program	149,103	142,709	118,994	113,159	103,241	133,390	125,115	133,577	133,533	141,251
Visitors to garden center	402,645	385,160	392,181	411,540	426,032	463,095	374,661	402,930	116,123	121,091
Participant hours in summer playground program (3)	157,272	151,230	151,230	178,667	124,566	200,400	1,560,777	92,531	66,447	74,407

(Continued)

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

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Urban growth management										
One-stop shop customers served development assistance	N/A	23,421	20,702	23,534	30,447	26,531	26,597	28,983	32,362	31,477
Neighborhood plans adopted	7	5	9	5	2	2	4	2	2	--
Zoning applications processed	186	259	268	222	232	101	145	137	129	140
Building inspections performed-development and regulation	155,360	177,909	207,389	213,799	226,841	177,854	150,228	166,467	185,860	220,881
One-stop shop building permits issued	N/A	82,439	98,827	75,078	111,735	92,396	91,996	96,205	108,494	109,492
Households served by community development activities	16,408	11,688	11,325	11,166	5,574	3,162	8,573	6,621	6,461	6,087
Renters assisted through S.M.A.R.T. construction/rehabilitation units	221	284	270	294	2,110	1,026	273	609	392	830
Homebuyers assisted through S.M.A.R.T. housing	294	218	135	66	109	119	118	338	561	635
S.M.A.R.T. housing units completed	1,612	1,725	1,692	1,470	3,473	1,341	673	947	953	1,465
Owner-occupied homes retained through rehabilitation/construction	980	995	903	917	833	904	839	818	708	529
Business-type activities										
Electric										
Electric sales (in millions of KWH)	10,262	10,904	11,248	11,325	12,184	12,103	11,976	12,779	12,534	12,305
Number of metered customers	365,874	372,735	380,696	388,626	396,791	407,926	413,870	417,865	422,375	430,582
Water										
Actual water pumpage (in millions of gallons)	48,469	51,374	56,603	45,867	53,921	53,331	43,827	54,923	49,192	47,750
Average daily consumption (thousands of gallons)	113,826	120,179	135,537	112,394	145,386	129,600	108,600	135,576	120,438	114,631
Average daily consumption per capita	145	150	165	134	130	147	135	150	142	136
Peak daily capacity (thousands of gallons)	260,000	260,000	260,000	310,000	285,000	286,000	286,000	286,000	285,000	285,000
Wastewater										
Average daily sewage treatment (millions of gallons)	81,431	85,436	77,805	97,598	83,000	82,038	98,854	84,135	104,000	104
Combined daily capacity (thousands of gallons)	130,000	135,000	135,000	150,000	150,000	135,000	135,000	135,000	150,000	150,000
Airport										
Enplanements (1)	3,707,864	3,866,383	4,141,580	4,552,481	4,619,630	4,113,544	4,375,428	4,549,175	4,719,628	5,010,655
Deplanements (1)	3,530,781	3,704,881	3,984,670	4,332,910	4,419,445	4,107,354	4,318,280	4,531,603	4,710,686	5,007,293
Cargo (in millions of pounds) (1)	254	242	230	211	202	156	153	153	156	159
Convention										
Convention contracts executed	257	261	308	263	285	281	251	307	303	306
Vehicles parked	218,669	284,070	345,896	335,551	488,916	539,098	429,993	467,908	509,313	526,923
Environment and health services										
Tons of garbage collected	122,695	126,047	132,458	138,801	143,950	128,519	130,851	126,497	129,653	124,183
Tons of recyclables collected	N/A	N/A	30,058	31,877	34,691	49,811	52,479	52,236	54,009	53,702
Tons of brush collected	5,050	4,737	5,938	6,614	7,380	7,683	7,350	6,853	7,720	7,359
Tons of bulk items collected	7,687	7,697	8,035	7,434	7,792	8,219	7,710	7,503	7,844	8,681
Tons of yard trimmings collected	18,262	19,230	20,697	20,315	24,027	19,497	22,456	24,777	21,712	25,898
Public recreation										
Golf rounds played	270,767	253,479	226,172	194,289	231,231	230,852	200,446	216,789	195,000	201,086
Sports teams	N/A	1,678	1,813	2,133	2,379	2,051	2,204	1,890	2,257	2,341

(Continued)

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

City of Austin, Texas
Table 21

	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Urban growth management										
Storm Water Discharge permits issued to businesses	1,151	1,194	1,165	1,144	1,160	1,183	1,087	1,083	1,086	1,068
Residential ponds provided vegetation control	409	481	500	515	519	522	533	540	560	592
Residential ponds maintained (3)	244	522	555	531	575	733	196	239	196	216
Acres treated with stormwater improvements (cumulative)	4,559	4,676	4,868	5,283	5,327	5,947	6,489	6,733	6,737	7,057
Litter and debris collection on Lady Bird Town Lake (in tons)	231	251	222	243	209	270	374	230	234	144
Miles of creeks maintained	63	63	64	63	64	64	65	87	80	85
Stormwater sites successfully sampled and analyzed	1,002	1,009	871	1,503	1,312	903	1,370	731	905	1,041
Feet of pipeline cleaned	53,013	81,040	87,770	75,554	77,283	74,164	51,627	70,235	61,099	72,669
Potholes repaired	1,478	1,072	672	1,073	784	638	1,828	1,632	1,161	1,162
Signal studies	250	277	270	280	281	281	280	280	286	169
Signal modifications	35	86	52	38	32	22	9	9	3	10
Traffic sign installations	20,540	18,784	33,709	30,820	28,002	23,144	31,754	21,300	3,834	4,308
Parking tickets	123,160	117,004	130,267	118,663	126,941	115,837	89,851	103,698	147,419	150,781
Internal services activities (2)										
Internal services										
Vehicles sold	150	230	224	344	326	306	473	247	340	319
Rental units	740	1,547	1,580	1,426	1,537	1,436	1,292	1,254	1,506	1,585
Payment transactions processed	249,435	262,282	306,783	259,527	243,338	216,340	218,778	200,605	158,413	93,330
Payroll payments	323,754	328,819	492,843	420,985	434,578	435,034	425,679	444,255	432,216	438,945
Units of mail processed	1,804,358	1,977,488	2,003,607	2,003,607	2,251,672	1,939,554	1,849,811	1,925,640	1,196,660	1,891,966
Employees enrolled in medical benefit plans (3)	7,111	9,902	10,095	10,580	11,013	10,949	10,774	10,916	11,011	11,184
Requests for council action processed	2,161	2,242	2,300	2,074	2,685	2,114	2,126	2,272	2,299	2,476
Active construction projects managed in-house	297	310	338	319	300	312	366	418	380	387
Land parcels acquired	176	130	148	239	100	218	244	169	104	135

Source: Various city departments; budget documents and performance reports

N/A Information not available

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

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

(3) The methodology for calculating the result changed.

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

**City of Austin, Texas
Table 22**

Function/Program	Fiscal Year Ended September 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Public safety										
Police stations	4	4	4	4	5	8	5	5	5	5
Police zones	9	9	9	9	9	9	9	9	9	9
Patrol units	340	333	351	352	355	355	359	349	349	345
Fire stations	41	42	43	44	44	44	45	45	45	45
EMS stations	29	30	30	31	33	33	35	35	35	37
Public health										
Health facilities (sq. ft.)	334,419	341,607	318,462	331,462	331,462	331,726	400,426	404,059	381,806	383,306
Program vehicles	57	59	61	61	76	76	76	76	82	83
Public recreation and culture										
Libraries	22	22	22	22	22	22	23	23	23	23
District parks	11	11	11	11	11	13	13	13	14	15
Metropolitan parks	11	18	11	11	11	12	11	12	11	11
Natural preserves	15	15	13	13	13	13	15	15	15	15
Greenbelts	25	32	26	26	26	29	40	40	39	39
Neighborhood parks	85	85	90	90	90	96	96	79	79	82
Special parks (museums, etc.)	27	27	30	27	28	28	39	39	38	40
Youth entertainment complexes	1	1	1	1	1	1	1	1	1	1
Recreation centers	17	17	17	18	18	20	20	20	20	20
Open fields	89	89	90	90	90	89	93	103	105	100
Senior activity centers	3	3	3	3	3	3	3	3	3	3
Veloway (miles)	3	3	3	3	3	3	3	3	3	3
Hike and bike trails (miles)	117	117	117	117	117	117	193	199	199	185
Tennis courts	102	102	102	102	102	114	110	110	115	116
Swimming pools	47	47	47	46	46	50	51	52	52	52
Business-type activities										
Electric										
Overhead distribution (miles)	5,546	5,549	5,540	5,527	5,489	5,493	5,475	5,450	5,403	5,361
Underground distribution (miles)	4,762	5,011	5,236	5,429	5,700	5,786	5,844	5,912	5,995	6,068
Water										
Treatment plants	3	3	3	3	2	2	2	2	2	2
Water mains (miles)	2,871	2,791	3,449	3,514	3,594	3,626	3,634	3,657	3,682	3,711
Booster pumps	47	47	45	44	45	45	46	45	41	41
Fire hydrants	27,134	28,115	29,204	30,479	31,348	32,232	32,576	33,533	33,839	34,041
Wastewater										
Sanitary sewers (miles)	2,265	2,200	2,490	2,544	2,607	2,634	2,650	2,650	2,664	2,692
Connections	174,593	178,574	181,330	186,675	191,297	196,842	198,116	199,005	202,444	202,690

(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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities, continued										
Airport										
Buildings maintained (sq. ft.)	2,288,130	2,288,130	2,288,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130	2,306,130
Facility (terminal) maintained (sq. ft.)	754,000	754,000	1,016,000	1,016,000	1,016,000	1,016,000	1,016,000	1,016,000	687,940	687,940
Acres I 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.)	1,877,000	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	102	96	93	108	64	62	89	67	69	66
Recycle collection trucks	34	34	30	34	53	31	38	36	36	38
Public recreation										
Golf courses	6	6	6	5	5	5	5	5	5	5
Athletic fields	87	87	176	176	176	185	174	174	176	169
Softball fields	16	16	16	16	16	35	37	32	32	34
Urban growth management										
Residential ponds	491	577	599	612	630	710	803	820	840	860
Street (miles)	6,789	6,908	7,037	7,266	7,349	7,626	7,348	7,550	7,435	7,498
Bridges	310	323	323	337	366	424	427	438	438	438
Traffic signals	811	824	827	836	852	865	902	925	954	975
Metered parking spaces	3,747	3,805	3,859	3,865	3,772	4,017	5,026	5,076	5508	6015
Internal Services (1)										
Fleet facilities (sq. ft.)	11,860	123,117	123,117	123,117	123,117	123,117	127,916	127,916	127,916	127,916
Secured computer workstations	6,200	7,542	7,700	8,963	5,614	8,000	6,200	8,146	8,042	10,795
Number of network end use devices	5,892	5,994	6,030	6,031	11,654	10,021	18,000	17,571	20,385	20,905
City facilities insured	1,113	1,102	1,074	1,111	1,101	1,129	1,193	1,040	1,052	1,060
Facilities maintained (sq. ft.)	1,250,994	1,448,379	1,621,921	1,621,921	1,621,921	1,539,244	1,539,244	1,539,244	1,539,244	1,539,244

Source: Various city departments; budget documents and performance reports

N/A Information not available

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



Austin in the spotlight...

Austin is nationally recognized as a great place to live due in part to its diverse and eclectic population, as well as its promotion of a year-round outdoor active lifestyle. The cover photographs provide a brief glimpse into some of the exciting events in our great city.

Zilker Trail of Lights – An Austin holiday tradition that started in 1965 with one display is now 1.25 miles of fun for the whole community with over 50 light displays, lots of Austin's unique foods and plenty of entertainment.

Capitol 10k Run – The Capital 10,000 began in 1978 and is now the largest 10k race in Texas and in the top 10 nationally. This event, held in April each year, represents Austin's active lifestyle. In 2013, there were 18,382 registered participants. In addition to the race itself, participants are encouraged to dress up in costume!

Formula 1 Race – One of Austin's newest events is the United States Formula One™ Grand Prix race (F1) with the inaugural races held in the fall of 2012. Each year this three-day event has drawn over 250,000 visitors from all over the world who enjoy not only racing but concerts, a downtown Fan Fest, and other special events held throughout the City.

South by Southwest – In March of each year, downtown Austin is transformed by an unusual convergence of original music, independent films, and emerging technologies during South by Southwest. In 2013 the music festival featured over 2,200 bands, the film festival had more than 400 screenings, and more than 41,000 people were registered to attend the industry conferences. Total attendance estimates for this celebration of creativity and innovation exceeded 150,000.

Kite Festival – The first Sunday in March, kite enthusiasts gather at Zilker Park to enjoy the longest continually running kite festival in the nation. Started in 1929 to encourage creativity in children, the event has grown to encompass people of all ages who revel in this spring ritual.

MS150 Bike Ride – The streets of Austin near the State Capitol serve as the finish line for the two-day, 180 mile bicycle ride from Houston to raise funds for the National Multiple Sclerosis Society. In 2013 over 13,000 participants raised more than \$18 million enjoying the company of like-minded individuals while touring scenic Texas roadways.

Republic of Texas Rally – In June of each year, cyclists of a different kind gather in Austin at one of the largest motorcycle events in the nation to enjoy amazing motorcycles, hill country rides, music, food, and Austin's nightlife. Austinites join in the celebration at the Friday night motorcycle parade and party downtown.

Austin City Limits Music Festival – In the fall the ACL Music Festival brings together more than 150 acts from all over the world on eight stages to play rock, folk, indie, country, and other genres of music in the Live Music Capital of the World. The festival began as a two-day event in 2002, grew to a three-day event in 2003, and in 2013 expanded to encompass two three-day weekends.

Pecan Street Festival – Over 30 years ago, this arts and crafts festival was created to assist with downtown revitalization. Today in Austin's thriving downtown several hundred thousand people gather twice a year to enjoy great music, food and the offerings of several hundred artists and artisans.



MS 150 Bike Ride

THE CITY OF AUSTIN, TEXAS

P.O. Box 2920, Austin, Texas 78768 • 512-974-2600

www.austintexas.gov



Republic of Texas Biker Rally



Austin City Limits Music Festival



Pecan Street Festival

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.