

THE UNIVERSITY OF TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT



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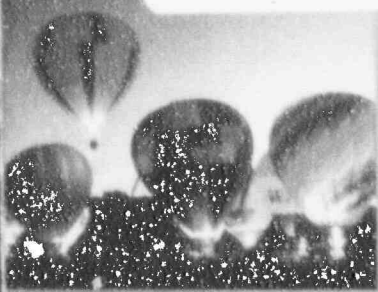
The City of Austin, Texas

# Comprehensive Annual Financial Report

For the year ended September 30, 1996



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PHOTO

Photo courtesy of Austin Convention and Visitor's Bureau.



*Comprehensive  
Annual  
Financial  
Report*



*City of Austin,  
Texas*

*For the year ended  
September 30, 1996*

*Prepared by:  
Financial Services Department*

*Betty Dunkerley, CPA  
Director*

*John Stephens, CPA  
Controller*





## **City Council**

**Bruce Todd**

*Mayor*

**Gus Garcia**

*Mayor Pro Tem*

*Councilmembers*

**Daryl Slusher**

**Ronney Reynolds**

**Jackie Goodman**

**Beverly Griffith**

**Eric Mitchell**

**Jesus Garza**

*City Manager*



**CITY OF AUSTIN, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Year Ended September 30, 1996**

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# City of Austin

Founded by Congress, Republic of Texas, 1839  
P.O. Box 1088, Austin, Texas 78767

March 17, 1997

Honorable Mayor and Councilmembers  
City of Austin, Texas

We are pleased to submit to you the 1996 Comprehensive Annual Financial Report of the City of Austin, Texas. The report was prepared by the Controller's Office of the Financial Services Department. The combined financial statements and related notes have been jointly audited by the independent firms of Certified Public Accountants, KPMG Peat Marwick LLP, and Martinez, Mendoza & Colmenero, P.C., whose report is included herein. This audit satisfies Article VII, Section 15 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. Additionally, the administrative and accounting controls over Federal financial assistance received by the City directly from Federal agencies or passed through by the State of Texas or other governmental entities during 1996 are being audited under the provisions of the Single Audit Act of 1984. This report (the "Single Audit Report") will be available under separate cover.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. 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. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

These financial statements have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The City received a **Certificate of Achievement for Excellence in Financial Reporting** from the Government Finance Officers Association of the United States and Canada (GFOA) for its 1995 Comprehensive Annual Financial Report (CAFR). City management believes that this 1996 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

This CAFR consists of three parts. The introductory section includes an organization chart and this transmittal letter, which highlights significant aspects of financial operations during the year and particular financial issues faced by the City. The financial section includes the independent auditors' report, combined financial statements and related notes, and supplemental financial data. The statistical section includes several exhibits and tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics.



## Reporting Entity

The City of Austin, chartered in 1839, has a Council-Manager form of government with six Councilmembers and the Mayor. A charter amendment approved in January 1985 changed the terms of office from two-year terms that expire concurrently to three-year staggered 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.

This report includes financial statements of the funds and account groups required to account for those activities, organizations and functions that relate to the City and are controlled by or dependent upon the City's governing body, the City Council. Criteria used by the City for including activities in preparing its financial statements are in conformity with Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*. On the basis of these criteria, the following activities are included in the City's 1996 financial statements: all municipal services (as listed below), pension trust funds, City of Austin Deferred Compensation Plan for City employees, and the Austin Housing Finance Corporation, whose activities are reported in the Housing Assistance Fund, a special revenue fund. The City provides a full range of municipal services including police and fire, sanitation, parks, libraries, public health and social services, public improvements, street maintenance, electric and water and wastewater utilities, planning and zoning, and general administrative services.

## Year In Review

In 1996 city management introduced its Affordability 2000 strategy. This strategy consists of four major components and is intended to ensure that the City can continue to provide its citizens with quality, affordable services. The first component of this strategy is to benchmark the City's basic services against other entities, to identify areas where the City needs to improve its quality or efficiency of services. The second component is to convert the City to a program budget, to see more clearly how the City's resources are allocated to individual activities. The third component is to perform an evaluation of every City program over the next five years, to see whether the objectives of the governing body are being carried out efficiently and to prioritize service delivery. The fourth component is to evaluate and streamline the organizational structure, to allow the City to reduce unnecessary layers of management and to push decision making downward.

The City is taking steps to deal with the possibility of the partial deregulation of the electric utility industry. In 1996, the City received the results of a study that showed that its electric utility prices may not be competitive in a deregulated environment. The City has recently developed a business plan and engaged a management consulting firm to assist it in achieving operational efficiencies and cost reduction.

Construction of the new Austin-Bergstrom International Airport continues on schedule and within budget. In 1996, construction began on the passenger terminal facility and the terminal parking lot. The airport will open with 20 gates, and the terminal building will be a split-level facility of approximately 450,000 square feet. A "marketplace area" within the terminal building will offer a variety of products provided by local vendors and an area for musical entertainment. The new airport is scheduled to open in May 1999.

Fiscal year 1996 was a banner year for the Austin Convention Center (ACC), which has become a catalyst for Austin's growing hospitality industry since its grand opening in July 1992. In keeping with Austin's reputation for excellence in high technology, the ACC has established itself as an industry leader in providing its customers with high-tech services. For the second year in a row, the center has received the Prime Site Award presented by *Facilities Magazine* for excellence in service.

## Economic Outlook

The U.S. economy turned in a surprisingly good performance in the last half of 1996, particularly in the fourth quarter. Wall Street economists had forecast modest growth of 1.8 percent on an annual basis in the gross domestic product (GDP) for the third quarter of 1996; however, actual growth in GDP on an annual basis for the third quarter was 2.1 percent. Growth in the GDP for the fourth quarter on an annual basis was a healthy 4.7 percent, almost a full percentage point higher than the 3.8 percent growth rate that had been forecast. This stronger-than-expected performance translated into solid gains in

personal income for 1996: for the full year, personal incomes increased by 5.5 percent. The unemployment rate at the end of 1996 was 5.3 percent, with more than 2.6 million new jobs created during the year. The outlook for the economy in 1997 remains optimistic: inflation appears to be contained and modest growth in GDP is expected.

Economic growth in Texas moderated slightly in 1996, due to a cooling of activity in the semiconductor industry and a modest performance in the agricultural sector. However, the overall Texas economy was growing and healthy. The employment growth rate in Texas slowed in comparison to 1995, but the unemployment rate at the end of the year was 5.4 percent, the lowest in 15 years. The good news for Texas workers, however, was that income growth, relative to employment growth, increased by 5.8 percent for 1996. The outlook for the Texas economy for 1997 is for overall employment growth of 1.9 percent, with continued gains in personal income. The gross state product is expected to increase by 2.7 percent for both 1997 and 1998.

The Austin economy continued to outperform other major cities in Texas in 1996, but it clearly slowed in comparison to 1995. Austin's rate of growth in employment in 1995 was a sizzling 6.5 percent; its rate of growth in 1996 cooled to 4.8 percent. Austin's economy is expected to remain healthy in the future, but it is expected to grow at a more modest pace. The employment growth rate for 1997 is forecast at 3.8 percent.

### Life in Austin

Austin is a unique city known for its beauty, its dynamic style, and its diverse community. Located in the heart of the Texas Hill Country, the Austin area is blessed with panoramic views, an abundance of rivers and lakes, and a climate that is conducive to outdoor activity.

Austin is a great place to enjoy the outdoors. With winter temperatures rarely dipping below freezing and often reaching into the 70's and 80's and with long summers, Austin's city, county, and state parks and recreation facilities are busy year-round.

#### Austin Weather

Mean temperature	69
Mean low temperature	58
Mean high temperature	78
Clear days	116
Average rainfall	32
Average days of sunshine	300

Austin's Parks and Recreation Department is acknowledged as one of the finest in the country. The city has a number of outdoor recreational facilities, including 23 greenbelts, 84 athletic fields, 70 neighborhood parks, 5 golf courses, 106 tennis courts, and 54 swimming pools, including renowned Barton Springs, where as many as 400,000 people a year enjoy its constant 68 degree spring-fed water. Austin is home to a number of outdoor events and festivals, including the Dallas Cowboys summer training camp, the Capitol 10,000 Race, the Annual Texas Hill Country Wine and Food Festival, the Pecan Street Arts Festival and the Annual Spam-O-Rama, where hundreds of devotees of SPAM converge for cooking and sculpting contests.



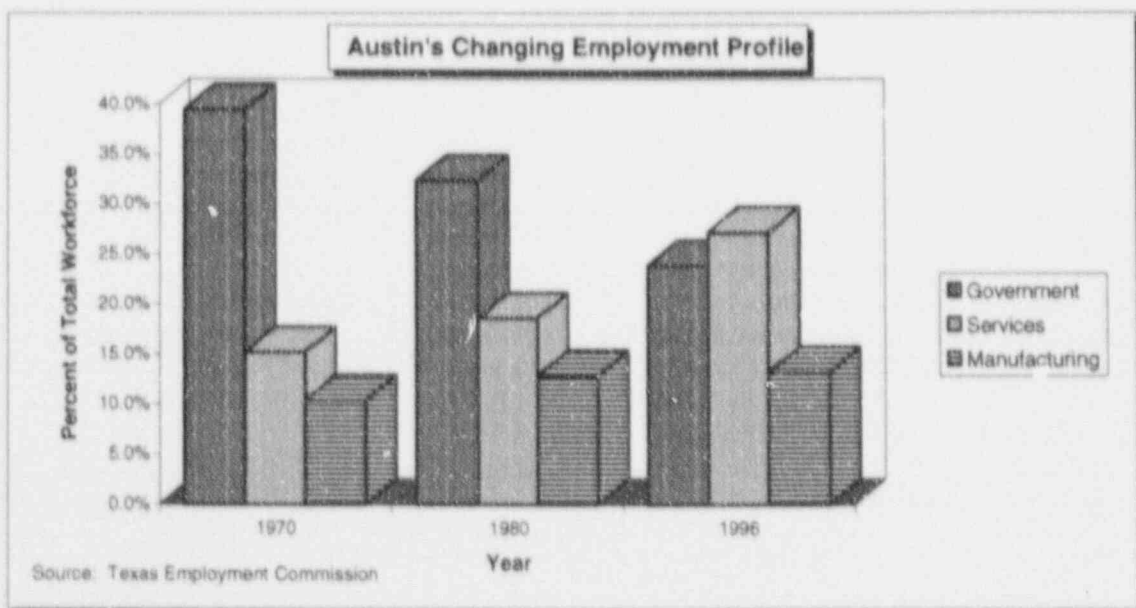
In addition to outdoor recreational opportunities, Austin has a wide variety of indoor recreational activities to choose from. Austin ranks first in Texas and sixth in the U.S. in the number of artists and musicians per capita and has long been recognized as the "live music capital of the world," with more than 120 live music venues nightly offering a complete range of musical styles. Austin also has a number of museums and art galleries to choose from and has a wide variety of restaurants and bars offering all types of food and drink.

With its seven institutions of higher learning, education is a significant aspect of life in the Austin area. Access to these institutions, especially the University of Texas at Austin, has attracted many of the high-technology industries that now drive most of the growth in the city's economy. The University of Texas has the fifth-largest academic library in the United States and its academic programs and professional schools rank largely among the top 20 programs and schools in the country. Austin is the most highly educated community in U.S. cities with a population of over 250,000, with 35% of its adults having 16 or more years of schooling. The city may also have the most computer-literate populace in the country: according to a recent survey of the Austin area, 52% of area residents own a home computer.

### Industry and Business

Austin's red-hot boom tapered off somewhat in 1996, due at least in part to a downturn in the computer chip industry early in the year. Nevertheless, its economy continues to be one of the strongest in the country: the January 20, 1997 edition of *Time Magazine* rates Austin as the third "hottest" place in the U.S. for job seekers. Housing sales for 1996 were up almost 12% over 1995, and new home construction proceeded at a record pace, with more than 9,000 new houses started for the year. More than one million square feet of retail space was added in the Austin area in 1996, adding to the unprecedented growth of the past two to three years in retail square footage.

As the capital of Texas and the home of the University of Texas, Austin has long been considered a government and university town. However, this image is changing because of the computer and software industries, which have put Austin on the map of high technology hot spots. While government employment is still a stabilizing force in the Austin economy, it now accounts for a much lower percentage of the make-up of Austin's total employment. As the comparison below shows, since 1970, government employment has decreased substantially relative to the other large employment sectors in the Austin area.



During 1996, 33 companies announced plans to relocate to the Austin area, which will potentially add more than 2,000 jobs to the economy. Included in this list are:

- AIM Management, a mutual fund call center expected to add approximately 250 jobs to the Austin area economy;
- Netspeed, a telecommunications hardware and software company expected to add approximately 250 new jobs to the local economy; and
- First International Computer Corporation, adding approximately 220 jobs to the local economy.

In addition, 22 Austin-area companies announced expansion plans during 1996, which will potentially add 3,700 more jobs to the economy. Topping this list with the addition of 2,000 new jobs in 1996 was Dell Computer, a home-grown Fortune 500 personal computer manufacturer, whose stock price tripled in 1996, making its founder, Michael Dell, Austin's first billionaire.

The outlook for Austin's high-technology industry remains very promising and the city's ability to attract new businesses and individuals remains strong, as Austin is a unique place that offers an abundance of recreational and cultural activities and excellent municipal services. The large student population of more than 100,000, half of them at the University of Texas, help keep the city intellectually active and provide a valuable resource to companies locating to the area.

#### **The Accounting System and Budgetary Control**

The Financial Services Department is responsible for providing all centralized City financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management, budgeting, purchasing, contract administration, utility customer services, regulatory affairs, and special financial and policy analyses for City management. The Director of Financial Services, appointed by the City Manager, supervises the department's operations.

The City employs a computerized financial accounting system that includes a system of internal accounting controls. These controls have been designed and are continually being re-evaluated to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting records for governmental fund types are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when services or goods are received and the liabilities are incurred. Accounting records for proprietary fund types and similar trust funds are maintained on the accrual basis.

The annual operating budget, or financial plan, is proposed by the City Manager and enacted by the City Council after public discussion. Subsequent intradepartmental budget transfers must be approved by the City Manager. Interdepartmental transfers and any increase or decrease in total appropriations must be approved by the City Council. Management control for the operating budget is maintained at the departmental level. During 1996, the Municipal Court exceeded its authorized appropriation by \$55,298. No other General Fund departments exceeded their authorized appropriations.



## General Fund

The City's General Fund is used to account for expenditures for traditional governmental services as well as all financial resources other than those required to be accounted for in other funds. Sources of revenue for this fund are widely diversified and include property tax, sales tax, transfers from the City-owned utility system, and other sources as shown below:

General Fund Sources and Uses (Dollars in Millions)				
	1996	1995	Increase (Decrease)	
	\$	\$	\$	%
<b>SOURCES OF FUNDS</b>				
Property taxes	71.44	66.25	8.19	12
Sales taxes	83.68	80.48	3.20	4
Other taxes	2.28	2.16	0.12	6
Franchise fees	13.34	12.18	1.16	10
Fines, forfeitures, and penalties	12.16	10.97	1.19	11
Licenses, permits, and inspections	14.31	13.07	1.24	9
Charges for services, goods	8.17	8.02	0.15	2
Interest and other	6.02	6.09	(0.07)	(1)
Transfer and other sources	73.93	71.31	2.62	4
<b>Total</b>	<b>288.33</b>	<b>270.53</b>	<b>17.80</b>	<b>7</b>
<b>USES OF FUNDS</b>				
Administration	6.30	5.40	0.90	17
Urban growth management	10.57	11.40	(0.83)	(7)
Public safety	141.14	131.74	9.40	7
Public services and utilities	11.90	15.55	(3.65)	(23)
Public health	43.65	40.43	3.22	8
Public recreation and culture	30.09	29.87	0.22	1
Social services management	7.29	7.34	(0.05)	(1)
Nondepartmental expenditures	31.84	23.76	8.08	34
Operating transfers out	5.93	9.30	(3.37)	(36)
<b>Total</b>	<b>288.71</b>	<b>274.79</b>	<b>13.92</b>	<b>5</b>
Increase (decrease) in fund balance	(0.38)	(4.26)	3.88	(91)
Total fund balance, beginning of year	31.47	35.73	(4.26)	(12)
<b>Total fund balance, end of year</b>	<b>31.09</b>	<b>31.47</b>	<b>(0.38)</b>	<b>(1)</b>

For the year ended September 30, 1996, actual revenues on a budget basis were \$4.8 million more than amended budget, primarily due to tax (\$1,092,842), permit (\$1,065,985), and other revenue (\$1,011,856) collections that were higher than anticipated. Actual expenditures on a budget basis were \$3.3 million lower than amended budget, with significant savings achieved by the Planning Department and the Health Department. Overall, the General Fund stayed within the amended budget, maintained emergency reserves of \$12,475,984 and contingency reserves of \$202,729 and achieved an undesignated fund balance in excess of 4% of total expenditures.

## Special Revenue Funds

The special revenue funds include the Federal grants funds, State grants funds, other special revenue grants funds, other special revenue funds, which include the Hotel-Motel Occupancy Tax Fund, and the Housing Assistance Fund. Collectively, these funds expended \$82,294,176 during 1996.

Federal grants	\$30,427,367
State grants	4,017,806
Other special revenue grants	934,312
Other special revenue funds	44,668,223
Housing Assistance Fund	2,246,448
<b>Total</b>	<b>\$82,294,176</b>

The grant programs have an important effect on the Austin community by allowing the City to operate community centers, provide services to the elderly, provide health services to women and children, and provide assistance in construction of airport improvements.

In 1996, the Hotel-Motel Occupancy Tax Fund transferred \$2,037,726 to the Parks and Recreation Department Cultural Projects Fund for cultural arts programs, \$9,166,205 to the Convention Center Tax Fund, and \$3,055,877 to the Austin Convention Center Visitors Bureau for promotion of the tourism industry.

## General Obligation Debt Administration

The City maintains a separate fund, the Debt Service Fund, to administer debt associated with its general obligation bonds, certificates of obligation, and contractual obligations. A separate ad valorem tax is levied and collected to provide funds to retire such debt issued for general government capital projects (debt service on general obligation debt issued for enterprise fund capital projects is paid from related enterprise fund revenues). For 1996, this tax was \$.2269 per \$100 assessed valuation.

The fund balance designated for debt service at September 30, 1996, was \$8,475,146 or 13.3% of 1996 budget-basis debt service expenditures. At September 30, 1996, the City had \$451,722,180 in tax-supported general obligation bonds, certificates of obligation, and contractual obligations outstanding (not including amounts supported by enterprise funds). Authorized but unissued general obligation bonds at September 30, 1996, totaled \$87,200,000.

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita for 1996 and 1995 are shown below.

	1996	1995
Net bonded debt	\$443,247,034	\$436,867,901
Ratio of debt to assessed value	1.9%	2.08%
Debt per capita	\$817.97	\$834.75
Assessed valuation (000's)	\$23,303,015	\$20,958,589
Debt service tax rate per \$100 assessed valuation	\$0.2269	\$0.2493

The City's outstanding general obligation debt is rated Aa by Moody's, and AA by Standard & Poor's and Fitch.

### Capital Projects Funds

The City maintains capital projects funds to account for general government capital improvements, which are funded primarily by general obligation bond proceeds. When projects are completed, they are recorded as additions to the General Fixed Asset Account Group. Capital projects for proprietary funds that use general obligation bonds as a funding source (primarily Hospital, Airport and Solid Waste Services) are accounted for within the enterprise or internal service funds rather than within the capital projects funds.

During 1996, a total of \$43,593,534 was expended in the capital projects funds, primarily for street and drainage improvements, flood prevention, parks improvements and fire facilities. At September 30, 1996, total fund balance was \$89,962,311 consisting of a reserve for encumbrances of \$18,789,476 and an unreserved balance of \$71,172,835.

### Utilities

The City owns and operates its electric, water, and wastewater systems and issues revenue bonds for the majority of its capital expenditures for its electric, water, and wastewater facilities. Both Moody's and Fitch rate the City's outstanding prior lien Combined Utility Systems Revenue Bonds and subordinate lien bonds A, while Standard & Poor's rates the prior lien bonds A and the subordinate lien bonds A-.

At September 30, 1996, authorized but unissued revenue bonds totaled \$562,388,000 for electric projects, \$311,947,000 for water projects, and \$220,679,000 for wastewater projects. Activity relating to revenue bonds is summarized in the following table (in thousands of dollars):

	Subordinate Lien Bonds	Prior Lien Bonds	Total
Balance payable, net of discount and inclusive of premium - October 1, 1995	\$223,382	2,256,991	2,480,373
Debt issued, net of discount and inclusive of premium	--	245,256	245,256
Debt repaid, defeased, or refunded, net of discount	(24,810)	(249,122)	(273,932)
Amortization of bond discount and premium	218	4,578	4,796
Balance payable, net of discount and inclusive of premium - September 30, 1996	\$198,790	2,257,703	2,456,493

The Electric Fund and the Water and Wastewater Fund transferred \$59,936,700 and \$13,646,139, respectively, to the General Fund in 1996.



### **Electric Fund**

Electric operating revenues for 1996 were \$613,648,422, an increase of 17.4% over the prior year. Operating expenses before depreciation for 1996 were \$303,557,594, an increase of 10.9% from the prior year.

### **Water and Wastewater Fund**

The City owns and operates three water treatment plants with an average daily consumption of 113 million gallons per day (mgd), and four wastewater treatment plants with an average daily volume of 77 mgd. The City also owns and operates its own distribution and collection systems.

Total Water and Wastewater operating revenues for 1996 were \$186,429,126 an increase of 10.9% over the prior year. Operating expenses before depreciation for 1996 were \$76,849,508 a decrease of 2% over the prior year.

The City has certain contractual commitments with several municipal utility districts (MUDs) for the construction of certain additions, improvements, and extensions of the City's water and wastewater delivery systems. These MUDs are authorized to issue contract revenue bonds to finance the construction of such improvements. The City will become the owner of these improvements and will make debt service payments on the MUDs' bonds. This arrangement will enable the City to expand its system in a manner that prevents the proliferation of stand-alone utilities, which would ultimately need to be integrated into a regional system upon annexation. Under these contracts, the MUDs had issued and outstanding \$116,840,000 City of Austin, Texas, Contract Revenue Bonds as of September 30, 1996.

### **Airport Fund**

The Airport Fund accounts for the operation of the Robert Mueller Municipal Airport. The airport is currently self-sustaining, providing for operating expenses including depreciation, an amount equivalent to the airport's interest on debt, payment for support services from other City departments, and funding of capital improvement projects. Operating revenues for the year ended September 30, 1996, were \$33,847,006. After deducting operating expenses of \$24,440,953 the airport had operating income of \$9,406,053 and net income of \$9,931,419. Effective November 1, 1993, the Airport Fund began to charge each emplaned passenger a \$3 passenger facility charge, as allowed by the Federal Aviation Administration. Airport Fund 1996 operating revenues included passenger facility charges of \$8,016,774, which are dedicated solely for the construction of the Austin-Bergstrom International Airport.

### **Pension Funds**

The City has three contributory defined benefit retirement plans. Since August 26, 1991, and pursuant to State legislation, the City of Austin Employees' Retirement and Pension Fund and the City of Austin Police Officers' Retirement and Pension Fund have been governed and administered by their respective eleven-member boards. The third plan, the Fire Fighters' Relief and Retirement Fund of Austin, Texas was established by State statute and is governed and administered by a five-member board. Together the three plans cover substantially all full-time employees.

During the year ended September 30, 1996, the City contributed 7%, 16%, and 18.05% of salaries to each of these funds, respectively. Total contributions by the City to these funds were \$27,207,000 for 1996. Total assets in excess of the pension benefit obligation at December 31, 1995 (latest available date) for the Employees' Fund were \$78,518,000. The unfunded pension benefit obligation at December 31, 1995 (latest available date) for the Police Officers' Fund and the Fire Fighters' Fund was \$14,104,000 and \$46,350,000, respectively.

The City's pension plans are qualified under IRS regulations allowing pre-tax status for employee contributions to the plans.

### **Cash Management**

Cash balances of all City funds are invested in consideration of five factors: safety, term, liquidity, market exposure, and rate of return. Cash balances of all funds except the debt service, revenue bond retirement reserve, and pension trust funds are pooled for investment purposes. These investments are made in accordance with the Texas City Depository Act and the Public Funds Investment Act of 1995, and are restricted primarily to obligations of the United States, the State of Texas, the County, the City, certificates of deposit issued by Texas state and national banks, local government investment pools, bankers' acceptances, prime commercial paper, money market mutual funds, share certificates issued by the Nation Credit Union Share Insurance Fund, and fully collateralized direct repurchase agreements meeting the requirements of the above-mentioned statutes.

During 1996, the City's cash resources were primarily invested in U.S. Treasury and Agency issues. The average yield on pooled investments during the year was 5.68%.

### **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, including medical malpractice; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters. The City continues to be self-insured for liabilities for most health benefits, third-party claims, and workers' compensation. The City purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bond, and airport operations. In addition, the City purchases a broad range of insurance coverage for contractors working at selected capital improvement project sites. The City does not participate in a risk pool.

The City uses internal service funds to account for risks related to health benefits, third-party liability, and workers' compensation, as well as for resources for these risks. 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). Claim liabilities for the Employee Benefits Fund are calculated considering recent claim settlement trends; liabilities for the Liability Reserve and Workers' Compensation funds are calculated based on outstanding claims.

### **Acknowledgments**


The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. The City of Austin has such a staff in the Controller's Office of the Financial Services Department. We would like to express our appreciation to all the staff of the Controller's Office who assisted and contributed to the preparation of this report.

Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report. In particular, the Budget Office of the Financial Services Department and the Office of the City Auditor have been instrumental in ensuring that good financial management practices are maintained, and their cooperation and continued assistance is appreciated. We also acknowledge the efforts of the City departments in following good financial management practices and in providing information and assistance during the preparation of the report.

We acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, KPMG Peat Marwick LLP and Martinez, Mendoza & Colmenero, P.C.

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.

  
Jesus Garza  
City Manager

  
Betty Dunderley, CPA  
Director of Financial Services



# 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, 1995

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

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, 1995.

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 1996 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

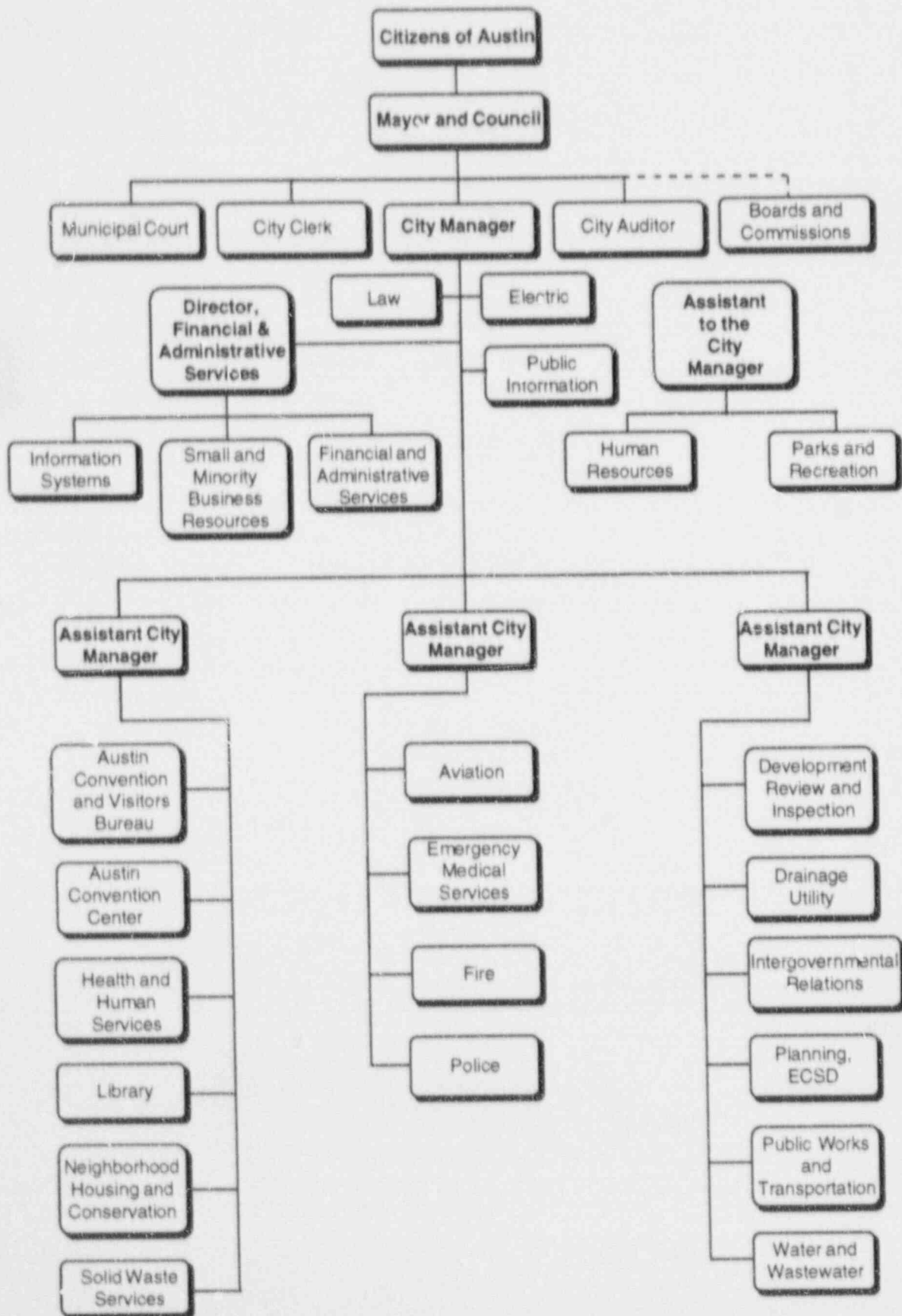


*Arthur R. Lynch*  
President

*Jeffrey L. Esser*  
Executive Director

# CITY OF AUSTIN, TEXAS

## Organization Chart







## INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements of the City of Austin, Texas ("City") as of and for the year ended September 30, 1996, as listed in the accompanying table of contents under "General Purpose Financial Statements" and the following individual fund supporting financial statements included in Exhibit F-1, Exhibit F-2, and Exhibit F-3: Electric Fund Balance Sheet, Electric Fund Statement of Revenues, Expenses, and Changes in Retained Earnings, Electric Fund Statement of Cash Flows, Water and Wastewater Fund Balance Sheet, Water and Wastewater Fund Statement of Revenues, Expenses, and Changes in Retained Earnings, Water and Wastewater Fund Statement of Cash Flows, Airport Fund Balance Sheet, Airport Fund Statement of Revenues, Expenses, and Changes in Retained Earnings, and Airport Fund Statement of Cash Flows. These general purpose financial statements and individual fund supporting financial statements listed above are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements and individual fund supporting financial statements listed above based on our audit. We did not audit the financial statements of the Police Officers' Retirement and Pension Fund or the Firefighters' Relief and Retirement Fund which are included in the Pension Trust Funds, which represent 30 percent and 37 percent, respectively of the assets and revenues of the Fiduciary Fund Type. Those financial statements were audited by other auditors whose reports hereon have been furnished to us, and our opinion, insofar as it relates to the amounts included in the Police Officers' Retirement and Pension Fund and the Firefighters' Relief and Retirement Fund of the Fiduciary Fund Type, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and individual fund supporting financial statements listed above are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and individual fund supporting financial statements listed above. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and the presentation of the individual fund supporting financial statements listed above. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Austin, Texas as of September 30, 1996, and the results of its operations and cash flows of its proprietary fund types and similar trust funds for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund supporting financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds as of September 30, 1996, and the results of operations of such funds and the cash flows of such funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund supporting financial statements referred to in the first paragraph. The accompanying combining, individual fund and individual account group financial statements and schedules, other than those referred to in the first paragraph, and schedules of general obligation bonds authorized and unissued and revenue bonds authorized, deauthorized, and unissued, as listed under "Supplemental Information" in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Austin, Texas. Such information, other than those individual fund supporting financial statements referred to in the first paragraph, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The schedules listed under "Statistical Section" in the accompanying table of contents were not audited by us, and, accordingly, we express no opinion on them.

*KPMG Peat Marwick LLP*

*Martinez, Mendoza & Coleman, P.C.*

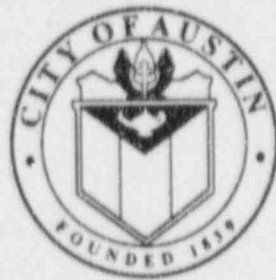
January 24, 1997

## INTRODUCTION

FINANCIAL SECTION

COMBINED FUNDS





**ALL FUND TYPES AND ACCOUNT GROUPS  
COMBINED BALANCE SHEET**

September 30, 1996

With comparative totals for September 30, 1995

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Current assets:				
Cash	\$ 79,373	190,136	--	--
Pooled investments and cash	29,493,803	35,392,270	--	88,181,528
Investments, at amortized cost	--	4,320,322	8,398,016	--
Working capital advances	--	--	--	--
Cash and investments held by trustee	--	--	--	--
Receivables, net of allowances:				
Property taxes	3,273,767	--	2,654,142	--
Accounts and other taxes receivable	17,140,656	1,678,783	--	3,764,135
Receivables from other governments	--	9,312,157	--	--
Due from other funds	--	7,235,527	--	3,089,143
Inventories, at cost	1,147,756	--	--	--
Real property held for resale	--	5,010,198	--	--
Other assets	190,756	1,544,297	--	204,067
Total current assets	51,326,111	64,683,690	11,052,158	95,238,873
Restricted assets:				
Revenue bond debt service account	--	--	--	--
Revenue bond retirement reserve account	--	--	--	--
Tax and revenue bond debt service account	--	--	--	--
Capitalized interest account	--	--	--	--
Construction account	--	--	--	--
Construction account due from other funds	--	--	--	--
Construction account advances to other funds	--	--	--	--
Decommissioning account	--	--	--	--
Capital improvement account	--	--	--	--
Operating reserve account	--	--	--	--
Hotel occupancy tax account	--	--	--	--
Revenue account	--	--	--	--
Renewal and replacement account	--	--	--	--
Capital lease retirement reserve account	--	--	--	--
Investments and cash held by trustee	--	--	--	--
Nuclear fuel inventory acquisition account	--	--	--	--
Passenger facility charge account	--	--	--	--
Munier disposition account	--	--	--	--
Customer and escrow deposits	--	--	--	--
Total restricted assets	--	--	--	--
Fixed assets, at cost:				
Property, plant and equipment	--	--	--	--
Less accumulated depreciation	--	--	--	--
Net property, plant and equipment	--	--	--	--
Investment in municipal utility districts	--	--	--	--
Advances to other funds	--	--	--	--
Deferred costs and expenses, net of amortization	--	--	--	--
Other debits:				
Amount available in Debt Service Fund	--	--	--	--
Amount to be provided for accrued compensated absences	--	--	--	--
Amount to be provided for retirement of general long-term debt	--	--	--	--
<b>Total assets</b>	<b>\$ 51,326,111</b>	<b>64,683,690</b>	<b>11,052,158</b>	<b>95,238,873</b>

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

CITY OF AUSTIN, TEXAS  
Exhibit A-1

Proprietary Fund Types		Fiduciary	Account Groups		Totals	
Enterprise	Internal Service	Fund Types Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
					1996	1995
49,300	22,691	5,655,357	--	--	5,996,857	5,952,344
175,462,625	36,640,978	6,043,202	--	--	371,214,406	311,867,909
--	--	941,120,847	--	--	953,839,185	861,782,373
2,352,430	--	--	--	--	2,352,430	3,643,871
--	160,131	86,038,542	--	--	86,198,673	76,906,256
--	--	--	--	--	5,927,909	5,823,926
87,864,803	589,526	--	--	--	111,037,903	128,360,653
24,634	--	--	--	--	9,336,791	13,576,594
298,581	764,253	--	--	--	11,387,504	23,514,810
49,859,567	1,390,352	--	--	--	52,397,695	54,352,354
--	--	--	--	--	5,010,198	3,553,918
1,500,129	52,520	8,995,648	--	--	12,487,417	11,580,183
317,412,099	39,620,451	1,047,853,596	--	--	1,627,186,968	1,500,915,191
95,278,861	--	--	--	--	95,278,861	100,278,710
198,106,341	--	--	--	--	198,106,341	198,470,429
20,548	--	--	--	--	20,548	27,862
58,961,194	--	--	--	--	56,961,194	69,220,569
397,207,907	415,322	--	--	--	397,623,229	402,328,541
384,424	--	--	--	--	384,424	384,424
1,806,419	--	--	--	--	1,806,419	2,190,843
31,788,778	--	--	--	--	31,788,778	24,808,284
18,105,312	--	--	--	--	18,105,312	9,864,826
6,963,597	--	--	--	--	6,963,597	4,755,956
1,188,741	--	--	--	--	1,188,741	447,249
3,676,536	--	--	--	--	3,676,536	1,521,341
5,368,659	--	--	--	--	5,368,659	5,212,379
3,434,207	--	--	--	--	3,434,207	3,280,761
5,000,000	--	--	--	--	5,000,000	412,253
21,857,601	--	--	--	--	21,857,601	14,719,771
1,068,327	--	--	--	--	1,068,327	1,573,343
1,857	--	--	--	--	1,857	--
9,448,452	--	--	--	--	9,448,452	5,151,345
857,667,761	415,322	--	--	--	858,083,083	844,736,886
4,568,680,922	42,652,472	1,477,344	454,091,120	--	5,066,901,858	4,823,780,066
(1,226,732,349)	(21,903,809)	--	--	--	(1,248,636,158)	(1,139,183,381)
3,341,948,573	20,748,663	1,477,344	454,091,120	--	3,818,265,700	3,684,596,685
19,612,403	--	--	--	--	19,612,403	21,806,472
103,656	197,878	--	--	--	301,534	757,947
522,690,324	159,227	--	--	--	522,849,551	473,347,254
--	--	--	--	8,475,146	8,475,146	8,934,818
--	--	--	--	33,179,727	33,179,727	36,278,253
--	--	--	--	443,247,034	443,247,034	436,867,901
5,059,434,806	61,141,541	1,049,330,940	454,091,120	484,901,907	7,331,201,146	7,008,243,407

(continued)

**ALL FUND TYPES AND ACCOUNT GROUPS**  
**COMBINED BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
Current liabilities:				
Accounts payable	\$ 3,688,038	4,367,253	--	1,820,920
Accrued payroll	9,497,302	926,425	--	--
Accrued compensated absences	2,383,227	237,207	--	--
Claims payable	--	--	--	--
Construction contracts payable	--	--	--	--
Contract revenue bonds payable	--	--	--	--
Due to other governments	--	--	--	--
Due to other funds	39,933	7,033,789	--	3,055,612
Interest payable on other debt	--	--	--	--
General obligation bonds payable and other tax supported debt	--	--	--	--
Water improvement district bonds payable	--	--	--	--
Capital lease obligations payable	--	--	--	--
Other liabilities	4,626,974	33,455,187	2,577,012	400,030
Total current liabilities	20,235,474	46,023,861	2,577,012	5,276,562
Liabilities payable from restricted assets:				
Accounts and retainage payable	--	--	--	--
Accrued interest payable	--	--	--	--
General obligation bonds and other tax supported debt payable	--	--	--	--
Revenue bonds payable within one year	--	--	--	--
Decommissioning expense payable	--	--	--	--
Nuclear fuel expense payable	--	--	--	--
Other liabilities	--	--	--	--
Total liabilities payable from restricted assets	--	--	--	--
Long-term obligations, net of current portion:				
Accrued compensated absences	--	--	--	--
Claims payable	--	--	--	--
Construction contracts payable	--	--	--	--
Contract revenue bonds payable	--	--	--	--
Advances from other funds	--	--	--	--
Capital appreciation bond interest payable	--	--	--	--
Commercial paper notes payable	--	--	--	--
General obligation bonds payable, net of discount, and other tax supported debt	--	--	--	--
Revenue bonds payable, net of discount/premium	--	--	--	--
Water improvement district bonds payable	--	--	--	--
Capital lease obligations payable	--	--	--	--
Decommissioning assessment payable	--	--	--	--
Accrued landfill closure and postclosure costs	--	--	--	--
<b>Total liabilities</b>	<b>\$ 20,235,474</b>	<b>46,023,861</b>	<b>2,577,012</b>	<b>5,276,562</b>

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



CITY OF AUSTIN, TEXAS  
Exhibit A-1  
(Continued)

Proprietary Fund Types		Fiduciary	Account Groups		Totals	
Enterprise	Internal	Fund Types	General Fixed	General Long-	(Memorandum Only)	
	Service	Trust and Agency			1996	1995
			Assets	Term Debt		
42,242,007	4,235,802	1,404,740	--	--	57,761,760	47,393,108
5,675,492	2,093,574	--	--	--	18,192,793	18,057,353
11,222,035	3,723,350	--	--	--	17,565,819	19,485,615
--	7,601,001	--	--	--	7,601,001	11,251,984
274,698	--	--	--	--	274,698	857,294
4,365,000	--	--	--	--	4,365,000	3,015,000
33,612	--	1,143,727	--	--	1,177,339	1,332,666
551,859	1,057,204	33,531	--	--	11,771,928	23,899,234
3,805,998	10,606	--	--	--	3,816,604	4,264,120
2,302,373	139,452	--	--	--	2,441,825	5,855,615
122,000	--	--	--	--	122,000	113,000
1,655,933	--	--	--	--	1,655,933	2,611,151
4,315,000	713,941	89,552,552	--	--	135,644,696	120,625,662
76,566,007	19,577,930	92,134,550	--	--	262,391,396	258,761,811
20,550,840	675	--	--	--	20,551,515	2,055,140
65,350,550	--	--	--	--	65,350,550	65,146,271
2,044,178	--	--	--	--	2,044,178	1,654,735
82,540,581	--	--	--	--	82,540,581	75,520,329
31,788,778	--	--	--	--	31,788,778	24,898,284
21,857,601	--	--	--	--	21,857,601	14,719,771
9,607,357	--	--	--	--	9,607,357	7,633,710
233,739,885	675	--	--	--	233,740,560	201,628,240
5,550,299	1,144,885	--	--	33,179,727	39,874,911	44,963,562
--	13,985,675	--	--	--	13,985,675	11,603,802
2,997,817	--	--	--	--	2,997,817	2,585,180
112,475,000	--	--	--	--	112,475,000	118,780,000
321,179	1,786,774	--	--	--	2,107,953	2,948,790
95,993,209	--	--	--	--	95,993,209	80,408,964
132,918,000	--	--	--	--	132,918,000	78,184,000
34,105,498	380,810	--	--	451,722,180	486,208,488	514,414,029
2,826,321,975	--	--	--	--	2,826,321,975	2,855,914,789
613,000	--	--	--	--	613,000	735,000
25,225,229	--	--	--	--	25,225,229	26,881,162
3,014,901	--	--	--	--	3,014,901	3,524,510
7,751,392	--	--	--	--	7,751,392	7,922,811
3,557,593,391	36,876,749	92,134,550	--	484,901,907	4,245,619,506	4,209,956,654

(continued)

**ALL FUND TYPES AND ACCOUNT GROUPS**  
**COMBINED BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, EQUITY AND OTHER CREDITS,</b>				
Continued				
Equity and other credits:				
Contributions from municipality	\$ --	--	--	--
Contributions from State and Federal governments	--	--	--	--
Contributions in aid of construction	--	--	--	--
Contributions from the private sector	--	--	--	--
Investment in general fixed assets	--	--	--	--
Retained earnings:				
Reserved for renewal and replacement	--	--	--	--
Reserved for passenger facility charge	--	--	--	--
Unreserved	--	--	--	--
Fund balances:				
Reserved for encumbrances	6,669,497	3,715,640	--	18,789,476
Reserved for inventories and prepaid items	1,338,512	--	--	--
Reserved for notes receivable	--	1,411,403	--	--
Reserved for real property held for resale	--	5,010,198	--	--
Reserved for nonexpendable trust	--	--	--	--
Reserved for retirement systems	--	--	--	--
Unreserved:				
Designated for emergency reserve	12,475,984	--	--	--
Designated for contingency reserve	202,729	--	--	--
Designated for future use	--	8,522,588	--	--
Designated for debt service	--	--	8,475,146	--
Designated for purposes of trust	--	--	--	--
Undesignated	10,403,915	--	--	71,172,835
<b>Total equity and other credits</b>	<b>31,090,637</b>	<b>18,659,829</b>	<b>8,475,146</b>	<b>89,962,311</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 51,326,111</b>	<b>64,683,690</b>	<b>11,052,158</b>	<b>95,238,873</b>

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

CITY OF AUSTIN, TEXAS  
Exhibit A-1  
(Continued)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long- Term Debt	1996	1995
39,243,966	33,415,784	--	--	--	72,659,750	67,754,743
101,454,114	--	--	--	--	101,454,114	81,242,025
312,038,620	--	--	--	--	312,038,620	292,210,794
3,775,344	--	--	--	--	3,775,344	3,775,344
--	--	--	454,091,120	--	454,091,120	426,363,307
5,368,659	--	--	--	--	5,368,659	5,212,379
1,068,327	--	--	--	--	1,068,327	1,573,343
1,038,892,185	(9,150,992)	--	--	--	1,029,741,193	916,762,753
--	--	--	--	--	29,174,613	38,137,405
--	--	--	--	--	1,338,512	1,468,946
--	--	--	--	--	1,411,403	2,125,324
--	--	--	--	--	5,010,198	3,553,918
--	--	76,374	--	--	76,374	76,374
--	--	954,596,106	--	--	954,596,106	860,258,865
--	--	--	--	--	12,475,984	12,189,927
--	--	--	--	--	202,729	832,175
--	--	--	--	--	8,522,588	9,559,006
--	--	--	--	--	8,475,146	8,934,818
--	--	2,523,910	--	--	2,523,910	2,137,685
--	--	--	--	--	81,576,750	64,117,622
1,501,841,415	24,264,792	957,196,390	454,091,120	--	3,085,581,640	2,798,286,753
5,059,434,806	61,141,541	1,049,330,940	454,091,120	484,901,907	7,331,201,146	7,008,243,407

**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

Year ended September 30, 1996

With comparative totals for year ended September 30, 1995

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>REVENUES</b>				
Taxes	\$ 160,405,219	--	53,213,806	--
Franchise fees	13,337,896	--	--	--
Fines, forfeitures and penalties	12,159,358	--	--	--
Licenses, permits and inspections	14,311,481	--	--	--
Charges for services/goods	8,174,721	--	--	--
Intergovernmental revenues	--	35,379,505	--	4,371,626
Property owners' participation and contributions	--	--	--	652,900
Contributions to trusts	--	--	--	--
Interest and other	6,015,253	42,339,006	2,603,029	6,238,447
<b>Total revenues</b>	<b>214,403,928</b>	<b>77,718,511</b>	<b>55,816,835</b>	<b>11,262,968</b>
<b>EXPENDITURES</b>				
Current, including capital outlay in the General Fund of \$3,153,957				
Administration	6,299,368	44,668,223	--	--
Urban growth management	10,567,446	--	--	--
Public safety	141,140,763	--	--	--
Public services and utilities	11,903,772	--	--	--
Public health	43,647,282	--	--	--
Public recreation and culture	30,092,171	--	--	--
Social services management	7,285,563	--	--	--
Nondepartmental expenditures	31,836,942	--	--	--
Special projects	--	37,625,953	--	--
Capital outlay for construction	--	--	--	43,593,534
Debt service:				
Principal retirement	--	--	22,722,983	--
Interest, commissions and other	--	--	35,038,577	--
Trust	--	--	--	--
<b>Total expenditures</b>	<b>282,773,007</b>	<b>82,294,176</b>	<b>57,761,560</b>	<b>43,593,534</b>
Excess (deficiency) of revenues over expenditures	(68,369,079)	(4,575,665)	(1,944,725)	(32,330,566)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of general obligation bonds and other tax supported debt	--	--	--	35,005,000
Operating transfers in	73,925,240	22,420,512	1,485,053	23,935,156
Operating transfers out	(5,932,110)	(17,332,104)	--	(19,017,930)
<b>Total other financing sources (uses)</b>	<b>67,993,130</b>	<b>5,088,408</b>	<b>1,485,053</b>	<b>39,922,226</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(375,949)	512,743	(459,672)	7,591,660
Fund balances at beginning of year	31,466,586	18,147,086	8,934,818	82,370,651
Residual equity transfers out	--	--	--	--
<b>Fund balances at end of year</b>	<b>\$ 31,090,637</b>	<b>18,659,829</b>	<b>8,475,146</b>	<b>89,962,311</b>

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



CITY OF AUSTIN, TEXAS  
Exhibit A-2

Fiduciary Fund Type	Totals (Memorandum Only)	
	1996	1995
Expendable Trust		
--	213,619,025	201,567,396
--	13,337,896	12,183,178
--	12,159,358	10,966,311
--	14,311,481	13,074,490
--	8,174,721	8,021,247
--	39,751,131	35,244,435
--	652,900	207,139
387,486	387,486	1,047,094
--	57,195,730	76,376,776
387,486	359,589,728	358,688,066
--	50,967,291	52,218,182
--	10,567,446	11,400,778
--	141,140,763	131,742,620
--	11,903,772	15,550,020
--	43,647,282	40,431,597
--	30,092,171	29,874,687
--	7,285,563	7,334,861
--	31,836,942	22,896,301
--	37,625,953	31,230,813
--	43,593,534	59,461,815
--	22,722,983	22,023,089
--	35,038,577	32,214,134
282,434	282,434	400,533
282,434	466,704,711	456,780,430
105,052	(107,114,983)	(98,092,364)
--	35,005,000	38,565,000
298,578	122,064,499	94,620,555
(17,365)	(42,299,509)	(34,295,236)
281,173	114,769,990	98,890,319
386,225	7,655,007	797,955
2,137,685	143,056,826	153,319,053
--	--	(11,060,182)
2,523,910	150,711,833	143,056,826

**GENERAL FUND, SPECIAL REVENUE FUNDS AND DEBT SERVICE FUND**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL-BUDGET BASIS**  
**Year ended September 30, 1996**

	General Fund			Special Revenue Funds		
	Actual-	Variance --	Favorable	Actual-	Variance --	Favorable
	Budget			Budget		
	Basis	Budget	(Unfavorable)	Basis	Budget	(Unfavorable)
<b>REVENUES</b>						
Taxes	\$ 160,405,219	159,317,377	1,092,842	--	--	--
Franchise fees	13,337,896	12,661,000	676,896	--	--	--
Fines, forfeitures and penalties	12,159,358	11,976,662	182,696	--	--	--
Licenses, permits and inspections	14,311,481	13,245,496	1,065,985	--	--	--
Charges for services/goods	8,174,721	7,412,840	761,881	--	--	--
Interest and other	6,015,253	5,003,397	1,011,856	39,386,258	39,666,780	(280,522)
<b>Total revenues</b>	<b>214,403,928</b>	<b>209,611,772</b>	<b>4,792,156</b>	<b>39,386,258</b>	<b>39,666,780</b>	<b>(280,522)</b>
<b>EXPENDITURES</b>						
Administration	6,267,438	6,211,510	(55,928)	43,890,353	48,948,631	5,058,278
Urban growth management	10,727,957	11,437,108	709,151	--	--	--
Public safety	138,447,670	139,574,339	1,126,669	--	--	--
Public services and utilities	11,907,908	12,004,736	96,828	--	--	--
Public health	45,125,717	46,031,761	906,044	--	--	--
Public recreation and culture	29,880,890	29,919,128	38,238	--	--	--
Social services management	7,292,012	7,292,695	683	--	--	--
Nondepartmental expenditures	6,950,580	7,434,543	483,963	--	--	--
Principal redemption	--	--	--	--	--	--
Interest and other	--	--	--	--	--	--
Fees and commissions	--	--	--	--	--	--
<b>Total expenditures</b>	<b>256,600,172</b>	<b>259,905,820</b>	<b>3,305,648</b>	<b>43,890,353</b>	<b>48,948,631</b>	<b>5,058,278</b>
Excess (deficiency) of revenues over expenditures	(42,196,244)	(50,294,048)	8,097,804	(4,504,095)	(9,281,851)	4,777,756
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	73,925,240	73,925,240	--	22,260,512	24,409,267	(2,148,755)
Operating transfers out	(31,400,045)	(31,553,163)	153,118	(17,046,354)	(15,935,546)	(1,110,808)
<b>Total other financing sources (uses)</b>	<b>42,525,195</b>	<b>42,372,077</b>	<b>153,118</b>	<b>5,214,158</b>	<b>8,473,721</b>	<b>(3,259,563)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	328,951	(7,921,971)	8,250,922	710,063	(808,130)	1,518,193
Fund balances at beginning of year	32,327,305	15,314,953	17,012,352	3,508,303	3,508,303	--
<b>Fund balances at end of year</b>	<b>\$ 32,656,256</b>	<b>7,392,982</b>	<b>25,263,274</b>	<b>4,218,366</b>	<b>2,700,173</b>	<b>1,518,193</b>

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

CITY OF AUSTIN, TEXAS  
Exhibit A-3

Debt Service Fund			Totals (Memorandum Only)		
Actual- Budget Basis	Budget	Variance -- Favorable (Unfavorable)	Actual- Budget Basis	Budget	Variance -- Favorable (Unfavorable)
53,213,806	52,949,831	264,175	213,619,025	212,262,008	1,357,017
--	--	--	13,337,896	12,661,000	676,896
--	--	--	12,159,358	11,976,662	182,696
--	--	--	14,311,481	13,245,496	1,065,985
--	--	--	8,174,721	7,412,840	761,881
3,143,760	3,162,582	(18,822)	48,545,271	47,832,759	712,512
56,357,566	56,112,213	245,353	310,147,752	305,390,765	4,756,987
--	--	--	50,157,791	55,160,141	5,002,350
--	--	--	10,727,957	11,437,108	709,151
--	--	--	138,447,670	139,574,339	1,126,669
--	--	--	11,907,908	12,004,736	96,828
--	--	--	45,125,717	46,021,761	906,044
--	--	--	29,880,890	29,919,128	38,238
--	--	--	7,292,012	7,292,695	683
--	--	--	6,950,580	7,434,543	483,963
25,862,234	31,362,234	5,500,000	25,862,234	31,362,234	5,500,000
37,824,319	40,368,979	2,544,660	37,824,319	40,368,979	2,544,660
3,363	5,322	1,959	3,363	5,322	1,959
63,689,916	71,736,535	8,046,619	364,180,441	380,590,986	16,410,545
(7,332,350)	(15,624,322)	8,291,972	(54,032,689)	(75,200,221)	21,167,532
6,872,678	14,631,874	(7,759,196)	103,058,430	112,966,381	(9,907,951)
--	--	--	(48,446,399)	(47,488,709)	(957,690)
6,872,678	14,631,874	(7,759,196)	54,612,031	65,477,672	(10,865,641)
(459,672)	(992,448)	532,776	579,342	(9,722,549)	10,301,891
8,934,818	8,279,984	654,834	44,770,426	27,103,240	17,667,186
8,475,146	7,287,536	1,187,610	45,349,768	17,380,691	27,969,077

**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**RETAINED EARNINGS/FUND BALANCES**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

	Proprietary Fund Types	
	Enterprise	Internal Service
<b>REVENUES</b>		
Electric services	\$ 613,648,422	--
Water and wastewater services	186,429,126	--
Hospital patient services, net	--	--
User fees and rentals	102,645,271	--
Billings to departments	--	110,628,344
Employee contributions	--	12,786,961
Pension contributions	--	--
Interest and other	--	242,447
Operating revenues	902,722,819	123,657,752
<b>EXPENSES</b>		
Electric operations	303,557,594	--
Water and wastewater operations	76,849,508	--
Hospital operations	5,875,620	--
Other enterprise operations	72,815,692	--
Internal service operations	--	122,668,228
Depreciation	127,076,490	2,014,371
Benefit payments	--	--
Contributions refunded	--	--
Total operating expenses	586,174,904	124,682,599
Operating income (loss) before nonoperating revenues (expenses) and operating transfers	316,547,915	(1,024,847)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest and other revenues	59,115,630	560,120
Interest on revenue bonds and other debt	(227,369,646)	(27,580)
Interest capitalized during construction	2,958,049	--
Amortization of bond issue costs	(957,800)	--
Loss on disposal of assets	(227,848)	(98,615)
Total nonoperating revenues (expenses)	(166,481,615)	433,925
Costs to be recovered in future years	41,939,099	--
Income (loss) before operating transfers	192,005,399	(590,922)
Operating transfers:		
Operating transfers in	9,672,805	--
Operating transfers out	(87,797,913)	(1,639,882)
Income (loss) before extraordinary loss	113,880,291	(2,230,804)
Extraordinary loss on cash defeasance of debt	(4,691,673)	--
<b>Net income (loss)</b>	109,188,618	(2,230,804)
Add depreciation transferred to contributions	5,671,890	--
Net increase (decrease) in retained earnings/fund balances	114,860,508	(2,230,804)
Retained earnings/fund balances at beginning of year	930,468,663	(6,920,188)
Residual equity transfer out	--	--
<b>Retained earnings/fund balances at end of year</b>	<b>\$ 1,045,329,171</b>	<b>(9,150,992)</b>

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



CITY OF AUSTIN, TEXAS  
Exhibit A-4

Fiduciary Fund Type		Totals (Memorandum Only)	
Nonexpendable Trust	Pension Trusts	1996	1995
--	--	613,648,422	522,751,114
--	--	186,429,126	168,080,760
--	--	--	165,967,644
--	--	102,645,271	94,572,524
--	--	110,628,344	114,050,195
--	--	12,786,961	13,944,484
--	53,326,021	53,326,021	50,520,970
--	83,891,563	84,134,010	90,508,339
--	137,217,584	1,163,598,155	1,220,396,030
--	--	303,557,594	273,574,769
--	--	76,849,508	78,427,870
--	--	5,875,620	161,064,135
--	--	72,815,692	65,090,543
--	--	122,668,228	126,247,870
--	--	129,090,861	125,263,776
--	34,063,743	34,063,743	30,614,140
--	8,816,600	8,816,600	4,816,796
--	42,880,343	753,737,846	865,099,899
--	94,337,241	409,860,309	355,296,131
--	--	59,675,750	35,195,712
--	--	(227,397,226)	(208,938,908)
--	--	2,958,049	806,126
--	--	(957,800)	(903,950)
--	--	(326,463)	(13,334,051)
--	--	(166,047,690)	(187,175,071)
--	--	41,939,099	31,592,089
--	94,337,241	285,751,718	229,713,149
--	--	9,672,805	15,654,577
--	--	(89,437,795)	(75,979,896)
--	94,337,241	205,986,728	169,387,830
--	--	(4,691,673)	--
--	94,337,241	201,295,055	169,387,830
--	--	5,671,890	3,911,379
--	94,337,241	206,966,945	173,299,209
76,374	860,258,865	1,783,883,714	1,611,211,642
--	--	--	(627,137)
76,374	954,596,106	1,990,850,659	1,783,883,714

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
 COMBINED STATEMENT OF CASH FLOWS  
 Year ended September 30, 1996  
 With comparative totals for year ended September 30, 1995

CITY OF AUSTIN, TEXAS  
 Exhibit A-5

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust (1)	1996	1995
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 926,992,615	123,292,057	--	1,050,284,672	1,075,870,668
Cash payments to suppliers for goods and services	(278,759,049)	(43,764,923)	--	(322,523,972)	(382,107,400)
Cash payments to employees for services	(144,945,122)	(48,119,059)	--	(193,064,181)	(248,524,188)
Cash payments to claimants/beneficiaries	--	(30,792,189)	--	(30,792,189)	(31,254,329)
Cash received from other governments	--	--	--	--	17,017,704
Taxes collected and remitted to other governments	(11,514,030)	--	--	(11,514,030)	(11,539,596)
Other operating revenues	--	--	--	--	372,623
<b>Net cash provided by operating activities</b>	<b>491,774,414</b>	<b>615,886</b>	<b>--</b>	<b>492,390,300</b>	<b>419,835,482</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Operating transfers in	9,672,805	--	--	9,672,805	15,654,577
Operating transfers out	(87,797,913)	(1,639,882)	--	(89,437,795)	(75,979,896)
Cash received from other funds	--	444,957	--	444,957	16,387,246
Interest paid on revenue notes and other debt	(192,554)	--	--	(192,554)	(201,445)
Decrease in deferred assets	905,802	--	--	905,802	684,488
Loan (to) from other funds	40,773	(444,957)	--	(404,184)	(200,000)
Contributions (to) from municipality	--	(1,412)	--	(1,412)	11,687,319
Contributions from private sector	--	--	--	--	279,523
Residual equity transfer out	--	--	--	--	(627,137)
<b>Net cash used by noncapital financing activities</b>	<b>(77,371,087)</b>	<b>(1,641,294)</b>	<b>--</b>	<b>(79,012,381)</b>	<b>(32,315,325)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from long-term debt issues	116,144,000	--	--	116,144,000	478,159,000
Principal paid on long-term debt	(84,717,320)	(388,217)	--	(85,105,537)	(47,355,944)
Proceeds from the sale of fixed assets	900,485	--	--	900,485	10,612,764
Purchased interest received	1,987,756	--	--	1,987,756	4,611,057
Interest paid on revenue bonds and other debt	(200,094,824)	(30,191)	--	(200,125,015)	(178,304,134)
Acquisition and construction of capital assets	(221,172,034)	(8,078,120)	--	(229,250,154)	(201,558,403)
Contributions from municipality	21,068	7,005,493	--	7,026,561	3,364,158
Contributions from State and federal governments	31,783,188	--	--	31,783,188	15,467,322
Contributions in aid of construction	23,406,037	--	--	23,406,037	19,648,202
Bond discounts and issuance costs	(6,918,280)	--	--	(6,918,280)	(26,071,660)
Bonds issued for advanced refundings of debt	249,235,000	--	--	249,235,000	325,368,632
Cash paid for bond refundings/defeasances	(323,074,774)	--	--	(323,074,774)	(321,306,392)
Proceeds from municipal utility district reserves	2,040,257	--	--	2,040,257	--
Cash paid for nuclear fuel inventory	(6,680,569)	--	--	(6,680,569)	(2,231,553)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>\$ (417,140,010)</b>	<b>(1,491,035)</b>	<b>--</b>	<b>(418,631,045)</b>	<b>80,403,049</b>

(continued)

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

**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS**  
**COMBINED STATEMENT OF CASH FLOWS**  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

**CITY OF AUSTIN, TEXAS**  
**Exhibit A-5**  
**(Continued)**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust (1)	1996	1995
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of investment securities	\$ (811,150,819)	--	--	(811,150,819)	(1,221,79,272)
Proceeds from sale and maturities of investment securities	824,983,970	--	--	824,983,970	923,872,720
Interest on investments	58,897,900	560,120	--	59,458,029	25,653,448
<b>Net cash provided (used) by investing activities</b>	<b>72,731,060</b>	<b>560,120</b>	<b>--</b>	<b>73,291,180</b>	<b>(331,603,104)</b>
Net increase (decrease) in cash and cash equivalents	69,994,377	(1,956,323)	--	68,038,054	136,320,102
Cash and cash equivalents, October 1 (including \$188,443,770 in restricted accounts)	322,682,361	39,195,445	76,374	361,954,180	225,634,078
<b>Cash and cash equivalents, September 30</b> (including \$217,580,135 in restricted accounts)	<b>392,676,738</b>	<b>37,239,122</b>	<b>76,374</b>	<b>429,992,234</b>	<b>361,954,180</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	316,547,915	(1,024,847)	--	315,523,068	267,088,085
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	127,076,490	2,014,371	--	129,090,861	125,263,776
Allowance for uncollectible accounts	(6,663,671)	(10,093)	--	(6,673,764)	(1,622,454)
Amortization	13,818,400	--	--	13,818,400	13,353,921
Change in assets and liabilities:					
Decrease in working capital advances	1,246,607	--	--	1,246,607	2,521,445
(Increase) decrease in accounts receivable	19,851,067	(355,602)	--	19,495,465	(12,317,328)
Decrease in receivable from other governments	4,336,645	--	--	4,336,645	5,330,547
Decrease in due from other funds	19,504	--	--	19,504	285,961
Decrease in inventory	1,340,391	296,829	--	1,637,220	1,747,898
(Increase) decrease in prepaid expenses and deferred costs	3,698,996	4,260	--	3,703,256	(1,569,091)
Decrease in other assets	300,974	--	--	300,974	400,108
Increase in accounts payable	12,183,652	660,207	--	12,843,859	11,319,420
Increase (decrease) in accrued payroll and compensated absences	(7,457,311)	386,383	--	(7,070,928)	73,281
Increase (decrease) in deferred revenue	160,944	--	--	160,944	(190,824)
Decrease in unrecovered fuel revenue	(509,609)	--	--	(509,609)	--
Increase (decrease) in accrued landfill closure costs	(171,423)	--	--	(171,423)	329,728
Increase (decrease) in claims payable	--	(1,269,110)	--	(1,269,110)	1,808,849
Increase in due to other governments	33,612	--	--	33,612	--
Increase (decrease) in due to other funds	201,738	(62,031)	--	139,707	172,636
Decrease in advance from other funds	--	(38,179)	--	(38,179)	--
Increase in other liabilities	6,702,178	13,698	--	6,715,876	6,566,414
Decrease in customer deposits	(942,685)	--	--	(942,685)	(726,892)
<b>Total adjustments</b>	<b>175,226,499</b>	<b>1,640,733</b>	<b>--</b>	<b>176,867,232</b>	<b>152,747,397</b>
<b>Net cash provided by operating activities</b>	<b>\$ 491,774,414</b>	<b>615,886</b>	<b>--</b>	<b>492,390,300</b>	<b>419,835,482</b>

(continued)

(1) Nonexpendable trust fund cash and cash equivalents of \$76,374 at end of year are reported on the balance sheet with all trust and agency funds' pooled investments and cash of \$6,043,202.

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

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
 COMBINED STATEMENT OF CASH FLOWS  
 Year ended September 30, 1996  
 With comparative totals for year ended September 30, 1995

CITY OF AUSTIN, TEXAS  
 Exhibit A-5  
 (Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Internal		Nonexpendable		
	Enterprise	Service	Trust (1)	1996	1995
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>					
Increase in deferred assets/expenses	\$ 55,024,271	--	--	55,024,271	57,855,528
Unamortized bond discounts/issue costs					
on advance refundings	(8,223,209)	--	--	(8,223,209)	(1,877,752)
Increase in capital appreciation bond interest payable	(22,279,694)	--	--	(22,279,694)	(18,439,144)
Fixed assets contributed (to) from other funds	284,501	(2,671,115)	--	(2,386,614)	(24,347)
Fixed assets acquired through interfund advance/payable	--	--	--	--	(141,835)
Increase in contributed facilities	6,790,416	797,100	--	7,587,516	9,973,278
Amortization of bond discounts/issue costs	(6,474,510)	--	--	(6,474,510)	(1,197,779)
Amortization of deferred loss on refundings	(2,033,381)	--	--	(2,033,381)	(693,048)
Loss on disposal of assets	(228,333)	(74,268)	--	(302,601)	(12,991,333)
Costs to be recovered in future years	41,939,099	--	--	41,939,099	61,768,188
Loss on extinguishment of debt	(20,466,510)	--	--	(20,466,510)	(8,698,481)
Increase in decommissioning assessment payable	--	--	--	--	(56,056)
Due to other funds for fixed assets	(154,127)	--	--	(154,127)	(243,117)
Contributions from private sector	--	--	--	--	1,260,277
Decrease in inventories due to market adjustment	--	--	--	--	(1,297,244)
Due from other funds	--	319,296	--	319,296	--
Advances to other funds	--	197,878	--	197,878	616,112
Increase in deferred revenue	--	(517,174)	--	(517,174)	(616,112)
Adjustment for a change in accounting principal	--	--	--	--	6,024,196
Liabilities assumed from other funds	--	--	--	--	(22,411,442)

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



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## 1 - REPORTING ENTITY

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, with a City Council composed of a Mayor and six Councilmembers, all of whom are elected at large for three-year staggered terms.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City.

The City's major activities or functions include police and fire protection, emergency medical services, parks and libraries, public health and social services, planning and zoning, and general administrative services. In addition, the City owns and operates certain major enterprise activities, including an electric utility system, water and wastewater utility system, airport, convention center, and other enterprise activities. These activities are included in the accompanying financial statements.

### Blended Component Units

The Austin Housing Finance Corporation (AHFC) is a legally separate entity from the City. AHFC serves all the citizens of Austin and is governed by a board composed of the City Councilmembers. Its activities, other than its outstanding conduit debt, are reported in the Housing Assistance Fund, a special revenue fund.

### Pension Trust Funds

City management believes that the three pension plans that operate for the benefit of City employees and that are discussed below do not meet the criteria of financial accountability for inclusion in the City's reporting entity. Nevertheless, the nature and significance of their relationship with the City is such that it would be misleading to exclude them from the City's Comprehensive Annual Financial Report, and accordingly, they have been included in this report as pension trust funds.

The pension trust funds included in this report are:

City of Austin Employees' Retirement and Pension Fund (Employees' Fund)

City of Austin Police Officers' Retirement and Pension Fund (Police Officers' Fund)

Fire Fighters' Relief and Retirement Fund of Austin, Texas (Fire Fighters' Fund).

Since August 26, 1991, and pursuant to State legislation, the operations of the Employees' Fund and the Police Officers' Fund have been administered by their respective eleven-member boards, each of which consists of one City Council Member; the City Manager or designee; the Director of the Financial Services Department; four active employee members of the system elected by the members of the system; three legally qualified voters of the city, two of which are designated by the City Council, and one that is designated by the board; and a retired member elected by the retired members of the system.

The Fire Fighters' Fund is governed pursuant to State legislation by a five-member board that includes the Mayor and the City Treasurer. The board administers all of the fund's operations.

The City and pension plan participants are obligated to fund liabilities of the pension funds based upon actuarial valuations. Expenses for administration and operation of the funds are paid entirely by the funds.

The fiscal years differ for the City (September 30) and the pension funds (December 31). The separately available audited financial statements of the pension funds for the year ended during the City's fiscal year (December 31, 1995) have been included in the City's 1996 financial statements in order that accurate data may be presented in a timely manner. Significant events occurring subsequent to the pension funds' year end are disclosed in Note 9.

1 - REPORTING ENTITY, continued

City of Austin Deferred Compensation Plan for City Employees

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The City does not make any contributions to the plan. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

In management's opinion, the City has no liability for losses under the plan. However, the City does have the duty of due care that would be required of an ordinary prudent investor. The City believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

All assets of the plan are held by an independent administrator whose activity is monitored by a board consisting of City employees. It is appropriate to include this entity in the City's 1996 financial statements since the City has title to these assets. The deferred compensation plan is reported as an agency fund, and its assets are presented at market value at September 30, 1996. See also Note 21 - Subsequent Events.

Related Organizations

The City Council appoints certain members of the boards of the Capital Metropolitan Transit Authority and all members of the Austin Housing Authority, but the City's accountability for these organizations does not extend beyond making the appointments. In addition, City Councilmembers appoint themselves as members of the board of the Austin Industrial Development Corporation and the ABIA (Austin Bergstrom International Airport) Development Corporation; however, their function on these boards is ministerial rather than substantive. The City has no financial accountability for any of these four entities.

2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City relating to the funds and account groups included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) in its publication GASB Statement 1 entitled *Authoritative Status of NCGA Pronouncements and AICPA Industry Auditing Guide*, and all subsequent GASB statements, interpretations, concept statements, and technical bulletins; the National Council on Governmental Accounting (NCGA) in the publication entitled *Governmental Accounting, Auditing, and Financial Reporting*, including NCGA Statements 1 through 7 and interpretations thereof; and by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*. The following represent the more significant accounting and reporting policies and practices used by the City.

Basis of Presentation

The accounts of the City are organized and operated on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances or retained earnings, revenues, and expenditures or expenses. The various funds are grouped by category and type in the financial statements. The City maintains the following fund types within three broad fund categories and the account groups:



2 - SIGNIFICANT ACCOUNTING POLICIES, continued

**Governmental Funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of financial position and changes in financial position rather than on determination of net income. The following governmental fund types are maintained by the City:

**General Fund** -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law, ordinance, or contractual agreement to other funds are accounted for in this fund.

**Special Revenue Funds** -- Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. There are four major groups of funds within the special revenue funds in addition to the Housing Assistance Fund. Of these groups, three account for the activities related to grant programs and one accounts for activities for which expenditures are legally restricted. The groups are: Federal grant funds (both direct and indirect funds), State grant funds, other special revenue grant funds, and other special revenue funds.

**Debt Service Fund** -- The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Capital Project Funds** -- Capital project funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those reported within proprietary funds and trust funds). Capital projects are funded primarily by general obligation debt, other tax supported debt, interest income, and other intergovernmental revenues.

In 1981, the City Council passed an ordinance that requires the establishment of a separate fund for each bond proposition approved in each bond election. There are twelve major groups of funds within the capital projects funds that account for the activities related to various capital improvement projects as follows:

- funds authorized prior to 1981;
- funds authorized August 29, 1981, for street and drainage, fire stations, traffic signals and emergency medical service projects;
- funds authorized September 11, 1982, for various purposes;
- funds authorized October 22, 1983, for Jollyville Road Improvements;
- funds authorized September 8, 1984, for various purposes;
- funds authorized January 19, 1985, for cultural arts;
- funds authorized July 26, 1985, for parks and recreation;
- funds authorized September 26, 1985, for art in public places;
- funds authorized December 14, 1985, for various purposes;
- funds authorized September 3, 1987, for street improvements;
- funds authorized August 10, 1992, for various purposes; and
- other funds established for various purposes.

**Proprietary Funds**

Proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is on capital maintenance and on determination of net income, financial position, and changes in financial position.



2 - SIGNIFICANT ACCOUNTING POLICIES, continued

**Enterprise Funds** -- Enterprise funds are used to account for operations: (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise funds are the following:

Fund	Accounts For
Electric System	Activities of the City-owned electric utility
Water and Wastewater System	Activities of the City-owned water and wastewater utility
Hospital	Activities of the City-owned Brackenridge Hospital
Airport	Operations of the Robert Mueller Municipal Airport and construction of the Austin-Bergstrom International Airport
Solid Waste Services	Solid waste collection and disposal activities
Convention Center	Operations of the Convention Center, Palmer Auditorium, and the City Coliseum
Drainage	Drainage management activities
Transportation	Street maintenance activities
Golf	Public golf courses
Parks and Recreation	City-sponsored softball and recreation programs

**Internal Service Funds** -- Internal service funds are used to account for the financing of goods or services provided by one department or agency to other City departments or agencies or to other governmental units on a cost-reimbursement basis. The City maintains eight internal service funds as follows:

Fund	Accounts For
Fleet Maintenance Fund	Maintenance costs of City-owned vehicles and related revenues
Support Services Fund	Activities of the City's support service departments
Information Systems Fund	Activities of the Information Systems Department
Utility Customer Service Fund	Activities of the Utility Customer Service Office
Employee Benefits Fund	Activities related to the health, dental, and life insurance costs of City employees
Liability Reserve Fund	Coverage of the City's major claims liabilities
Workers' Compensation Fund	Workers' compensation costs
Radio Communication Fund	Radio communication services for City departments and area agencies

**Fiduciary Funds**

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. Fiduciary funds include expendable and nonexpendable trust funds, pension trusts, and agency funds.

**Expendable Trust Funds** -- Expendable trust funds are accounted for in essentially the same manner as governmental funds. The measurement focus is on determination of changes in financial position rather than on net income.

**Nonexpendable Trust and Pension Trust Funds** -- These funds are accounted for in the same manner as proprietary funds, with the measurement focus on determination of net income and capital maintenance.

**Agency Funds** -- Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

2 - SIGNIFICANT ACCOUNTING POLICIES, continued

**Account Groups**

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term liabilities. The following are the account groups maintained by the City:

*General Fixed Assets Account Group* -- This account group accounts for all fixed assets of the City other than those accounted for in the proprietary and pension trust funds.

*General Long-Term Debt Account Group* -- This account group accounts for and provides control over all long-term liabilities other than those accounted for in the proprietary funds, including unmatured general obligation bonds.

**Basis of Accounting**

Basis of accounting refers to the time at which revenues and expenditures (governmental funds) or expenses (proprietary funds) are recognized in the accounts and reported in the financial statements.

Governmental funds, expendable trust funds, and agency funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, certain revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt, which is recognized when due. This exception is in conformity with generally accepted governmental accounting principles. Agency funds use the modified accrual basis of accounting to recognize assets and liabilities.

Property tax revenues are recognized when they become available in accordance with the National Council on Governmental Accounting (NCGA) Interpretation 3, *Revenue Recognition -- Property Taxes*. In this case, available means when due or past due, and receivable within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days). Tax collections expected to be received after the 60-day availability period are reported as deferred revenue. Sales taxes are also recognized when they become available in accordance with the GASB Statement 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*.

Mixed drink taxes and certain franchise fees are recorded when susceptible to accrual, i.e., both measurable and available. Money collected for licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) is recorded as revenue when received because it is generally not measurable until then. Investment earnings are recorded on the accrual basis in all funds.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual grant programs are used for guidance. For most of the City's grants, money must be expended for the specific purpose or project before any amounts will be paid to the City. For all grants, revenues are recognized based upon the expenditures recorded.

Proprietary funds, nonexpendable trust funds, and pension trust funds use the accrual basis of accounting, under which revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Revenues in the Electric Fund, Water and Wastewater Fund, Solid Waste Services Fund, Drainage Fund, and Transportation Fund are recognized as they are billed to customers on a cyclical basis. Electric rates include a fixed rate and a fuel recovery cost-adjustment factor that allows recovery of coal, gas, purchased power, and other fuel costs. Unbilled revenues are recorded if actual fuel costs differ from amounts billed to customers, and any over-collections or under-collections are applied to the cost-adjustment factor two months later.

**2 -- SIGNIFICANT ACCOUNTING POLICIES, continued**

Revenues for the Airport Fund are recognized as they are billed to customers. Effective November 1, 1993, the Airport Fund began to charge each emplaned passenger a \$3 passenger facility charge, as allowed by the Federal Aviation Administration. Airport Fund 1996 operating revenues included passenger facility charges of \$8,016,774. These funds have been approved by the FAA for use in the construction of the Austin-Bergstrom International Airport.

Revenues for the Convention Center are recognized as they are billed to customers upon completion of events held at the Convention Center facilities.

**Rates**

The City Council has exclusive original jurisdiction over utility rates and other services. The determination of utility rates is based on the cost of operations and a debt service coverage approach.

**Budget**

In accordance with the City Charter, the City adheres to the following procedures in establishing its operating budgets:

- (1) At least thirty days prior to the beginning of the new fiscal year, the City Manager submits a proposed budget to the City Council. The budget represents the financial plan for the new fiscal year and includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted on the budget.
- (3) The budget is legally enacted by the City Council no later than the twenty-seventh day of the last month of the old fiscal year, through passage of an appropriation ordinance and tax levying ordinance.
- (4) The City Manager has the authority to transfer appropriation balances from one expenditure account to another within a single office, department, or agency of the City. The City Council must approve amendments to the budget and transfers of appropriations from one office, department, or agency to another. The budgetary data presented in these financial statements have been revised for amendments authorized during the year. A reconciliation of original to amended budget for the General Fund is presented in Note 3.
- (5) Formal budgetary control through the accounting system is employed as a management control device during the year for the General Fund, certain non-grant special revenue funds, Debt Service Fund and proprietary funds. Management control for the operating budget is maintained at the office, department or agency level. Formal budgetary control through the accounting system is employed as a management control device in the special revenue grant funds and capital projects funds for the life of the related grants or projects.
- (6) Annual budgets are legally adopted for the General Fund, certain special revenue funds, the Debt Service Fund, certain trust funds, and proprietary funds. Budgets for the grant-related special revenue funds are established pursuant to the terms of the related grant awards. A comparison of budget to actual is presented in the financial statements for all governmental funds that adopt annual budgets. A comparison of budget to actual for other fund types is prepared for budget purposes, but is not legally required and is not presented in the financial statements.  
  
Capital project fund appropriations are increased on an annual basis through the budgetary process. However, the budgets are not binding on an annual basis. Rather, budgets are long-range and are used for planning purposes. Accordingly, no comparison of budget to actual is presented in the financial statements for such funds.
- (7) The City Charter does not permit a deficiency of anticipated revenues over appropriations. If at any time during the fiscal year the City Manager determines that available revenues plus beginning fund balance will be less than total appropriations for the year, he or she shall reconsider the work programs of the departments and agencies and revise them to prevent deficit spending. Expenditures may not legally exceed budgeted activities at the departmental level.



**2 -- SIGNIFICANT ACCOUNTING POLICIES, continued**

- (8) At the close of each fiscal year, any unencumbered appropriation balances (appropriation less current year expenditures and encumbrances) in the General Fund and certain special revenue funds lapse or revert to the undesignated fund balance. In the proprietary funds, unencumbered appropriations also lapse but do not revert to fund balance for accounting purposes because of the differences in methods of accounting. Unencumbered appropriation balances in the grant-related special revenue funds and capital projects funds do not lapse at year end.

Certain differences exist between the basis of accounting used for budgetary purposes (budget basis) and that used for reporting in accordance with generally accepted accounting principles (GAAP basis). These differences, as well as other information regarding budgetary control, are described in Note 3.

**Encumbrances**

Encumbrances represent commitments for unperformed (executory) contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded to reserve appropriations, is used in the governmental funds.

Encumbrances outstanding at year end are reported as reservations of fund balance and do not constitute GAAP-basis expenditures or liabilities, since the commitments will be honored during the subsequent year.

For budgetary purposes, unencumbered appropriations lapse at year end. Encumbrances outstanding at year end and the related appropriation are available for expenditure in subsequent years. For governmental funds, encumbrances constitute the equivalent of expenditures for budgetary purposes and accordingly, the accompanying financial statements present comparisons of actual results to the budgets for governmental funds on a budget-basis (see Note 3).

**Pooled Investments and Cash**

Cash balances of all City funds (except for certain funds shown in Note 6 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 amortized cost. 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 incur a negative balance in pooled cash and investments are not allocated interest earnings nor charged interest expense.

**Investments**

All investments owned by the City, except for those of the City's deferred compensation plan (which are stated at market value), are stated at amortized cost. Premiums and discounts on investments are amortized or accreted by the straight-line method, which approximates the interest method, over the terms of the related securities, except for discounts on mortgage loans owned by the pension trust funds, which are accreted at the rate of eight percent (Fire Fighters' Fund) and ten percent (Employees' Fund) per year of the unaccreted portion of the discount for each respective loan.

Realized gains or losses resulting from the sale of investments are determined by the specific cost of the securities sold.

The market values of the funds' investments (see Note 6) are based on quoted market prices with the exception of mortgage loans of the pension trust funds, whose market values were determined based on estimated realizable value.



2 - SIGNIFICANT ACCOUNTING POLICIES, continued

Inventories

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

Fund	Inventory Valuation Method
General Fund	Average cost (predominantly); some first-in, first-out
Electric Fund	
Fuel oil and coal	Last-in, first out
Other inventories	Average cost
All other funds	Average cost

Inventories for all funds use the consumption method and record expenditures when issued. Inventories reported in the General Fund are offset by a fund balance reserve, which indicates they do not represent "available spendable resources."

Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment owned by the proprietary funds are stated at historical cost. Maintenance and repairs are charged to operations as incurred, and improvements and betterments that extend the useful lives of fixed assets are capitalized. Interest paid on long-term debt in the enterprise funds is capitalized 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. Depreciation of plant and equipment classified by functional components is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

Electric Fund and Water and Wastewater Fund:	
Plant	30-50 years
Improvements to grounds	30-50 years
Transmission and distribution system	12-50 years
Other machinery and equipment	7-30 years
Vehicles	7 years
Other Enterprise Funds and Internal Service Funds:	
Buildings and improvements	40 years
Improvements to grounds	15 years
Machinery and equipment	7-12 years
Vehicles	7 years

Depreciation of completed but unclassified fixed assets is provided by the straight-line method, using a composite rate.

The Electric Fund accelerated depreciation for certain assets at the Holly and Decker generating stations. Units 1 and 2 of the Holly generating station are scheduled to close in 1998 and 2005, respectively. Units 1 and 2 of the Decker generating station are scheduled to close in 2000 and 2007, respectively. The increase to Electric Fund 1996 depreciation expense for this acceleration is \$1,003,010.

The depreciation for buildings and improvements and improvements to grounds has been accelerated for Robert Mueller Municipal Airport to four years to reflect the 1999 closure and the move to the Austin-Bergstrom International Airport. The increase to Airport Fund 1996 depreciation expense for this acceleration is \$6,977,843.

When fixed assets of proprietary funds, other than debt-financed assets of utility funds, are retired from service or otherwise disposed of, a gain or loss on disposal of assets is recognized.

Contributions of funds from Federal, State or local grants, which are restricted for the purpose of purchasing property, plant, and equipment and contributions in aid of construction, are recorded as equity contributions when received. Depreciation on contributed assets is recorded as an expense in the statement of operations and then transferred to the related contribution accounts. Contributions of funds from the municipality are recorded as equity contributions when received.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

**General Fixed Assets**

General fixed assets have been acquired for general governmental purposes. Assets purchased or constructed are recorded as expenditures in the governmental funds and capitalized at historical cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded in the General Fixed Assets Account Group at estimated fair market value at the time received.

The City does not capitalize public domain general fixed assets (infrastructure) and, accordingly, no such assets are recorded in the General Fixed Assets Account Group. Infrastructure consists of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Such assets normally are immovable and are of value only to the City. Therefore, the responsibility for stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets. No interest has been capitalized on general fixed assets.

**Long-Term Debt**

The debt service for general obligation bonds and other general obligation debt issued to fund general government capital projects is paid from tax revenues and interfund transfers. Such general obligation debt is recorded in the General Long-Term Debt Account Group.

The debt service for general obligation bonds and other general obligation debt issued to fund 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 that have been issued to fund capital projects of certain enterprise funds are to be repaid from net revenues of these funds. Such debt is recorded in the funds.

The City defers and amortizes gains or losses that its proprietary funds realize on refundings of debt and reports both the new debt liability and the related deferred amount on the funds' balance sheets. The City recognizes gains or losses on debt defeasance when funds from current operations are used.

**Compensated Absences**

All full-time employees accumulate vacation benefits in varying annual amounts up to a maximum allowable accumulation of six weeks. Sick leave benefits are earned by all full-time employees at a rate of twelve days per year and may be accumulated without limit. Upon termination, an employee is reimbursed for all accumulated vacation days. If the terminating employee was employed prior to October 1, 1986 and leaves in good standing, reimbursement is also made for all accrued sick leave up to ninety days. Certain employees are also allowed to accumulate credit for compensatory time in lieu of overtime pay up to 120 hours. Compensatory time accrued by employees is taken into consideration when calculating accrued compensated absence liabilities. The compensated absence liability includes employment related taxes.

For governmental funds, the estimated current portion of the accrued vacation and sick pay liability is recorded as an expenditure and liability in the General Fund, or special revenue fund, with the non-current portion of the liability recorded in the General Long-Term Debt Account Group. The current portion is estimated based on amounts paid to terminating employees during the most recent fiscal year. Actual vacation and sick benefits paid during the year are recorded as expenditures in the governmental funds.

For proprietary funds, vacation and sick pay are recorded as an expense and related liability in the year earned. The current portion is estimated based on an analysis of the historical use of benefits by the employees.

## 2 - SIGNIFICANT ACCOUNTING POLICIES, continued

### 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, including medical malpractice; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters. The City continues to be self-insured for liabilities for most health benefits, third-party claims, and workers' compensation.

The City purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bond, and airport operations. In addition, the City purchases a broad range of insurance coverage for contractors working at selected capital improvement project sites. The City does not participate in a risk pool. The City has implemented GASB Statement 10, *Accounting and Reporting for Risk Financing and Related Insurance Issues*.

### Pension Plans

It is the policy of the City to fund pension costs annually. Pension costs are composed of normal cost and, where applicable, amortization of unfunded actuarial accrued liability and of unfunded prior service cost (see Note 9).

### Federal and State Grants, Entitlements and Shared Revenues

Grants, entitlements and shared revenues may be accounted for within any of the seven fund types. The purpose and requirements of each grant, entitlement, or shared revenue are analyzed to determine the proper fund type in which to record the related transactions. Grants, entitlements and shared revenues received for activities normally recorded in a particular fund type may be accounted for in that fund type, provided that applicable legal restrictions can be satisfied.

Revenues received for activities normally recorded in other governmental funds are accounted for within these special revenue fund groups: 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 at the discretion of the City are recognized in the applicable proprietary fund. Grant money restricted for acquisition or construction of capital assets is recorded as contributed equity in the applicable proprietary fund.

### Intergovernmental Revenues, Receivables and Liabilities

Intergovernmental revenues and related receivables arise primarily through funding received from Federal and State grants. These revenues and receivables 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.

### Transactions Between Funds

During the course of normal operations, the City has numerous transactions between funds. Short-term advances between funds are accounted for in the pooled investments and cash accounts. 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. 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.

Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from the fund balance of governmental funds. Residual equity transfers to proprietary funds are treated as contributed capital, and such transfers from proprietary funds are reported as reductions of retained earnings or contributed capital as appropriate in the circumstances. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.



## 2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

### Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data, (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

### Reclassifications

Certain comparative data have been reclassified to present them in a manner consistent with the current year's financial statements.

### Total Columns on Combined Financial Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. No consolidating or other eliminations of interfund balances or transactions were made in arriving at the totals. Such data are not comparable to a consolidation.

### Deferred Items

The City's utility systems are reported in accordance with Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation*. Certain utility expenses that do not currently require funds 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. Deferred expenses will be recovered in these future periods by setting rates sufficient to provide funds for the related debt service requirements. If rates being charged will not recover deferred expenses, 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 and expenses. However, City management believes that deregulation and its effects are now uncertain and do not warrant a change in accounting policy.

### Statement of Cash Flows

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 investment and cash accounts.

### Landfill Closure and Postclosure Care Costs

The City has implemented the GASB Statement 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, which establishes the standards of accounting and financial reporting for municipal solid waste landfill closure and postclosure costs that are required to be incurred by federal, state, or local laws or regulations. The liability for landfill closure and postclosure costs is reported in the Solid Waste Services Fund, an enterprise fund.

### Governmental Accounting Standards Board (GASB) Statement 20

In accordance with GASB Statement 20, the City is required to follow all Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989, including FASB Statement No. 71, unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to follow FASB pronouncements issued subsequent to that date.



3 -- BUDGET BASIS REPORTING

a -- General

The City of Austin prepares its annual operating budget on a basis (budget basis) that differs from generally accepted accounting principles (GAAP basis). In order to provide a meaningful comparison of actual results with the budget, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual-Budget Basis for the General Fund, certain special revenue funds, and Debt Service Fund presents the actual and budget amounts in accordance with the City's budget basis.

b -- Reconciliation of GAAP Basis and Budget Basis Amounts

The primary differences between GAAP and budget reporting for the General Fund are the reporting of encumbrances, the recording of compensated absences on the accrual basis (GAAP), as opposed to the cash basis (budget), and the reporting of certain operating transfers. The differences for those special revenue funds that have a legally adopted annual budget are the reporting of encumbrances and the recording of payroll and compensated absences on the accrual basis (GAAP), as opposed to the cash basis (budget). General Fund accrued payroll is recorded at the department level on the accrual basis and in nondepartmental expenditures on the actual-budget basis. Adjustments necessary to convert the excess of revenues and other sources over expenditures and other uses on a GAAP basis to a budget basis for the General Fund and these special revenue funds are provided as follows:

	General Fund	Special Revenue Funds (1)
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ (375,949)	512,743
Adjustment:		
Excess revenues and other sources over expenditures and other uses for nonbudgeted funds - GAAP basis	--	1,200,472
Adjusted excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	(375,949)	1,713,215
Other adjustments:		
Increase due to unbudgeted payroll accrual	--	67,478
Increase due to net compensated absences accrual	803,554	74,158
Decrease due to outstanding encumbrances established in 1996	(6,230,787)	(3,382,458)
Increase due to payments against prior year encumbrances	6,132,133	2,237,670
Excess revenues and other sources over expenditures and other uses - budget basis	\$ 328,951	710,063

- (1) The special revenue funds that have legally adopted budgets are Austin Convention and Visitors Bureau, Aviation Asset Forfeiture, Balcones Canyonlands Conservation Plan, Child Safety, Disproportionate Share, Energy Conservation Rebates and Incentives, Environmental Conservation Services, Environmental Remediation, Federally Qualified Health Center, Hotel-Motel Occupancy Tax, Neighborhood Housing and Conservation, PARD Cultural Projects, Police Drug Education, Police Federal Seized Funds, Police Seized Money, and Public Improvement District.

Municipal Court reported expenditures in excess of appropriations of \$55,928.

The Disproportionate Share fund, a budgeted Special Revenue fund, reported expenditures in excess of appropriations of \$14,368. This fund did not report a deficit fund balance.

3 -- BUDGET BASIS REPORTING, continued

Although the Debt Service Fund is prepared on a budget basis, no differences exist between GAAP basis and budget basis fund balance for this fund except for the amount of enterprise-related and certain departmental-related debt payments (\$5,387,625) budgeted as operating transfers.

c -- Budget Amendments

The original budget of the General Fund was amended several times during 1996. The following table compares original to amended budgets:

	Original Budget	Amendments Increase (Decrease)	Amended Budget
<b>REVENUES</b>			
Taxes	\$ 159,312,377	--	159,312,377
Franchise fees	12,661,000	--	12,661,000
Fines, forfeitures and penalties	11,976,662	--	11,976,662
Licenses, permits and inspections	13,245,496	--	13,245,496
Charges for services/goods	7,606,982	(194,142)	7,412,840
Interest and other	5,003,397	--	5,003,397
Total revenues	209,805,914	(194,142)	209,611,772
<b>EXPENDITURES</b>			
Administration	6,136,924	74,586	6,211,510
Urban growth management	11,135,108	302,000	11,437,108
Public safety	138,546,172	1,028,167	139,574,339
Public services and utilities	12,004,736	--	12,004,736
Public health:			
Physician stipend/Charity care	10,282,965	--	10,282,965
Medical Assistance Program-			
hospital contracted services/patient services	5,804,176	939,903	6,744,079
Other public health	29,805,102	(800,385)	29,004,717
Public recreation and culture	29,895,210	23,918	29,919,128
Social services management	7,251,522	41,173	7,292,695
Nondepartmental expenditures	7,253,152	181,391	7,434,543
Total expenditures	258,115,067	1,790,753	259,905,820
<b>TRANSFERS</b>			
Operating transfers in	73,875,240	50,000	73,925,240
Operating transfers out	(31,197,408)	(355,755)	(31,553,163)
Total transfers	42,677,832	(305,755)	42,372,077
Deficiency of revenues and other sources over expenditures and other uses	\$ (5,631,321)	(2,290,650)	(7,921,971)

The amended budget is presented in the accompanying financial statements. The General Fund budget includes other requirements, which are presented here in the nondepartmental category. The original budget for these nondepartmental requirements includes the following: tuition reimbursement (\$85,000), accrued payroll (\$949,000), workers' compensation (\$3,519,152), liability reserve (\$2,600,000) and public improvement district (\$100,000).

3 -- BUDGET BASIS REPORTING, continued

There were budget amendments to the following special revenue funds during 1996:

	Original Budget	Amendments Increase (Decrease)	Amended Budget
REVENUES			
Federally Qualified Health Center	\$ 13,341,466	(172,092)	13,169,374
Neighborhood Housing and Conservation	--	50,000	50,000
Public Improvement District	--	779,476	779,476
EXPENDITURES			
Austin Convention and Visitors Bureau	3,225,365	351,891	3,577,256
Child Safety	1,162,407	190,000	1,352,407
Disproportionate Share	146,772	631,208	777,980
Energy Conservation Rebates and Incentives	11,199,751	(300,000)	10,899,751
Environmental Conservation Services	12,515,409	385,000	12,900,409
Federally Qualified Health Center	14,733,280	(68,060)	14,665,220
Public Improvement District	--	779,476	779,476
OPERATING TRANSFERS IN			
Energy Conservation Rebates and Incentives	10,061,700	(300,000)	9,761,700
Environmental Conservation Services	5,696,179	385,000	6,081,179

There were no significant budget amendments to the Debt Service Fund.

4 -- DEFICITS IN FUND BALANCE AND FUND EQUITY

At September 30, 1996, the funds below reported deficits in fund balance or fund equity. Management intends to recover these deficits through future operating revenues or transfers; the Central City Entertainment Center deficit will be funded by a loan which has been approved, but not yet drawn down.

	Deficit Fund Equity	Deficit Fund Balance
Capital Projects Funds:		
Library		\$ 44,470
Public works service center		70,319
Parks/Old Bakery		876,619
Police FACS		13,785
Street lights		1,721
Build Austin		19,484
Central City Entertainment Center		306,802
Loan Star Improvements		349,027
Internal Service Funds:		
Liability Reserve Fund	\$ 5,547,000	
Radio Communication Fund	333,277	

5 -- POOLED INVESTMENTS AND CASH

The following summarizes the amounts of pooled investments and cash by fund type at September 30, 1996:

	Pooled Investments and Cash
General Fund	\$ 29,493,803
Special Revenue Funds	35,392,270
Capital Projects Funds	88,181,528
Enterprise Funds -- current:	
Electric	126,967,433
Water and Wastewater	21,009,888
Hospital	10,565,346
Solid Waste Services	2,598,694
Airport	2,356,676
Convention Center	5,642,217
Other	6,322,371
Enterprise Funds -- restricted:	
Electric	59,316,621
Water and Wastewater	49,938,534
Hospital	5,000,000
Solid Waste Services	14,452,728
Airport	52,536,575
Convention Center	8,563,511
Other	19,758,759
Internal Service Funds:	
Current	36,640,978
Construction account -- restricted	4 322
Fiduciary Funds	6,043,202
Total pooled investments and cash	<u>\$ 579,196,456</u>

6 -- INVESTMENTS AND DEPOSITS

INVESTMENTS

Chapter 2256, Texas Government Code (The Public Funds Investment Act), authorizes the City to invest in the following:

- (1) obligations of the U.S. Treasury or its agencies and instrumentalities;
- (2) direct obligations of the State of Texas or its agencies;
- (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States;
- (4) obligations of states, agencies, counties, or cities rated A or better by a national investment rating firm;
- (5) certificates of deposit that are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or its successor, or secured by obligations described in (1) through (4) above, and having a market value of at least the principal amount of the certificates;
- (6) fully collateralized direct and reverse repurchase agreements. State statutes require that securities underlying repurchase agreements must have a market value of at least 100% of the repurchase agreement's cost. Money received by the City under the terms of a reverse security repurchase agreement may be used to acquire additional authorized securities, but the term of the authorized security acquired must mature not later than the expiration date stated in the reverse security repurchase agreement;
- (7) bankers acceptances accepted by a domestic bank maturing in 270 days or less from the date of its issuance and is rated at least A-1, P-1 by a national investment rating firm;



6 -- INVESTMENTS AND DEPOSITS, continued

- (8) commercial paper with a stated maturity of 270 days or less from the date of its issuance and is either (a) rated not less than A-1, P-1 by at least two national investment rating firms, or (b) is rated at least A-1, P-1 by one national investment rating firm 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;
- (9) SEC-regulated, no load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less, whose assets consist exclusively of securities described in (1) through (8) above and whose investment objectives include seeking to maintain a stable net asset value of \$1 per share;
- (10) local government investment pools organized in accordance with Chapter 791, Texas Government Code (The Interlocal Cooperation Act), whose assets consist of the obligations described in (1) through (8) above. A public funds investment pool must be continuously rated no lower than AAA, AAA-m or at an equivalent rating by at least one nationally recognized rating service; and
- (11) Share certificates issued by state or federal credit unions domiciled in Texas that are guaranteed or issued by the National Credit Union Share Insurance Fund or its successor, or secured by obligations described under (1) through (4) above having a market value of at least the principal amount of the certificates.

Each pension trust fund is authorized by a state statute to invest in the aforementioned, described in (1) through (8). In addition, the statute governing each pension trust fund authorizes investment in stocks, investment grade corporate bonds rated A or better by Standard & Poor's Corporation or by Moody's Bond Ratings, commercial paper rated A-1 by Standard & Poor's Corporation and P-1 by Moody's Bond Ratings, and investment grade international equities (limited to 10% of the fund portfolio for the Employees' and Police Officers' Funds and 5% of the fund portfolio for the Fire Fighters' Fund).

The Texas statutes permit the City to enter into certain securities lending agreements or certain reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. Currently, the City does not participate in any securities lending agreements.

The pension trust funds participate in securities lending agreements. As of December 31, 1995, pension-owned investments of \$93,057,807 in obligations of the U.S. government and its agencies, \$10,635,171 in corporate bonds, \$64,161,674 in corporate stocks, and \$10,849,542 in international equity securities were in possession of a borrowing financial institution. The lending agreement requires securities on loan be collateralized by cash and/or securities with a total market value of at least 102% of loaned fund securities. (For global securities pledged as collateral, total market value shall not be less than 105%.)

The City's investments (with exceptions noted above) are categorized below to give an indication of the level of risk (Category 1-lowest level of risk to Category 3-highest level of risk) assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the City's trust department or agent, but not in the City's name.

	Category			Carrying
	1	2	3	Amount
<u>Investments</u>				
Money market mutual funds	\$ 51,518,288	--	--	51,518,288
Obligations of the U.S. government and its agencies	1,271,096,648	--	--	1,271,096,648
Corporate bonds	124,911,152	--	--	124,911,152
Corporate stocks	388,971,678	--	--	388,971,678
Commercial paper	70,149,834	--	--	70,149,834
International equity securities	55,775,446	--	--	55,775,446
	1,962,423,046	--	--	1,962,423,046
<u>Investments held by trustee</u>				
Obligations of the U.S. government and its agencies	29,516,640	--	--	29,516,640
Total (1)	\$ 1,991,939,686	--	--	1,991,939,686

- (1) Excludes investments in pools managed by other governments of \$107,623,223, and international mutual funds of \$8,171,842.

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

6 -- INVESTMENTS AND DEPOSITS, continued

Investments owned by the various funds of the City at September 30, 1996, are as follows:

Description	Yields	Carrying Amount	Market Value	Unrealized Gain(Loss)
<b>NON-POOLED INVESTMENTS</b>				
Obligations of the U.S. government and its agencies	4.57% - 14.30%	\$ 480,160,507	480,384,733	224,226
Commercial paper	5.42% - 5.64%	59,126,378	58,984,465	(141,913)
Texas Local Government Investment Pool	5.62%	95,436,366	95,436,366	--
Total non-pooled investments		634,723,251	634,805,564	82,313
<b>POOLED INVESTMENTS</b>				
Money market mutual funds	5.19%	51,518,288	51,518,288	--
Obligations of the U.S. government and its agencies	4.64% - 7.60%	514,026,842	513,021,553	(1,005,289)
Commercial paper	5.34%	11,023,456	11,002,186	(21,270)
Texas Local Government Investment Pool	5.62%	12,186,857	12,186,857	--
Total pooled investments		588,755,443	587,728,884	(1,026,559)
<b>PENSION FUNDS (1)</b>				
Obligations of the U.S. government and its agencies		306,425,939	323,515,393	17,089,454
Corporate bonds		124,911,152	129,152,581	4,241,429
Corporate stocks		388,971,678	514,538,643	125,566,965
FHA & VA insured real estate mortgages		391,526	438,935	47,409
Real estate partnership interest		11,648,158	12,844,303	1,196,145
International investments		55,775,446	67,585,230	11,809,784
International short-term investments		9,929,496	10,067,654	138,158
Short-term investment funds		43,067,452	43,069,504	2,052
Total pension funds		941,120,847	1,101,212,243	160,091,396
<b>TOTAL ALL INVESTMENTS</b>		<b>\$ 2,164,599,541</b>	<b>2,323,746,691</b>	<b>159,147,150</b>

(1) Amounts shown represent investments owned by the Pension Funds as of December 31, 1995.

Assets of the City's employee deferred compensation plan totaling \$86,038,542 at September 30, 1996, consist of mutual funds held by the plan trustee.

**DEPOSITS**

The September 30, 1996, carrying amount of deposits is as follows:

Cash	
Unrestricted	\$ 5,996,857
Cash held by trustee	
Unrestricted	160,131
Restricted	9,383,227
Pooled cash	(10,638,465)
Total deposits	<u>\$ 4,901,750</u>

All bank balances were either insured or collateralized with securities held by either the City or a pension fund or by its agent in the City's or the pension fund's name.

7 - 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, 1995, upon which the 1996 levy was based, was \$23,303,015,047.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 1996, 99.03% of the current tax levy (October 1, 1995) was collected. The statutory lien date is January 1.

The methods of property assessment and tax collection are determined by Texas statute. The statutes provide for a property tax code, county-wide appraisal districts, a State property tax board, and certain exemptions from taxation, such as intangible personal property, household goods, and family-owned automobiles.

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District. The appraisal district is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may require more frequent reviews of appraised values at its own expense. The Travis Central Appraisal District has chosen to review the value of property every two years. 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, and adjusted for new improvements and revaluation, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than 8%.

Through a contractual arrangement, Travis County bills and collects property taxes for the City, as well as for several other governmental entities. The City is permitted by Article II, 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 referring to the State Statute and City Charter limitations.

The tax rate to finance general governmental purposes, other than the payment of principal and interest on general obligation long-term debt, for the year ended September 30, 1996, was \$.3117 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$.6823 per \$100 assessed valuation, and could levy approximately \$158,996,472 in additional taxes from the assessed valuation of \$23,303,015,047 before the legislative limit is reached.

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

3 - FIXED ASSETS

Components of the City's fixed assets, (excluding Pension Fund net fixed assets of \$1,477,344 at September 30, 1996, are summarized as follows (in thousands of dollars):

	Electric Fund	Water & Wastewater Fund	Hospital Fund	Solid Waste Services Fund	Airport Fund	Convention Center Fund	Other Enterprise Funds	Internal Service Funds	General Fixed Assets	Total
Land and land rights	\$ 29,057	41,559	760	10,462	1,547	12,041	1,114	3,528	139,993	240,061
Buildings and improvements	536,164	1,083,701	73,282	487	81,950	80,262	7,348	20,984	129,701	2,013,879
Machinery and equipment	1,661,725	295,924	--	14,280	7,804	2,896	5,203	58,687	58,321	2,104,850
Completed assets not classified	108,909	119,240	739	3,576	4,705	2,315	2,064	21,904	--	263,452
Total plant in service	2,335,855	1,540,424	74,781	28,805	96,006	97,514	15,729	105,103	328,025	4,622,242
Less accumulated depreciation	(745,059)	(375,222)	(22,629)	(15,853)	(51,169)	(13,441)	(3,360)	(811)	--	(1,227,544)
Net property, plant and equipment in service	1,590,796	1,165,202	52,152	12,952	44,837	84,073	12,369	104,292	328,025	3,394,698
Construction in progress	88,107	78,288	--	9,582	128,598	1,525	11,334	--	126,066	443,500
Nuclear fuel, net of amortization	29,479	--	--	--	--	--	--	--	--	29,479
Plant held for future use	32,654	--	--	--	--	--	--	--	--	32,654
Total property, plant and equipment	\$ 1,741,036	1,243,490	52,152	22,534	173,435	85,598	23,703	104,292	454,091	3,900,331

The following table summarizes the changes in components of the General Fixed Assets Account Group for the year ended September 30, 1996:

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction In Progress	Total
Balance, September 30, 1995, as previously reported	\$ 136,864,423	88,233,215	34,759,827	55,034,322	124,650,926	439,542,713
Adjustment for threshold change	--	(798)	(975)	(817,216)	--	(818,989)
Adjustment for effective retirements	--	(103,891)	(12,256,356)	(170)	--	(12,360,417)
Balance, September 30, 1995, as restated	136,864,423	88,128,526	22,502,496	54,216,936	124,650,926	426,363,307
Additions	--	--	--	--	28,725,743	28,725,743
Retirements	(144)	--	--	(3,530,653)	(118,837)	(3,649,634)
Completed construction	3,125,214	13,596,926	5,472,848	7,643,136	(29,842,124)	--
Transfers from other funds	--	--	--	1,735	2,649,969	2,651,704
Balance, September 30, 1996	\$ 139,989,493	101,725,452	27,975,544	58,331,154	126,065,677	454,091,120

The City does not capitalize public domain general fixed assets. This accounting policy affects only the General Fixed Asset Account Group. During 1996, the City did not capitalize completed infrastructure assets amounting to \$19,357,603.

Construction in progress includes various capital projects that are funded primarily by general obligation and revenue bonds. The General Fixed Asset Account Group includes as construction-in-progress certain completed capital projects in service at September 30, 1996, which have not been utilized or capitalized pending classification to the proper fixed asset in-service categories. In all other funds, completed construction unclassified is included in property, plant and equipment.

The City anticipates the need for numerous additional utility-related projects over the next several years. However, the City has no formal commitments to projects other than those currently under construction. Estimated unfunded future expenditures for capital projects will be funded from operations, issuance of additional general obligation or revenue bonds, or from alternative methods of financing.



9 -- RETIREMENT PLANS

a -- General

The City participates in funding three contributory, defined benefit retirement plans: City of Austin Employees' Retirement and Pension Fund, City of Austin Police Officers' Retirement and Pension Fund, and Fire Fighters' Relief and Retirement Fund of Austin, Texas. These plans are City-wide single employer funded plans that cover substantially all full-time employees. Membership of the plans and payroll (in thousands of dollars) at December 31, 1995 is as follows:

	City Employees	Police Officers	Fire Fighters	Total (Memorandum Only)
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	1,956	166	272	2,394
Current employees				
Vested	4,185	452	424	5,061
Nonvested	3,005	508	419	3,932
	<u>9,146</u>	<u>1,126</u>	<u>1,115</u>	<u>11,387</u>
Total payroll for the year ended December 31, 1995	<u>\$ 303,522</u>	<u>42,931</u>	<u>35,598</u>	<u>382,051</u>
Payroll for employees covered by the plan for the year ended December 31, 1995	<u>\$ 221,002</u>	<u>37,341</u>	<u>32,496</u>	<u>290,839</u>

City and employee contributions are governed by State law. The City's total retirement plan expense for the year ended September 30, 1996, was approximately \$27,207,000. Contributions and contribution requirements to the plans for the year ended September 30, 1996, and net assets available for benefits at December 31, 1995, are as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total (Memorandum Only)
Contributions for the year ended September 30, 1996				
City	\$ 15,390	5,872	5,945	27,207
Employees	15,404	3,303	4,512	23,219
Total contributions	<u>30,794</u>	<u>9,175</u>	<u>10,457</u>	<u>50,426</u>
Contribution requirements (dollars) for the year ended September 30, 1996				
Unfunded actuarial accrued liability	--	2,156	1,129	3,285
Normal costs	30,794	7,019	9,328	47,141
	<u>\$ 30,794</u>	<u>9,175</u>	<u>10,457</u>	<u>50,426</u>
Contribution requirements (as a percentage of covered payroll) for the year ended September 30, 1996				
Unfunded actuarial accrued liability	--	5.77%	3.47%	1.13%
Normal costs	13.93%	18.80%	28.71%	16.21%
	<u>13.93%</u>	<u>24.57%</u>	<u>32.18%</u>	<u>17.34%</u>
Contributions (as a percentage of covered payroll) for the year ended September 30, 1996				
City	6.96%	15.72%	18.30%	9.36%
Employee	6.97%	8.85%	13.88%	7.98%
Total	<u>13.93%</u>	<u>24.57%</u>	<u>32.18%</u>	<u>17.34%</u>
Net assets available for benefits at December 31, 1995	<u>\$ 642,173</u>	<u>121,599</u>	<u>190,824</u>	<u>954,596</u>

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

9 - RETIREMENT PLANS, continued

b - Contribution Method and Benefits

The following is a summary of contribution methods and benefits.

	City of Austin Employees' Retirement and Pension Fund	City of Austin Police Officers' Retirement and Pension Fund	Fire Fighters' Relief and Retirement Fund
Authority establishing contributions obligation	State Legislation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly	Biweekly
Employee's contribution (percent of earnings)	7.0%	9.0%	13.70%
City's contribution (percent of earnings)	7.0% (1)	14.0% beginning October 1994 16.0% beginning October 1995	16.05% beginning October 1994 18.05% beginning October 1995
Period required to vest	5 years	10 years	10 years
Eligibility for distribution of retirement benefits to member or beneficiary	Age 62, regardless of number of service years, or  25 years of creditable service, regardless of age, or  Eligible for reduced early retirement benefits at age 55 with 20 years of creditable service.	Age 55 with 20 years of creditable service, or  25 years of creditable service, regardless of age, or  Age 62, regardless of number of service years.	Age 50 with at least 10 years of creditable service, or  25 years of creditable service, regardless of age, or  Eligible for reduced early retirement benefits at the age of 48 with 10 years of service or 23 years of creditable service, regardless of age.
Increases in benefits	Benefits may be increased annually by the amount of increase in the Consumer Price Index, up to 6%.  Increases must be approved by the Board and actuaries of the Fund.  1995 - 6% 1994 - 0%	Benefits may be increased annually based on the Consumer Price Index, up to 6%.  Increases must be approved by the Board and actuaries of the Fund.  1995 - 2% (2) 1994 - 0%	Benefits may be increased annually based on the amount of increase in the Consumer Price Index.  Increases must be approved by the Board and actuaries of the Fund.  1995 - 2.6% 1994 - 2.8%
Terms of benefits	For all three funds, terms of benefits are determined by certain elections made by the member, the member's level of earnings, and length of service.  Benefits are distributed in equal monthly installments over a period of time, or in a lump sum in the event of death. Distributions are also available in the event of total and permanent disability.		

(1) The City contributes two-thirds of the cost of prior service benefit payments.

(2) Effective January 1, 1996.

9 - RETIREMENT PLANS, continued

c - Actuarial Present Value of Vested Benefits

While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted be approved by a qualified actuary. The actuary certifies that the contribution commitment by the participants and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the normal cost is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost rate is used to amortize the unfunded actuarial accrued liability, if any exists, over the number of years needed to amortize the unfunded actuarial accrued liability. Contribution requirements have been made in accordance with this method for all years for which trend information is shown. The amortization periods for the Police Officers' Fund and Firefighters' Fund are approximately 17.3 years and 20.9 years, respectively. The Employees' Fund is fully funded. Calculations of the actuarially computed value of vested benefits were performed by actuaries for all funds as of December 31, 1995.

The following actuarial cost method and significant assumptions underlying the actuarial calculation were used in the determination of the required plan funding level. Significant actuarial assumptions used to compute contribution requirements are substantially the same as those used to compute the standardized measure of the pension benefit obligation.

Actuarial Cost Method	City Employees				Police Officers				Fire Fighters			
	Entry	Age	Actuarial	Cost	Entry	Age	Actuarial	Cost	Entry	Age	Actuarial	Cost
	Method				Method				Method			
Assumed Rate of Return on Investments			8%				8%				8%	
Retirement Age	Dependent on entry age and length of service				Dependent on entry age and length of service				Dependent on entry age and length of service			
Asset Valuation Basis	5-year smoothed market				Gains and losses in the market value of assets, based on the difference between the actual rate of return and the assumed rate of return, are recognized in the actuarial value over five years. The actuarial value will not be less than 80% or more than 120% of the market value of assets				Smoothed Market Value			

Other significant assumptions used for all pension funds are the assumed employee turnover, salary increases and mortality rates, which are based on published statistical data.

The amount shown below as the "pension benefit obligation" is a standardized measure of the present value of pension benefits estimated to be payable in the future as a result of employee service to date. These benefits have been adjusted for the effects of projected salary increases.

The pension benefit obligation is the actuarial present value of credited projected benefits and is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. This measure is independent of the actuarial funding method used to perform the actuarial valuation.

9 -- RETIREMENT PLANS, continued

The pension benefit obligation is based on actuarial valuations as of December 31, 1995. Significant actuarial assumptions used include:

	City Employees	Police Officers	Fire Fighters
Rate of return on the investment of present and future assets (compounded annually)	8.00%	8.00%	8.00%
Average projected salary increases, attributable to inflation (compounded annually)	4.25%	4.00%	5.50%
Additional projected salary increases, attributable to merit, promotion, and longevity	4.75% - 14.75%	2.40%	1.50%
Post retirement benefit increases	6.00% effective January 1, 1997	None	2.8% effective January 1, 1996 and 5% each January thereafter through 2002

Pension benefit obligation as of December 31, 1995, is as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total (Memorandum Only)
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 267,739	60,045	111,589	439,373
Current employees:				
Accumulated employee contributions	142,840	27,105	51,157	221,102
Employer-financed vested	134,321	42,600	63,488	240,409
Employer-financed nonvested	19,344	5,953	10,940	36,237
Total pension benefit obligation	564,244	135,703	237,174	937,121
Net assets available for benefits (at book value)	642,173	121,599	190,824	954,596
Unfunded (assets in excess of) pension benefit obligation	\$ (77,929)	14,104	46,350	(17,475)
Net assets available for benefits (at market value)	\$ 743,356	136,901	234,430	1,114,687



9 -- RETIREMENT PLANS, continued

d -- Changes Related to Actuarial Assumptions

City of Austin Employees' Retirement and Pension Fund	City of Austin Police Officers' Retirement and Pension Fund	Fire Fighters' Relief and Retirement Fund
	1995	
1. Average projected salary increases 4.75% - 14.75%. Includes inflation increase of 4.25%.	1. The rate of inflation has changed to 4.00% per year.	1. The 5% anticipated cost-of-living increase was extended through 2002.
2. Cost-of-living adjustments are 6% ad hoc at January 1, 1997.	2. The salary increase due to general wage increases has changed to 4.00% per year.	
	3. The salary increase due to promotion and longevity increases has changed to 2.40% per year.	
	4. The total salary increase has changed to 6.40% per year.	
	5. The interest on officer's accumulated contributions has changed to 5.00% per year.	
	6. The mortality table has changed from the UP-1984 mortality table with no adjustment for males and 7-year age setback for females to the UP-1994 mortality tables for males and females with no projections.	
	1994	
No changes.	No changes.	1. The 5% anticipated cost-of-living increase was extended through 2001.

9 -- RETIREMENT PLANS, continued

e -- Changes in Plan Provisions

City of Austin Employees' Retirement and Pension Fund	City of Austin Police Officers' Retirement and Pension Fund	Fire Fighters' Relief and Retirement Fund
	1995	
1. Effective October 1995, the benefit multiplier was increased from 2.2% per year of service to 2.3% per year of service.	1. Participants may retire with 25 years of service, regardless of age.	1. A 2.6% cost-of-living increase was approved effective January 1, 1995 followed by a 2.8% cost-of-living increase effective January 1, 1996.
2. Effective October 1995, current retirees received an increase in the benefit amount to bring the retirement benefit amount up to what it would be currently if they had retired under the 2.3% multiplier.	2. Effective September 1, 1995, retirees and beneficiaries will receive an increase in benefits based on the relationship of the new 2.8% benefit level with the benefit formula used in determining each retiree's benefit at retirement.	2. The normal retirement age was reduced from 52 to 50 years of age with ten years of service or upon completion of 25 years of service regardless of age, down from 27 years of service.
3. The death benefit was increased from \$2,000 to \$10,000.	3. Effective September 1, 1995, the death benefit was increased from \$2,000 to \$5,000.	3. Early retirement age was reduced from 50 to 48 years of age with ten years of service or upon completion of 23 years of service regardless of age, down from 25 years of service.
4. The six-month service requirement for participation was eliminated. Current active members were granted service for the six-month period between their date of hire and their date of participation.	4. City's contribution rate is 16% effective October 1995. The contribution rate increases to 18% effective October 1996.	4. A deferred retirement option plan feature was added providing eligible participants the ability to designate, subject to limitations, benefits to be disbursed in a single payment or in not more than four payments upon leaving active service on a date not later than the second anniversary of the option election.
	1994	
No changes.	No changes.	1. A 2.8% cost-of-living increase was approved effective January 1, 1994, followed by a 2.6% cost-of-living increase effective January 1, 1995.
		2. The minimum monthly benefit for current annuitants was increased from \$1,000 to \$1,200.
		3. The retirement formula was increased from 2.9% to 3% of average monthly salary times years of service.

**9 -- RETIREMENT PLANS, continued**

**f -- Federal Income Taxes**

The pension funds are public employees' pension plans and are exempt from Federal income taxes and the provisions of the Employee Retirement Income Security Act of 1974.

**g -- Plan Administration Costs**

Plan administration costs include audit fees and actuarial fees (valuations performed in alternating years). Each pension fund is responsible for all administrative costs.

**h -- Historical Trend Information**

Unaudited historical trend information required by GASB Statement 5, designed to provide details regarding each fund's progress in accumulating assets to pay benefits when due and to summarize operating results, is presented in separately issued retirement fund financial statements.

9 - RETIREMENT PLANS, continued

Analysis of funding progress for the plans at December 31 is as follows (in thousands):

	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Assets in excess of) Pension Benefit Obligation	Annual Employer Contribution	Covered Payroll	Unfunded (Assets in excess of) Benefit Obligation as a Percent of Covered Payroll	Employer Contribution as a Percent of Covered Payroll
<b>City Employees</b>								
1995	642,173	564,244	113.8%	(77,929)	16,983	221,002	(35.3%)	7.7%
1994	587,025	521,198	112.6%	(64,173)	17,006	254,419	(25.9%)	6.7%
1993	529,137	454,716	116.4%	(74,421)	15,645	235,227	(31.6%)	6.7%
1992	457,454	389,226	117.5%	(68,228)	14,266	203,802	(33.5%)	7.0%
1991	414,570	353,628	117.2%	(60,942)	12,660	180,853	(33.7%)	7.0%
1990	365,319	317,848	114.9%	(47,471)	11,425	163,216	(29.1%)	7.0%
1989	329,325	279,636	117.8%	(49,689)	10,598	151,400	(32.8%)	7.0%
1988	297,846	259,914	114.6%	(37,932)	11,246	175,720	(21.6%)	6.4%
1987	262,969	236,146	111.4%	(26,823)	11,909	175,128	(15.3%)	6.8%
<b>Police Officers</b>								
1995	121,599	135,703	89.6%	14,104	5,444	37,341	37.8%	14.6%
1994	102,574	112,487	91.2%	9,913	4,416	36,796	26.9%	12.0%
1993	89,238	101,453	88.0%	12,215	3,904	32,035	37.5%	12.0%
1992	75,680	89,275	84.8%	13,595	3,555	29,621	45.9%	12.0%
1991	71,223	76,159	93.5%	4,936	3,361	28,006	17.6%	12.0%
1990	62,269	68,854	90.4%	6,585	3,146	26,219	25.1%	12.0%
1989	55,220	60,566	91.2%	5,346	2,915	24,291	22.0%	12.0%
1988	47,558	53,442	89.0%	5,884	3,004	25,032	23.5%	12.0%
1987	41,571	42,064	98.8%	493	2,755	22,950	2.1%	12.0%
<b>Fire Fighters</b>								
1995	190,824	237,174	80.5%	46,350	5,367	32,496	142.6%	16.5%
1994	170,660	213,247	80.0%	42,587	4,421	30,315	140.5%	14.6%
1993	153,675	182,086	84.4%	28,411	4,071	29,018	97.9%	14.0%
1992	125,346	159,671	78.5%	34,325	3,906	28,731	119.5%	13.6%
1991	110,350	141,527	78.0%	31,177	3,735	26,595	117.2%	14.0%
1990	97,233	124,997	77.8%	27,764	3,568	25,395	109.3%	14.0%
1989	82,847	112,391	73.7%	29,544	3,370	24,034	122.9%	14.0%
1988	73,711	98,989	74.5%	25,278	3,379	24,053	105.1%	14.0%
1987	63,470	82,762	76.7%	19,292	2,989	21,271	90.7%	14.1%



NOTES TO COMBINED FINANCIAL STATEMENTS  
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CITY OF AUSTIN, TEXAS  
(Continued)

9 -- RETIREMENT PLANS, continued

Analysis of revenues and expenses for the plans for the years ended December 31 is as follows (in thousands):

	Revenues by Source				Expenses by Type			
	Employee Contributions	Employer Contributions	Investment Income	Total	Benefit Payments	Benefit Refunds	General and Administrative Expenses	Total
City Employees								
1995	17,421	16,983	137,708	172,112	23,691	7,992	497	32,180
1994	17,310	17,006	49,709	84,025	21,292	4,340	505	26,137
1993	16,108	15,654	60,564	92,326	17,073	3,277	293	20,643
1992	14,424	14,266	33,615	62,305	14,764	4,265	391	19,420
1991	12,665	12,660	42,724	68,049	14,205	4,119	475	18,799
1990	11,427	11,425	33,234	56,086	14,304	5,579	209	20,092
1989	10,626	10,598	29,091	50,315	13,394	6,438	88	19,920
1988	11,270	11,246	28,275	50,791	9,088	6,782	44	15,914
1987	11,906	11,909	23,607	47,422	7,637	4,120	17	11,774
Police Officers								
1995	3,685	5,444	13,656	22,785	3,205	243	311	3,759
1994	3,220	4,416	8,858	16,494	2,600	294	265	3,159
1993	2,304	3,906	9,835	16,045	2,176	138	172	2,486
1992	1,837	3,555	1,409	6,801	1,912	279	154	2,345
1991	1,733	3,361	5,904	10,998	1,615	307	122	2,044
1990	1,595	3,146	4,329	9,070	1,544	165	317	2,026
1989	1,485	2,915	5,107	9,507	1,399	215	225	1,839
1988	1,040	3,004	3,290	7,334	1,054	114	178	1,346
1987	962	2,755	5,229	8,946	769	74	168	1,011
Fire Fighters								
1995	4,426	5,367	18,291	28,084	7,653	96	171	7,920
1994	4,148	4,421	15,504	24,073	6,723	183	183	7,089
1993	3,968	4,071	26,185	34,224	5,756	5	135	5,896
1992	3,808	3,906	12,673	20,387	5,040	192	159	5,391
1991	3,641	3,735	10,531	17,907	4,492	159	138	4,789
1990	3,479	3,568	11,583	18,630	3,850	237	158	4,245
1989	3,293	3,377	6,011	12,681	3,331	93	120	3,544
1988	3,298	3,379	6,540	13,217	2,894	40	42	2,976
1987	2,915	2,989	4,794	10,698	2,503	29	49	2,581

10 -- RENTAL REVENUE

Effective October 1, 1995, the City entered into a long-term lease arrangement with the Daughters of Charity Health Services of Austin. This lease agreement qualifies as an operating lease for accounting purposes. Hospital Fund 1996 revenues included minimum lease payments of \$2,032,344.

The City has entered into certain lease agreements as lessor for concessions at the Airport. These lease agreements qualify as operating leases for accounting purposes. Airport Fund 1996 revenues included minimum concession guarantees of \$10,059,242.

Following is a schedule by year of minimum future rentals on noncancelable operating leases as of September 30, 1996.

Fiscal Year Ended September 30	Hospital Fund	Airport Fund
1997	\$ 1,864,764	8,657,569
1998	1,864,764	7,293,560
1999	1,864,764	180,868
2000	1,864,764	--
2001	1,864,764	--
Thereafter	44,754,336	--
Totals	\$ 54,078,156	16,131,997

11 -- GENERAL LONG-TERM DEBT

a -- General Obligation Debt -- Capital Projects Funding

Capital projects funds are used to account for the acquisition and construction of general fixed assets. Capital projects are funded primarily by the issuance of general obligation debt, other tax supported debt, interest income and intergovernmental revenues.

General obligation debt is collateralized by the full faith and credit of the City and is reported as an obligation of the General Long-Term Debt Account Group (GLTDAG), except as described below. 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 sold to fund fixed assets of proprietary funds is reported as an obligation of these proprietary funds, although they 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 proprietary funds to meet the debt service requirements.

As described in Note 7, State Statute and the City Charter establish a practical limitation of \$1.50 per \$100 of assessed valuation on the debt service tax rate levied to service general obligation debt, including interest. The tax rate to finance the payment of principal and interest on general obligation long-term debt for the year ended September 30, 1996, was \$.2269 per \$100 assessed valuation. At September 30, 1996, allowable taxes related to debt service (assuming the rate of \$1.50 per \$100 assessed valuation) are approximately \$349,545,226, providing potential additional taxes for debt service of \$296,670,684 from the assessed valuation of \$23,303,015,047.

11 - GENERAL LONG-TERM DEBT, continued

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

The following table summarizes significant facts about general obligation bonds, certificates of obligation, and contractual obligations outstanding at September 30, 1996, including those reported in certain enterprise funds:

			Amount	Aggregate Interest	Interest Rates	
	Date Issued	Original Issue	Outstanding at September 30, 1996	Requirements at September 30, 1996	Of Debt Outstanding at September 30, 1996	Maturity Dates Of Serial Debt
		\$	\$	\$	%	
Series 1985A	October, 1985	229,048,455	17,532,047 (2)	37,767,952 (1)	8.70 - 9.00	9/1/1997-2000
Series 1986	July, 1986	100,000,000	1,940,000	147,440 (1)	7.60	9/1/1997
Series 1986A	August, 1986	14,710,000	875,000	63,875 (1)	7.30	9/1/1997
Series 1987	July, 1987	53,000,000	2,050,000	174,250 (1)	8.50	9/1/1997
Series 1988	September, 1988	24,860,000	1,055,000	74,905 (1)	7.10	9/1/1997
Series 1989	October, 1989	24,995,000	3,990,000	768,880 (1)	7.00 - 10.00	9/1/1997-2000
Series 1990A&B	January, 1990	122,368,632	39,663,632 (3)	22,871,656 (1)	6.00 - 7.00	9/1/1997-2005
Series 1990C	November, 1990	25,000,000	4,775,000	1,021,873 (1)	6.50 - 9.50	9/1/1997-2001
Series 1991A	November, 1991	25,000,000	22,285,000	14,385,039 (1)	5.88 - 8.88	9/1/1997-2011
Series 1991B	November, 1991	2,900,000	1,320,000	109,780 (4)	5.20 - 5.40	11/1/1996-1998
Series 1992	May, 1992	114,856,765	80,973,741 (5)	36,290,179 (1)	5.70 - 6.25	9/1/1997-2008
Series 1992	October, 1992	52,490,000	50,490,000	31,855,750 (1)	4.25 - 7.25	9/1/1997-2012
Series 1992	October, 1992	5,405,000	4,900,000	2,880,725 (1)	5.25 - 8.25	9/1/1997-2012
Series 1992	October, 1992	4,195,000	2,425,000	247,100 (4)	4.60 - 5.00	9/1/1996-1999
Series 1993	February, 1993	71,600,000	67,030,000	34,093,658 (1)	4.40 - 5.75	9/1/1997-2009
Series 1993	October, 1993	25,000,000	24,120,000	11,529,182 (1)	4.13 - 7.00	9/1/1997-2013
Series 1993	October, 1993	6,435,000	6,210,000	2,968,256 (1)	4.13 - 7.00	9/1/1997-2013
Series 1993	October, 1993	8,820,000	2,820,000	207,168 (4)	3.30 - 3.70	9/1/1997-1998
Series 1993A	October, 1993	70,230,000	67,645,000	24,914,925 (1)	3.80 - 5.00	9/1/1998-2010
Series 1994	October, 1994	33,260,000	33,260,000	24,138,050 (1)	5.20 - 7.00	9/1/1997-2014
Series 1994	October, 1994	3,550,000	3,550,000	2,308,775 (1)	5.10 - 6.50	9/1/1997-2014
Series 1994	October, 1994	5,025,000	3,655,000	342,115 (4)	4.25 - 6.75	11/1/1996-1999
Series 1995	October, 1995	30,250,000	28,900,000	22,621,605 (1)	4.80 - 7.75	9/1/1998-2015
Series 1995	October, 1995	8,660,000	8,660,000	5,639,585 (1)	4.75 - 6.00	9/1/1998-2015
Series 1995	October, 1995	8,205,000	7,475,000	809,586 (4)	3.75 - 5.60	11/1/1996-2000

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

(2) Represents capital appreciation bonds.

(3) Includes \$14,158,632 of capital appreciation bonds, which have interest payable at maturity from 9/1/1997-2000.

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

(5) Includes \$13,281,765 of capital appreciation bonds, which have interest payable at maturity from 9/1/1997-1999.

11 - GENERAL LONG-TERM DEBT, continued

In October 1995, the City issued Public Improvement Bonds, Series 1995, in the amount of \$30,250,000. Of the proceeds from the issue, \$1,058,000 will be used for street improvements, \$1,150,000 will be used for drainage and flood control, \$335,000 will be used for park land acquisition, \$118,000 will be used for park improvements, \$1,105,000 will be used for fire stations, \$1,598,000 will be used for health, safety and welfare renovations, \$1,868,000 will be used for erosion and flood control, \$3,699,000 will be used for street reconstruction and traffic signals, \$1,100,000 will be used for parks and recreation facilities, \$2,529,000 will be used for libraries, and \$15,690,000 will be used for land for the Barton Creek Greenway. These bonds will be amortized serially on September 1 of each year from 1996 to 2015. Certain of these bonds are callable beginning September 1, 2005. Interest is payable on March 1 and September 1 of each year, commencing March 1, 1996. Total interest requirements for these bonds, at rates ranging from 4.3% to 7.75%, are \$24,317,040.

In October 1995, the City issued Public Property Finance Contractual Obligations, Series 1995, in the amount of \$8,205,000. Of the proceeds from the issue, \$2,225,000 will be used by the Information Systems Department for the Greater Austin Area Telecommunications Network (GAATN) and PBX, \$2,535,000 will be used by the Solid Waste Services Department for carts, \$545,000 will be used by the Fleet Department for equipment, and \$2,900,000 will be used by the Water and Wastewater Department for capital equipment. These contractual obligations will be amortized serially May 1 and November 1 of each year from 1996 to 2000. The contractual obligations are not subject to optional redemption prior to their maturity. Interest is payable on May 1 and November 1 of each year, commencing May 1, 1996. Total interest requirements for these contractual obligations, at rates ranging from 3.75% to 6.75%, aggregate \$1,053,680.

In October 1995, the City issued Certificates of Obligation, Series 1995, in the amount of \$8,660,000. Of the proceeds from the issue, \$1,400,000 will be used by the Health and Human Services Department for an animal shelter, \$585,000 will be used by the Fleet Department for renovations, and \$6,675,000 will be used by the Solid Waste Services Department for facilities. These certificates of obligation will be amortized serially September 1 of each year from 1998 to 2015. Certain of these obligations are callable beginning September 1, 2005. Interest is payable on March 1 and September 1 of each year, commencing March 1, 1996. Total interest requirements for these obligations, at rates ranging from 4.75% to 6.0%, aggregate \$6,113,645.

In 1996, the City defeased \$51,969,886 of Hospital Fund general obligation debt, including \$6,700,711 in accreted capital appreciation bond interest payable, with a cash payment of \$56,355,276. After paying \$117,020 in transaction costs, the remainder of the cash was used to purchase U.S. government obligations, which were placed in an irrevocable trust to provide for all future debt service payments on the defeased bonds. The City is legally released from the obligation for the defeased debt.



NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

11 -- GENERAL LONG-TERM DEBT, continued

The following is a summary of general obligation bonds, certificates of obligation, and contractual obligation transactions of the City (including certain enterprise funds) for the year ended September 30, 1996 (in thousands of dollars):

	General Obligation Bonds and Other Tax Supported Debt	
	General Long-Term Debt Account Group	Proprietary Funds
Balance payable--September 30, 1995	\$ 445,803	73,902
Outstanding debt defeased	(6,363)	(46,990)
Balance payable subsequent to defeasance	439,440	26,907
Debt issued:		
Drainage and flood control improvements	1,150	--
Parks and recreation construction	118	--
Street improvements	1,058	--
Fire Department construction	1,105	--
Park land acquisition	335	--
Erosion and flood control	1,868	--
Health Department safety and welfare renovations	1,598	--
Street reconstruction and traffic signals	3,699	--
Parks and recreation facilities	1,100	--
Library improvements	2,529	--
Barton Creek Greenway land purchase	15,690	--
Health Department animal shelter	1,400	--
Solid Waste Department for equipment	--	2,535
Information Systems	2,225	--
Fleet Department for equipment and renovations	1,130	--
Water and Wastewater Department equipment	--	2,900
Solid Waste Department for facilities	--	6,675
Debt issued during the year	35,005	12,110
Debt retired during the year	(22,725)	(3,140)
Balance payable--September 30, 1996	\$ 451,722	35,877

General obligation bonds authorized and unissued amount to \$87,200,000 at September 30, 1996.

11 -- GENERAL LONG-TERM DEBT, continued

b -- Other Long-Term Debt

In addition to general obligation bonds, certificates of obligation, and contractual obligations, the General Long-Term Debt Account Group includes all liabilities of the City (other than those reported in the proprietary funds) which are not due in the current period. Compensated absences liability was \$36,278,253 in 1995 and decreased \$3,098,526 to a balance of \$33,179,727 in 1996.

12 -- ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT

a -- General - Combined Utility Systems Debt

The City's Electric Fund and Water and Wastewater Fund comprise the "Combined Utility Systems," which issue Combined Utility Systems revenue bonds to fund Electric Fund and Water and Wastewater Fund capital projects. Principal and interest on these bonds are payable solely from the combined net revenues of the Electric Fund and Water and Wastewater Fund. The following table summarizes Combined Utility Systems revenue bonds and other long-term financing transactions for the year ended September 30, 1996 (in thousands of dollars):

	Subordinate Lien Bonds	Prior Lien Bonds	Total
Balance payable, net of discount and inclusive of premium - October 1, 1995	\$ 223,382	2,256,991	2,480,373
Debt issued, net of discount and inclusive of premium	--	245,256	245,256
Debt repaid, defeased, or refunded, net of discount	(24,810)	(249,122)	(273,932)
Amortization of bond discount and premium	218	4,578	4,796
Balance payable, net of discount and inclusive of premium - September 30, 1996	<u>\$ 198,790</u>	<u>2,257,703</u>	<u>2,456,493</u>

The total Combined Utility Systems obligations at September 30, 1996, consist of \$2,311,982,955 prior lien bonds and \$199,370,000 subordinate lien bonds. Aggregate interest requirements for all prior lien and subordinate lien bonds are \$2,217,910,058 at September 30, 1996. Revenue bonds authorized and unissued amount to \$1,095,014,000 at that date.

b -- Revenue Bond Refunding Issues -- Combined Utility Systems Debt

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 the City's Electric Fund and Water and Wastewater 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.

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

12 -- ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

The net proceeds of each of the refunding bond issuances were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service. As a result, the refunded bonds are considered to be legally defeased and the liability for the refunded bonds has been removed. 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 defeased bonds is recognized when funds from current operations are used. The following schedule shows all original and refunding revenue bonds outstanding at September 30, 1996 (in thousands of dollars):

Series	Bonds Dated	Original Amount Issued	Outstanding at September 30, 1996
		\$	\$
1982 Refunding	March 1982	598,000	190,590
1985	March 1985	225,000	13,110
1985A	November 1985	162,000	8,175
1986A	April 1986	323,000	15,075
1986C	November 1986	137,915	12,045
1986 Refunding	March 1986	545,145	115,740
1987	May 1987	65,000	4,940
1988AB Refunding	October 1988	369,901	301,064
1989	July 1989	65,800	47,775
1990	August 1990	6,395	5,385
1990AB Refunding	February 1990	236,009	118,162
1991 Refunding	March 1991	143,740	36,540
1991A Refunding	June 1991	57,080	40,670
1992 Refunding	March 1992	265,806	256,996
1992A Refunding	May 1992	351,706	346,726
1993 Refunding	February 1993	203,166	196,486
1993A Refunding	June 1993	263,410	254,915
1994	May 1994	3,500	3
1994 Refunding	October 1994	142,559	142,559
1995 Refunding	June 1995	151,770	151,770
1996AB Refunding	September 1996	249,235	249,235
			<u>\$ 2,511,353</u>

12 - ENTERPRISE FUNDS - REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

The following bonds were refunded in September 1996 by Series 1996A Refunding (in thousands of dollars):

Series	Amount
	\$
1988A Refunding	20,875
1990A Refunding	44,775
1990B	15,620
1991	102,000

In September 1996, the City issued \$249,235,000 of Combined Utility Systems Revenue Refunding Bonds Series 1996 A & B to refund \$183,270,000 of previously issued Combined Utility Systems Revenue Bonds and \$50,000,000 of Combined Utility Systems Commercial Paper Notes, Series A. The refunding of the Refunded Bonds will accomplish a restructuring of a portion of the debt attributable to the Electric, Water and Wastewater Systems in order to more closely match debt service with the service life of the assets. The refunding of the Refunded Notes will convert a portion of the Commercial Paper Notes currently outstanding to long-term debt. The refunding resulted in an increase in cash flow requirements to service the debt of \$10,717,516. An economic gain of \$8,712,318 was recognized on this transaction. An accounting loss of \$18,674,652, which will be deferred and amortized in accordance with Statement of Financial Accounting Standards No. 71, was recognized on the refunding.

In September 1996, the City defeased \$22,210,000 of Combined Utility Systems revenue bonds, with a \$22,995,011 cash payment. \$22,962,511 was placed in an irrevocable escrow account and used to purchase U.S. government obligations to provide for all future debt service payments on the defeased bonds. The City is legally released from the obligation for the defeased debt. The following bonds were defeased in September 1996 (in thousands of dollars):

Series	Amount
	\$
1986 Refunding	3,245
1988B Refunding	6,775
1991A Refunding	8,645
1992 Refunding	3,545



**12 -- ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT, continued**

**c -- Revenue Bond Indenture Requirements -- Combined Utility Systems Debt**

The City is required by bond indentures to pledge the net revenues of the Combined Utility Systems for debt service, and is required to maintain debt service funds and bond reserve funds for all outstanding revenue bonds. The debt service funds, with assets of \$92,053,462 including accrued interest at September 30, 1996, are restricted within the utility systems and require that the net revenues of the systems, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments that will accumulate to the semiannual principal and interest requirements as they become due.

The bond reserve fund for revenue bond retirement, with assets of \$160,900,333 of investments at amortized cost at September 30, 1996, is also restricted within the utility systems. The City is required to maintain a combined reserve fund for the benefit of the holders of prior lien bonds and subordinate lien bonds, which must contain cash and investments of not less than \$85,000,000 and which shall be increased upon the issuance of any additional bonds to the greater of such amount or the average annual principal and interest requirements on all prior lien bonds and subordinate lien bonds. Additional amounts required to be deposited in the reserve fund must be funded from bond proceeds or accumulated in the reserve fund in equal monthly installments within 60 months from the date of delivery of the additional bonds. The City also covenants under the bond indentures that the custodian of the reserve fund shall be an official City depository and investment of the reserve fund shall be in direct or guaranteed obligations of the United States of America (USA), including obligations guaranteed by the USA, and certificates of deposit of any bank or trust company, the deposits of which are fully secured by a pledge or obligation of the USA or guaranteed by the USA. The revenue bond indentures also provide for a number of other limitations and restrictions. The City is in compliance with all significant limitations and restrictions contained in the revenue bond indentures.

**d -- Commercial Paper Notes -- Combined Utility Systems Debt**

The City is authorized pursuant to Ordinance No. 930318-A adopted by the City Council on March 18, 1993, to issue commercial paper notes, (the "notes"), in an aggregate principal amount not to exceed \$250,000,000 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 Water and Wastewater System and the City's Electric System and to refinance, renew, or refund maturing notes and other obligations of the systems. The notes will be 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 the City's Electric Fund and Water and Wastewater Fund.

At September 30, 1996, the Electric Fund had outstanding commercial paper notes of \$88,000,000, and the Water and Wastewater fund had \$44,918,000 of commercial paper notes outstanding. Interest rates on the Notes range from 2.8% to 4.25%, and 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.

**e -- Refunds Payable on Construction Contracts -- Water and Wastewater Fund**

Refunds payable on construction contracts of approximately \$3,272,515 at September 30, 1996, excluding accrued interest, represent contractual obligations of the Water and Wastewater Fund to refund a percentage of certain construction costs incurred by developers. The contracts vary as to terms and conditions. Most of the contracts provide for the City to pay interest at 3% per annum on the unpaid balance. Generally, the Water and Wastewater Fund has agreed to pay annually to the developers a sum equal to 75% of the amount of revenues realized (based on rates in existence at the contract date) from sales and service relating to the water and wastewater facilities constructed by these developers. Such payments are made in March of each year based upon the revenues for the previous calendar year; however, the total number of payments is limited, ranging primarily from 20 to 25 years, at which time the unpaid principal balance, if any, reverts to the Water and Wastewater Fund as a contribution in aid of construction.

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

13 - DEBT SERVICE REQUIREMENTS

The following is a schedule of debt service requirements for the General Long-Term Debt Account Group (in thousands):

Fiscal Year Ended September 30	General Obligation Bonds and Other Tax Supported Debt											
	General Obligation Bonds			Public Property Finance Contractual Obligations			Certificates of Obligation			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1997	20,675	36,577	57,252	3,630	731	4,361	550	1,285	1,835	24,855	38,593	63,448
1998	18,468	36,103	54,571	5,670	545	6,215	845	1,244	2,089	24,983	37,892	62,875
1999	19,100	35,922	55,022	4,765	302	5,067	910	1,187	2,097	24,775	37,411	62,186
2000	22,442	33,248	55,690	2,715	118	2,833	955	1,131	2,086	26,112	34,497	60,609
2001	35,120	20,621	55,741	915	18	933	1,020	1,076	2,096	37,055	21,715	58,770
Thereafter	330,779	100,248	431,027	--	--	--	19,040	7,874	26,914	349,819	108,122	457,941
	<u>\$ 446,584</u>	<u>262,719</u>	<u>709,303</u>	<u>17,695</u>	<u>1,714</u>	<u>19,409</u>	<u>23,320</u>	<u>13,797</u>	<u>37,117</u>	<u>487,599</u>	<u>278,230</u>	<u>765,829</u>
Less:	Enterprise Funds		Liability reported in Water and Wastewater, net of discount of \$ 45,808							(8,326)	(1,602)	(9,928)
			Liability reported in Solid Waste, net of discount of \$ 6,301							(18,841)	(8,613)	(27,454)
			Liability reported in Airport, net of discount of \$ 17,825							(979)	(970)	(1,949)
			Liability reported in Golf							(7,211)	(3,808)	(11,019)
	Internal Service Fund		Liability reported in Fleet Maintenance							(520)	(53)	(573)
Total requirements reported in other funds										(35,877)	(15,046)	(50,923)
General Long-Term Debt Group requirements at September 30, 1996										<u>\$ 451,722</u>	<u>263,184</u>	<u>714,906</u>

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

13 - DEBT SERVICE REQUIREMENTS, continued

The following summarizes the proprietary funds debt service requirements at September 30, 1996 (in thousands):

Fiscal Year Ended September 30	Commercial Paper Notes (1)			General Obligation Bonds and Other Tax Supported Debt (2)			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1997	\$ 132,918	1,300	134,218	4,486	2,231	6,717	82,540	176,463	258,003
1998	--	--	--	4,993	1,997	6,990	94,242	173,348	267,590
1999	--	--	--	4,649	1,721	6,370	100,219	167,246	267,465
2000	--	--	--	2,756	1,479	4,235	104,805	165,989	270,794
2001	--	--	--	2,177	1,175	3,352	108,358	158,501	266,859
Thereafter	--	--	--	19,981	7,243	27,224	2,497,558	1,920,982	4,418,540
	132,918	1,300	134,218	39,042	15,846	54,888	2,987,722	2,762,529	5,750,251
Less:	Unamortized bond discount			(70)	--	(70)	(87,612)	--	(87,612)
	Unamortized loss on revenue bond refunding			--	--	--	(10,795)	--	(10,795)
Add:	Unamortized bond premium			--	--	--	19,547	--	19,547
				38,972	15,846	54,818	2,908,862	2,762,529	5,671,391
Water Improvement District Bonds			Municipal Utility District Contracts			Total Debt Service Requirements			
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1997	122	34	156	4,365	7,205	11,570	224,431	187,233	411,664
1998	130	27	157	5,020	6,903	11,923	104,385	182,275	286,660
1999	132	21	153	5,695	6,557	12,252	110,695	175,545	286,240
2000	107	15	122	6,245	6,182	12,427	113,913	173,665	287,578
2001	141	9	150	6,930	5,791	12,721	117,606	165,476	283,082
Thereafter	103	3	106	88,585	28,581	117,166	2,606,227	1,756,809	4,363,036
	\$ 735	109	844	116,840	61,219	178,059	3,277,257	2,841,003	6,118,260
Less:	Unamortized bond discount						(87,682)	--	(87,682)
	Unamortized loss on revenue bond refunding						(10,795)	--	(10,795)
Add:	Unamortized bond premium						19,547	--	19,547
Net debt service requirements							\$ 3,198,327	2,841,003	6,039,330

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

(2) Includes assumed tax and revenue bond principal of \$940,000 and interest of \$499,050. Solid Waste Services revenue certificates of obligation of \$2,105,000 and interest of \$300,695 and \$120,000 of Water and Wastewater notes payable.

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

13 -- DEBT SERVICE REQUIREMENTS, continued

The following summarizes the proprietary funds debt service requirements at September 30, 1996 by fund (in thousands):

Fiscal Year Ended September 30	Electric (1)			Water and Wastewater (2)		
	Principal	Interest	Total	Principal	Interest	Total
1997	\$ 159,872	106,218	266,090	61,463	51,158	112,621
1998	75,891	102,090	177,981	23,177	50,537	73,714
1999	82,372	96,553	178,925	23,175	49,631	72,806
2000	83,336	95,524	178,860	26,249	49,060	75,309
2001	83,133	89,832	172,965	30,122	46,957	77,079
Thereafter	1,326,693	910,655	2,237,348	795,749	634,421	1,430,170
	1,811,297	1,400,872	3,212,169	959,935	881,764	1,841,699
Less: Unamortized bond discount	(47,346)	--	(47,346)	(27,107)	--	(27,107)
Unamortized loss on revenue bond refunding	--	--	--	--	--	--
Add: Unamortized bond premium	14,063	--	14,063	5,484	--	5,484
	1,778,014	1,400,872	3,178,886	938,312	881,764	1,820,076

Fiscal Year Ended September 30	Solid Waste Services			Airport		
	Principal	Interest	Total	Principal	Interest	Total
1997	2,570	1,183	3,753	110	24,173	24,283
1998	2,910	1,045	3,955	91	24,166	24,257
1999	2,652	881	3,533	71	24,146	24,217
2000	1,293	740	2,033	58	24,132	24,190
2001	898	627	1,525	179	23,999	24,178
Thereafter	10,623	4,440	15,063	394,715	366,507	761,222
	20,946	8,916	29,862	395,224	487,123	882,347
Less: Unamortized bond discount	(6)	--	(6)	(10,682)	--	(10,682)
Unamortized loss on revenue bond refunding	--	--	--	(2,012)	--	(2,012)
Add: Unamortized bond premium	--	--	--	--	--	--
	20,940	8,916	29,856	382,530	487,123	869,653

(1) Included in the debt service requirements of Electric is \$68,000,000 principal and \$723,546 interest for commercial paper notes.

(2) Included in the debt service requirements of Water and Wastewater is \$44,918,000 principal and \$576,025 interest for commercial paper notes.



NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

13 - DEBT SERVICE REQUIREMENTS, continued

Fiscal Year Ended September 30	Convention Center			Golf		
	Principal	Interest	Total	Principal	Interest	Total
1997	--	4,091	4,091	277	386	663
1998	1,885	4,055	5,940	286	365	651
1999	1,960	3,979	5,939	309	345	654
2000	2,575	3,882	6,457	322	325	647
2001	2,930	3,754	6,684	344	307	651
Thereafter	72,774	38,707	111,481	5,673	2,079	7,752
	82,124	58,468	140,592	7,211	3,807	11,018
Less: Unamortized bond discount	(2,541)	--	(2,541)	--	--	--
Unamortized loss on revenue bond refunding	(8,783)	--	(8,783)	--	--	--
Add: Unamortized bond premium	--	--	--	--	--	--
	70,800	58,468	129,268	7,211	3,807	11,018

Fiscal Year Ended September 30	Fleet Maintenance			Total		
	Principal	Interest	Total	Principal	Interest	Total
1997	139	24	163	224,431	187,233	411,664
1998	145	17	162	104,385	182,275	286,660
1999	156	10	166	110,695	175,545	286,240
2000	80	2	82	113,913	173,665	287,578
2001	--	--	--	117,606	165,476	283,082
Thereafter	--	--	--	2,606,227	1,956,809	4,563,036
	520	53	573	3,277,257	2,841,003	6,118,260
Less: Unamortized bond discount	--	--	--	(87,682)	--	(87,682)
Unamortized loss on revenue bond refunding	--	--	--	(10,795)	--	(10,795)
Add: Unamortized bond premium	--	--	--	19,547	--	19,547
	\$ 520	53	573	3,198,327	2,841,003	6,039,330

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

14 -- INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 1996, are as follows:

	Current		Long-Term	
	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
<b>RECEIVABLES:</b>				
<b>Special Revenue Fund</b>				
Receivable from Special Revenue Fund	\$ 7,033,789	--	--	--
Receivable from Hospital Fund	201,738	--	--	--
<b>Capital Projects Fund</b>				
Receivable from Capital Projects Fund	3,055,612	--	--	--
Receivable from Trust and Agency Funds	33,531	--	--	--
<b>Enterprise Funds</b>				
Electric Fund:				
Receivable from Solid Waste Services Fund	12,385	--	49,540	--
Receivable from Airport Fund	1,455	--	5,820	--
Receivable from Drainage Fund	3,045	--	12,180	--
Internal Service Funds:				
Receivable from Fleet Maintenance Fund	13,875	--	55,500	--
Receivable from Information Systems Fund	124,932	--	499,730	--
Water and Wastewater Fund:				
Receivable from Solid Waste Services Fund	10,225	--	40,900	--
Receivable from Airport Fund	1,201	--	4,805	--
Receivable from Drainage Fund	2,514	--	10,056	--
Internal Service Funds:				
Receivable from Fleet Maintenance Fund	11,455	--	45,821	--
Receivable from Information Systems Fund	203,337	--	1,082,067	--
Airport Fund:				
Receivable from General Fund	39,933	--	--	--
Internal Service Funds:				
Receivable from Support Services Fund	258,648	--	103,656	--
<b>Internal Service Funds</b>				
Fleet Maintenance Fund:				
Receivable from Water and Wastewater Fund	220,356	--	--	--
Receivable from Solid Waste Services Fund	98,940	--	197,878	--
Internal Service Funds:				
Receivable from Radio Communication Fund	444,957	--	--	--

(continued)

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

14 -- INTERFUND RECEIVABLES AND PAYABLES, continued

	Current		Long-Term	
	Due From Other Funds	Due To Other Funds	Advance To Other Funds	Advance From Other Funds
<b>PAYABLES:</b>				
<b>General Fund</b>				
Payable to Airport Fund	--	39,933	--	--
<b>Special Revenue Fund</b>				
Payable from Special Revenue Fund	--	7,033,789	--	--
<b>Capital Projects Funds</b>				
Payable from Capital Projects Fund	--	3,055,612	--	--
<b>Enterprise Funds</b>				
Water and Wastewater Fund:				
Internal Service Funds:				
Payable to Fleet Maintenance Fund	--	220,356	--	--
Hospital Fund:				
Payable to Special Revenue Fund	--	201,738	--	--
Solid Waste Services Fund:				
Payable to Electric Fund	--	12,385	--	49,540
Payable to Water and Wastewater Fund	--	10,225	--	40,900
Internal Service Funds:				
Payable to Fleet Maintenance Fund	--	98,940	--	197,878
Airport Fund:				
Payable to Electric Fund	--	1,455	--	5,820
Payable to Water and Wastewater Fund	--	1,201	--	4,805
Drainage Fund:				
Payable to Electric Fund	--	3,045	--	12,180
Payable to Water and Wastewater Fund	--	2,514	--	10,056
<b>Internal Service Funds</b>				
Fleet Maintenance Fund:				
Payable to Electric Fund	--	13,875	--	55,500
Payable to Water and Wastewater Fund	--	11,455	--	45,821
Support Services Fund:				
Payable to Airport Fund	--	258,648	--	103,656
Information Systems Fund:				
Payable to Electric Fund	--	124,932	--	499,730
Payable to Water and Wastewater Fund	--	203,337	--	1,082,067
Radio Communication Fund:				
Internal Service Funds:				
Payable to Fleet Maintenance Fund	--	444,957	--	--
<b>Trust and Agency Funds</b>				
Agency Funds:				
Payable to Capital Projects Funds	--	33,531	--	--
	<u>\$ 11,771,928</u>	<u>11,771,928</u>	<u>2,107,953</u>	<u>2,107,953</u>

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

15 -- INTERFUND TRANSFERS

a -- Operating Transfers

Operating transfers between funds during the year were as follows:

Operating Transfers In	Operating Transfers Out	Amount
<b>General Fund</b>	Special Revenue Funds: Balcones Canyonlands Conservation Fund	\$ 275,036
	Enterprise Funds: Electric Fund	59,936,700
	Water and Wastewater Fund	13,646,139
	Parks and Recreation Fund	50,000
	Trust and Agency Funds: Miscellaneous	17,365
		<u>73,925,240</u>
<b>Special Revenue Funds - Other:</b>		
Austin Convention and Visitors Bureau Fund	General Fund	121,730
	Special Revenue Funds: Hotel-Motel Occupancy Tax Fund	3,055,877
Balcones Canyonlands Conservation Fund	General Fund	131,000
	Enterprise Funds: Drainage Fund	287,640
Energy Conservation Rebates & Incentives Fund	Special Revenue Funds: RMD - Conservation Fund	275,000
	Enterprise Funds: Electric Fund	7,338,517
Environmental & Conservation Services Fund	General Fund	429,011
	Enterprise Funds: Electric Fund	5,230,381
Environmental Remediation Fund	Enterprise Funds: Water and Wastewater Fund	120,000
	Solid Waste Fund	120,000
	Drainage Fund	120,000
	Internal Service Funds: Fleet Maintenance Fund	460,000
Federally Qualified Health Center Fund	Special Revenue Funds: Disproportionate Share III Fund	1,500,000
	Capital Project Funds: Interest Income Fund	59,899
Neighborhood Housing and Conservation Fund	General Fund	970,231
PARD-Cultural Projects Fund	Special Revenue Funds: Hotel-Motel Occupancy Tax Fund	2,037,726
Police-Drug Education Fund	Special Revenue Funds: Police Federal Seized Money Fund	3,500
Voluntary Utility Assistance Fund	General Fund	160,000
		<u>22,420,512</u>
<b>Debt Service Fund</b>	Special Revenue Funds: Balcones Canyonlands Conservation Fund	12,604
	Federally Qualified Health Center Fund	285,406
	Capital Project Funds: Interest Income Fund	840,000
	Internal Service Funds: Fleet Maintenance Fund	91,718
	Information Systems Fund	255,325
		<u>\$ 1,485,053</u>



NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

15 -- INTERFUND TRANSFERS, continued

Operating Transfers in	Operating Transfers Out	Amount
Capital Projects Funds	General Fund	\$ 3,938,538
	Special Revenue Funds: Environmental Remediation Fund	460,000
	Fiscal Surety Fund	10,750
	Capital Project Funds: Funds Authorized Prior to 1981	22,218
	Funds Authorized 1981	472,923
	Funds Authorized 1985	6,576,352
	Funds Authorized 1992	22,200
	Other Funds	6,407,338
	Interest Income Fund	4,542,000
	Enterprise Funds: Electric Fund	406,827
	Water & Wastewater Fund	202,961
	Solid Waste Services Fund	20,170
	Drainage Fund	12,024
	Transportation Fund	8,016
	Internal Service Funds: Support Services Fund	682,839
	Radio Communication Fund	150,000
		<u>23,935,156</u>
Enterprise Funds:		
Solid Waste Fund	General Fund	181,600
	Special Revenue Funds: Environmental Remediation Fund	250,000
Convention Center Fund	Special Revenue Funds: Hotel-Motel Occupancy Tax Fund	9,166,205
Drainage Fund	Capital Project Funds: Funds Authorized 1984	75,000
		<u>9,672,805</u>
Trust and Agency Funds - Expendable Trust:		
Fairway Ridge	Enterprise Funds: Water and Wastewater Fund	298,538
		<u>298,538</u>
Total Operating Transfers		<u>\$ 131,737,304</u>

NOTES TO COMBINED FINANCIAL STATEMENTS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
(Continued)

16 -- SEGMENT INFORMATION

a -- Enterprise Fund Activities

The City maintains ten enterprise funds, which provide electric, water and wastewater, health care, solid waste services, airport, convention, drainage, transportation services, golf, and parks and recreation activities. Segment information for the year ended September 30, 1996, is as follows (in thousands of dollars):

	Electric Fund	Water & Wastewater Fund	Hospital Fund	Solid Waste Services Fund	Airport Fund	Convention Center Fund	Other Enterprise Funds	Total Enterprise Funds
Operating revenues	\$ 613,648	186,429	2,142	26,607	33,847	7,731	32,319	902,723
Depreciation and amortization expense	73,405	30,868	2,224	2,581	10,441	2,498	1,017	128,034
Operating income (loss)	237,207	73,978	(5,958)	2,267	9,406	(4,186)	3,834	316,548
Operating transfers in	--	--	--	432	--	9,166	75	9,673
Operating transfers out	(72,912)	(14,268)	--	(140)	--	--	(478)	(87,798)
Net income (loss)	71,947	28,880	(9,264)	2,246	9,931	1,076	4,373	109,189
Current assets	244,461	36,747	14,832	3,727	3,719	5,723	8,203	317,412
Current liabilities	49,687	14,497	4,881	3,864	1,328	446	1,863	76,566
Net working capital surplus (deficit)	194,774	22,250	9,951	(137)	2,391	5,277	6,340	240,846
Property, plant and equipment:								
Additions	97,200	60,254	4	4,103	75,547	1,867	5,190	244,165
Retirements	(9,990)	(1,118)	--	(564)	(77)	(885)	(922)	(13,556)
Transfers from (to) other funds	(106)	(13)	--	--	(16)	(8)	36	(107)
Net property, plant and equipment	1,741,037	1,243,489	52,152	22,535	173,435	85,598	23,703	3,341,949
Total assets	2,616,865	1,588,345	76,984	41,246	572,814	111,486	51,695	5,059,435
Bond, restricted, and other long-term liabilities	1,967,701	995,169	2,694	27,635	401,879	77,319	8,730	3,481,027
Current capital contributions	10,637	19,623	--	(27)	27,481	--	1,384	59,098
Total equity	599,477	578,679	69,408	9,747	169,607	33,721	41,202	1,501,841

b -- Proprietary Fund Contributed Capital

The following table summarizes activity in contributed capital for the year ended September 30, 1996:

	Balance September 30, 1995	(To) From Municipality	From Donors	From Other Governments	In Aid of Construction	Depreciation Taken	Balance September 30, 1996
<b>Enterprise Funds:</b>							
Electric Fund	\$ 57,514,835	(11,973)	--	--	10,649,132	(2,977,292)	65,174,702
Water and Wastewater Fund	269,099,129	--	--	--	19,622,983	(10,645,867)	278,076,245
Hospital Fund	12,615,015	--	--	--	--	--	12,615,015
Solid Waste Services Fund	1,287,968	(26,939)	--	--	--	--	1,261,029
Airport Fund	42,885,778	(20,050)	--	27,500,910	--	(5,606,412)	64,760,226
Convention Center Fund	21,498,615	--	--	--	--	(65,478)	21,433,137
Drainage Fund	9,542,634	(6,626)	--	1,378,358	--	--	10,914,366
Transportation Fund	248,634	30,940	--	--	--	--	279,574
Golf Fund	947,074	(19,100)	--	--	--	--	927,974
Parks and Recreation Fund	1,069,976	--	--	--	--	--	1,069,976
<b>Internal Service Funds:</b>							
Fleet Maintenance Fund	8,770,062	4,242,706	--	--	--	--	13,012,768
Support Services Fund	1,832,270	81,490	--	--	--	--	1,913,760
Information Systems Fund	5,374,666	797,101	--	--	--	--	6,171,767
Utility Customer Service Fund	608,931	(8,159)	--	--	--	--	600,772
Employee Benefits Fund	9,244,036	--	--	--	--	--	9,244,036
Workers' Compensation Fund	2,443,283	--	--	--	--	--	2,443,283
Radio Communication Fund	--	29,398	--	--	--	--	29,398
<b>Total</b>	<b>\$ 444,982,906</b>	<b>5,059,390</b>	<b>--</b>	<b>28,879,268</b>	<b>30,272,115</b>	<b>(19,295,049)</b>	<b>489,898,630</b>

17 -- JOINT OPERATIONS

The City has entered into several participating agreements on joint projects. As required by generally accepted accounting principles, such joint operations have been evaluated to determine if they fall within the definition of the reporting entity. The following joint operations meet the criteria of an undivided interest as defined in GASB Statement 14 and, accordingly, the City's share of assets, liabilities, and expenses is included in the City's financial statements.

a -- Fayette Power Project

The Fayette Power Project (the "Project", Units I and II) is jointly owned by the City and the Lower Colorado River Authority (LCRA, Project Manager) -- each participant has an undivided interest in the Project. The Project is a joint operation of two coal-fired electric power generation units with a net capacity of 1,140 megawatts. Each participant's actual equity in the Project may vary from 50% depending on the percentage of kilowatt hours produced by the Project and used by each.

The Project is governed by a management committee whose four members are administratively appointed, two each, by the participants. As managing partner, LCRA is responsible for the operation of the Project and appoints the Project's management. However, the City has the ability to influence significantly the operation of the Project through approval of major contracts and new major expenditures by its appointees to the management committee. Each participant issued its own debt to finance its share of construction costs. The City's portion is financed through revenue bonds to be repaid by the Electric Fund. In addition, each participant has the obligation to finance its portion of any deficits that may occur.

The following is a summary of financial information taken from the Project's audited financial statements, dated June 30, 1996, and 1995, the Project's fiscal year end (in thousands of dollars). These statements include Unit III, which is 100% owned by LCRA. These statements were not examined by the City's auditors.

	June 30, 1996			June 30, 1995		
	Total	COA	LCRA	Total	COA	LCRA
Assets	\$ 83,609	36,075	47,534	83,393	35,590	47,803
Liabilities	10,284	3,805	6,479	12,778	4,670	8,108
Equity	73,325	31,838	41,487	70,615	30,920	39,695
Revenues	3,051	448	2,603	1,123	434	689
Expenses	166,991	58,778	108,213	175,016	57,009	118,007
Net Expenses						
Incurred	\$ 163,940	58,330	105,610	173,893	56,575	117,318

b -- South Texas Project

The South Texas Project (STP) was formed for the purpose of licensing, constructing and operating two 1,250 megawatt nuclear generating units. The City was admitted to the STP in December 1973, with a 16% ownership in generating units and common facilities. The City is a tenant-in-common with Houston Lighting and Power Company (HL&P, the project manager), City Public Service of San Antonio (CPS), and Central Power and Light Company (CP&L).

An STP management committee was formed pursuant to the participation agreement to secure effective cooperation and interchange of information and to provide consultation among the participants. Each participant appoints one primary representative and an alternate to the management committee. The project manager is responsible for the construction, operation, and maintenance of the project. Each participant is responsible for its debt related to STP, with the City's portion being financed through revenue bonds, repaid by the Electric Fund (see Note 12). In addition, each participant has the obligation to finance any deficits that may occur.

The City's portion of Units 1 and 2 of the South Texas Project is classified as plant in service. Nuclear fuel includes fuel in the reactor as well as nuclear fuel in process.

17 -- JOINT OPERATIONS, continued

The following is a summary of financial information taken from the South Texas Project's audited financial statements dated September 30, 1995 (in thousands of dollars):

	HL&F	San Antonio	Central	Austin	Total
Construction	\$ (3)	(3)	(3)	(1)	(10)
Operations	102,357	93,052	83,747	53,172	332,328
Direct pay insurance	863	789	706	451	2,809
Nuclear fuel	3,944	3,586	3,227	2,049	12,806
Nuclear fuel disposal fees	5,868	5,148	4,609	3,004	18,729
Nuclear fuel D & D fees	565	113	462	293	1,833
Westinghouse Steam Generation litigation	2,978	2,707	2,437	1,547	9,669
Total 1995 funding	\$ 116,572	105,892	95,185	60,515	378,164

c -- South Texas Project Decommissioning

The South Texas Project (STP) is subject to regulation by the Nuclear Regulatory Commission (NRC). The NRC requires that each holder of a nuclear plant operating license submit information to the NRC indicating the minimum amount of funds that will be required to decommission the plant while demonstrating reasonable assurance that sufficient funds are being accumulated to provide the minimum amount at the time the plant is decommissioned. This minimum amount must be adjusted annually in accordance with an adjustment factor as required by the NRC. At September 30, 1996 and 1995, the City had funded its share of the estimated decommissioning liability as follows:

	1996	1995
Estimated cost to decommission STP	\$163,830,008	\$155,777,377
Restricted decommissioning fund assets	31,788,778	24,898,284

The City of Austin and other STP participants have provided the required information to the NRC, and the City of Austin has established an external irrevocable trust for decommissioning and has been collecting through its rates since 1989 sufficient amounts to provide for its share of the estimated decommissioning costs. For fiscal year 1996 and 1995, the City collected \$4,958,221 each year for decommissioning expenses.

d -- Municipal Utility Districts

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 serves the MUDs and surrounding areas. These additions and improvements are funded by the issuance of City contract revenue bonds, whose principal and interest are payable primarily from the net revenues of the Water and Wastewater Fund.

The City reports the bond proceeds as "investment in municipal utility districts" on the balance sheet of the Water and Wastewater Fund. As facilities funded by the contract revenue bonds are completed, the City's investment in municipal utility districts is reduced and plant in service is increased. The City records the contract revenue bonds as a liability on the balance sheet of the Water and Wastewater Fund.



**17 -- JOINT OPERATIONS, continued**

**e -- Brushy Creek**

In 1988, the City entered into a contract with the Brushy Creek Water Control and Improvement District No. 1 and the City of Round Rock to fund, construct, and operate a regional wastewater collection and treatment system (the project) serving the upper Brushy Creek watershed. That agreement and all amendments to it have been terminated by the parties. The cities of Round Rock and Austin entered an agreement in 1993 dividing the assets and assuming the remaining obligations of the project. The cities of Round Rock, Austin, and Cedar Park are currently negotiating with the Lower Colorado River Authority (LCRA) and the Brazos River Authority (BRA) for the purchase of parts of the project and additional wastewater facilities by LCRA and the operation of the project by BRA. Round Rock has entered into an agreement to sell its portions of the project to LCRA.

**18 -- LITIGATION**

**a -- Water and Wastewater Litigation**

The City is involved in a number of lawsuits involving the operation of its water and wastewater system. Some of the cases involve failure to provide sewer service on a timely basis; some small lawsuits involve various property claims. The City believes these suits will not have a material adverse effect on these financial statements.

**b -- Other Litigation**

A number of claims 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 the settlement of these claims and pending litigation will not have a material adverse effect on the City's financial statements. The City has accrued liabilities in the Liability Reserve Fund for claims payable at September 30, 1996. These liabilities include amounts for lawsuits settled subsequent to year end.

**19 -- COMMITMENTS AND CONTINGENCIES**

**a -- Certificates of Participation**

The City has entered into several capital lease arrangements through the issuance of Certificates of Participation as follows:

\$23,060,000	Certificates of Participation, City of Austin, Texas Electric Utility Office Project, Series 1987;
\$14,000,000	Certificates of Participation, City of Austin, Texas Water and Wastewater Utility Office Project, Series 1987;

The certificates represent proportionate interests in lease payments to be made by the City to a third-party lessor. The City has title to the office projects, pursuant to general warranty deeds; however, the trustee maintains a vendor's lien and superior title to the properties until all sums due are paid in full.

The City's obligation to make lease payments and any other obligations of the City under the lease agreements are subject to and dependent upon annual appropriations for such purpose being made by the City Council. The City's obligation to make lease payments under the lease agreement does not constitute an obligation for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Thus the certificates are treated as capital lease obligations rather than long-term bonds and are recorded as a liability in the funds.

19 -- COMMITMENTS AND CONTINGENCIES, continued

The following table presents information regarding these certificates:

	Electric Fund Office Project (1)	Water and Wastewater Fund Office Project (1)
Date issued	February 1987	August 1987
Amount issued	23,060,000	14,000,000
Interest rates	4.00% - 7.00%	5.25% - 8.00%
Interest payable on	March 15 and September 15	May 15 and November 15
Maturity dates	September 15 1988 - 2007	November 15 1989 - 2007
Present value of lease payments	15,940,000	10,825,000
Reserve fund (2)	2,000,000	1,250,000

(1) Subject to mandatory redemption upon the occurrence of certain events.

(2) Held by trustee, to be used to make final payments.

b -- Federal Financial Assistance Programs

The City participates in a number of federal financial assistance programs. Although the City grant programs have been audited in accordance with the provisions of the Single Audit Act of 1984 through September 30, 1996, these programs are subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

c -- Arbitrage Rebate Payable

The City's financial advisor has determined that the City may have earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations, which may have to be rebated to the Federal government. Estimated amounts payable at September 30, 1996, as arbitrage rebates are \$148,700 for the enterprise funds and \$350,000 for the capital projects funds which are recorded as liabilities of these funds.

d -- Capital Improvement Plan

As required by the City Charter, the City has a *Five Year Capital Improvement Plan* that is an anticipated spending plan for projects in the upcoming year (a *Capital Budget*) as well as for future years. The City's 1997 Capital Budget includes new appropriations of \$110,849,900 for the City's enterprise funds, new appropriations of \$38,277,416 for general government projects and appropriation reductions of \$11,182,490 for general government projects. The City has substantial contractual commitments relating to its capital improvement plan.

e -- Operating lease with Daughters of Charity Health Services of Austin

Effective October 1, 1995, the City entered into a long-term lease arrangement with the Daughters of Charity Health Services of Austin ("Seton"). Under the terms of the lease, Seton will provide all necessary medical services for all residents of Austin regardless of their ability to pay. The City will fund those services through payments to Seton for three programs. Under the Charity Care Program, the City will reimburse Seton up to a maximum of \$5.6 million annually for providing care to the medically indigent; provided, however, that Seton must first satisfy its requirement under State law to provide charity care in the amount of 4% of net revenues. Under the Medical Assistance Program, the City will pay Seton a maximum of approximately \$6.9 million annually (adjusted annually for inflation for each of the next four years) for providing services to patients enrolled in the City's Medical Assistance Program. Under the Physician Services Program, the City will pay Seton approximately \$4.8 million annually (adjusted annually for each of the next nine years) for providing physician services to patients in the first two programs.

**f -- Landfill Closure and Postclosure Liability**

The City has implemented the GASB Statement 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, which establishes the standards of accounting and financial reporting for municipal solid waste landfill closure and postclosure costs that are required to be incurred by federal, state, or local laws or regulations. These laws and regulations require the City to place a final cover on the City of Austin landfill 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, the City reports in the Solid Waste Services Fund a portion of these closure and postclosure care costs as an operating expense in each period, based on landfill capacity used as of each balance sheet date. The \$7,751,392 reported as accrued landfill closure and postclosure costs at September 30, 1996, represents the cumulative amount reported to date based on the use of 64 percent of the estimated capacity of the landfill. The Solid Waste Services Fund will recognize the remaining estimated cost of closure and postclosure care of \$4,360,158 as the remaining estimated capacity is filled. The total estimated costs of \$12,111,550 include costs of closure in 2010 of \$2,675,035 and postclosure costs over the next thirty years of \$9,436,515. These amounts are based on what it would cost to perform all closure and postclosure care in 1996. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

State and federal laws and regulations to demonstrate financial assurance for closure, postclosure, and/or corrective action become effective in April, 1997. The City plans to satisfy the financial and public notice components of the local government financial test and government-guarantee of the test.

**g -- Risk-Related Contingencies**

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

Fund name	Description
Employee Benefits	Approximately 29% of City employees use one of three HMOs; approximately 71% use the City's program, which is self-insured. Premiums are charged to other City funds through a charge per employee per pay period.
Liability Reserve	Self-insured. Includes losses and claims related to liability for bodily injury, property damage, professional liability, and certain employment liability. Excludes losses and claims related to health benefits or workers' compensation. Premiums are charged to other City funds each year based on historical costs.
Workers' Compensation	Self-insured. Premiums are charged to other City funds each year based on historical costs.

The City purchases excess loss insurance for the Employee Benefits Fund. This stop loss insurance covers claims that exceed \$150,000 per calendar year, up to a maximum of \$1 million. The City does not subscribe to workers' compensation insurance.

The City purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bond, and airport operations. The City also purchases a broad range of insurance coverage through the Rolling Owner Controlled Insurance Program (ROCIP). The program provides auto and commercial general liability coverage for the City and for contractors working at selected capital improvement sites; it also provides workers' compensation, employers' liability, and excess liability for contractors at these sites. The City purchases medical malpractice insurance coverage for physicians in the City's Health and Human Services Department clinics. The City does not participate in a risk pool.

No claims paid or payable from insurance coverage in any of the past three years have exceeded the related insurance coverage amount. There are no significant reductions in insurance coverage in fiscal year 1996.

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). Claim liabilities for Employee Benefits are calculated considering recent claim settlement trends; liabilities for the Liability Reserve and Workers' Compensation funds are calculated based on outstanding claims. The amount to be paid out ultimately may be more or less than the amount accrued at September 30, 1996. The City contributes amounts to an internal service fund based on an estimate of the cost of claims expected to be incurred each year.



19 - COMMITMENTS AND CONTINGENCIES, continued

Changes in the balances of claims liability are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
Employee Benefits				
1995	2,657,000	2,867,000	2,482,000	3,042,000
1996	3,042,000	2,661,000	2,874,000	2,829,000
Liability Reserve				
1995	13,391,937	3,205,090	1,403,241	15,193,786
1996	15,193,786	3,060,545	4,679,655	13,574,676
Workers' Compensation:				
1995	4,998,000	3,103,000	3,481,000	4,620,000
1996	4,620,000	3,391,345	2,828,345	5,183,000

The Liability Reserve fund claims liability balance at fiscal year end includes liabilities of \$6,028,000 discounted at 5.83% in 1996 and \$6,778,000 discounted at 6.14% in 1995.

h - Other Commitments and Contingencies

The City is committed under various leases for building and office space, tracts of land and rights of way, and various equipment. These leases are considered for accounting purposes to be operating leases. Lease expense for the year ended September 30, 1996, amounted to \$9,932,367. The City expects these leases to be replaced in the ordinary course of business with similar leases. Future minimum lease payments for these leases should be approximately the same amount.

The City has entered into certain lease agreements, including the certificates of participation, as lessee for financing the purchase of equipment used in the Electric Utility and Water and Wastewater Utility funds. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following summarizes assets recorded at September 30, 1996, under capital lease obligations:

	Electric Fund	Water & Wastewater Fund	Total
<b>Assets</b>			
Machinery and equipment	\$ 235,940	--	235,940
Building	20,198,960	12,750,000	32,948,960
Total assets	20,434,900	12,750,000	33,184,900
Accumulated Depreciation	4,860,897	2,167,500	7,028,397
Net assets	\$ 15,574,003	10,582,500	26,156,503



19 -- COMMITMENTS AND CONTINGENCIES, continued

The following is an analysis of the future minimum lease payments under these capital leases and certificates of participation and the present value of the net minimum lease payments, as of September 30, 1996:

<u>Fiscal Year Ended September 30</u>	<u>Electric Fund</u>	<u>Water and Wastewater Fund</u>	<u>Total</u>
1997	\$ 2,178,737	1,391,231	3,569,968
1998	2,179,877	1,398,919	3,578,796
1999	2,128,652	1,402,260	3,530,915
2000	2,117,715	1,400,306	3,518,321
2001	2,119,635	1,393,775	3,513,410
Later years	12,691,434	9,699,129	22,390,563
Total minimum lease payments	23,416,050	16,685,923	40,101,973
Less:			
Amount representing interest	7,359,888	5,860,923	13,220,811
Present value of net minimum lease payments	16,056,162	10,825,000	26,881,162
Current portion	1,080,933	575,000	1,655,933
Long-term portion	\$ 14,975,229	10,250,000	25,225,229

The City guarantees certain energy improvement loans made by two banks. The maximum contingent liability of the RMD Loan Fund, a special revenue fund, is \$7.6 million, which City management does not anticipate having to fulfill.

20 -- OTHER POST-EMPLOYMENT BENEFITS

In addition to making contributions to the three pension systems, the City provided certain other post-employment benefits to its retirees. Other post-employment benefits include access to medical and dental 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 and dental plan(s) in which they participate. Eligible dependents of the retiree include a legally married spouse, unmarried children under age 19 (under age 24 if an eligible student) who are dependent upon the retiree for support, qualified children placed pending adoption, grandchildren who qualify as a dependent on the retiree's or retiree's spouse's federal income tax return, and eligible disabled children. Surviving dependents of a deceased retiree may continue medical and dental coverage for 36 months by paying the entire premium plus a two-percent administrative fee.

The City is under no obligation, statutory or otherwise, to offer other post-employment benefits or to pay any portion of the cost of other post-employment benefits to any retirees. Allocation of City funds to pay other post-employment benefits or to make other post-employment benefits available is determined on an annual basis by the City Council as part of the budget process.

The City pays a portion of the retiree's medical insurance premium and a portion of the retiree's dependents' medical insurance premium. The portion paid by the City varies according to age, coverage selection, and years of service. The percentage of the medical insurance premium paid by the City ranges as follows:

<u>Years of Service</u>	<u>Retiree only</u>	<u>Dependent only</u>
Less than 5 years	16% - 20%	9%
5 to 10 years	24% - 30%	14%
10 to 15 years	32% - 40%	18%
15 to 20 years	48% - 60%	27%
20 to 25 years	64% - 80%	36%
Greater than 25 years	80% - 100%	45%

**20 -- OTHER POST-EMPLOYMENT BENEFITS, continued**

The City pays 100% of the retiree's life insurance premium. Group dental coverage is available to retirees and their eligible dependents. The full cost of the dental premium is paid by the retiree.

Other post-employment benefits are expensed and funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as a payroll expense/expenditure in an operating fund with a corresponding revenue in the Employee Benefits Fund. Medical and dental premiums and claims and life insurance premiums are reported in the Employee Benefits Fund. The cost of providing these benefits for 1,509 retirees and 8,975 active employees in 1996 and 1,516 retirees and 10,512 active employees in 1995 is not separable and cannot be reasonably estimated. Total payments to the Employee Benefits Fund for retirees and active employees were \$22,595,726 in 1996 and \$24,836,224 in 1995.

As more fully described in Note 17, the City is a participant in the South Texas Project (STP) and as such is liable for certain post-employment benefits for STP employees. At September 30, 1996, the City's portion of this obligation, \$2,163,548, is not reflected in the financial statements of the Electric Fund.

**21 -- SUBSEQUENT EVENTS**

**a -- General Obligation Bonds Issuance**

In October 1996, the City issued Public Improvement Bonds, Series 1996, in the amount of \$30,550,000. Of the proceeds from the issue, \$8,953,000 will be used for street improvements, \$2,720,000 will be used for drainage and flood control, \$123,000 will be used for parks improvements, \$1,995,000 will be used for fire stations, \$1,705,000 will be used for police substations, \$3,200,000 will be used for health, safety and welfare renovations, \$1,950,000 will be used for erosion and flood control, \$5,008,000 will be used for street reconstruction and traffic signals, \$1,599,000 will be used for parks and recreation facilities, \$2,917,000 will be used for libraries, and \$380,000 will be used for neighborhood sidewalks. These bonds will be amortized serially on September 1 of each year from 1997 to 2016. Certain of these bonds are callable beginning September 1, 2006. Interest is payable on March 1 and September 1 of each year, commencing March 1, 1997. Total interest requirements for these bonds, at rates ranging from 4.4% to 6.0%, are \$26,544,075.

**b -- Public Property Finance Contractual Obligations Issuance**

In October 1996, the City issued Public Property Finance Contractual Obligations, Series 1996, in the amount of \$11,755,000. Of the proceeds from the issue, \$2,020,000 will be used by Information Systems Department for the Greater Austin Area Telecommunications Network (GAATN), \$565,000 will be used by the Solid Waste Services Department for recycling trucks, \$7,680,000 will be used by the Police Department for telecommunications 9-1-1 CAD/MDT, and \$1,490,000 will be used by the Water and Wastewater Department for capital equipment. These contractual obligations will be amortized serially May 1 and November 1 of each year from 1997 to 2003. The contractual obligations are not subject to optional redemption prior to their maturity. Interest is payable on May 1 and November 1 of each year, commencing May 1, 1997. Total interest requirements for these contractual obligations, at rates ranging from 4.3% to 7.0%, aggregate \$2,312,948.

**c -- Commercial Paper Notes, Series A**

The City is authorized pursuant to Ordinance No. 961121-A adopted by the City Council on November 21, 1996 to issue commercial paper notes, (the "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 Water and Wastewater System and the City's Electric System; and to refinance, renew or refund maturing notes and other obligations of the systems. The notes will be 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 the City's Electric Fund and Water and Wastewater Fund.

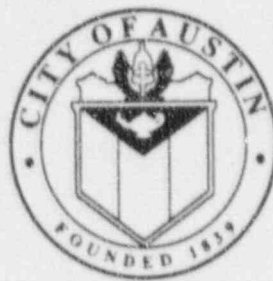
21 -- SUBSEQUENT EVENTS, continued

d -- City of Austin Deferred Compensation Plan for City Employees

The City of Austin Deferred Compensation Plan for City Employees is a deferred compensation plan created in accordance with Internal Revenue Code Section 457. In August 1996, federal legislation was signed which significantly amended regulations affecting Section 457 plans. The legislation provides that all assets and income of a plan may be held in a trust arrangement to ensure assets are protected and used exclusively for plan participants and beneficiaries. Such an action protects plan assets from an employer's creditors in case of bankruptcy. On December 18, 1996 the board of directors of the City of Austin Deferred Compensation Plan approved the transfer of ownership of the assets from the City to a custodial account. Therefore, the plan assets and liabilities will not be reported as City assets and liabilities subsequent to fiscal year 1996.

e -- Austin Convention and Visitors Bureau

For the last several years, the City has promoted tourism in the Austin area through a City department, the Austin Convention and Visitors Bureau. On November 1, 1996, the City entered into a contract to provide tourism and promotion functions with a newly-formed nonprofit corporation, the Austin Convention and Visitors Bureau. Payments to the corporation will be reported in future years in the City's Comprehensive Annual Financial Report as a part of the City's reporting entity.





## GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in another fund.

GENERAL FUND  
BALANCE SHEET

September 30, 1996

With comparative totals for September 30, 1995

CITY OF AUSTIN, TEXAS

Exhibit B-1

	1996	1995
<b>ASSETS</b>		
Cash	\$ 79,373	79,623
Pooled investments and cash	29,493,803	25,550,204
Property taxes receivable	4,226,787	4,241,640
Less allowance for uncollectible taxes	(953,020)	(1,033,622)
Net taxes receivable	3,273,767	3,208,018
Accounts and other taxes receivable	42,228,592	38,562,771
Less allowance for doubtful accounts	(25,087,936)	(20,623,963)
Net accounts receivable	17,140,656	17,938,808
Inventories, at cost	1,147,111	1,465,195
Prepaid items and other assets	190,756	3,751
<b>Total assets</b>	<b>51,326,111</b>	<b>48,245,599</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	3,688,038	3,460,550
Accrued payroll	9,497,302	7,229,821
Accrued compensated absences	2,383,227	1,579,673
Due to other funds	39,933	--
Deferred revenue	3,390,788	3,186,232
Performance, escrow and other deposits	1,236,186	1,322,737
<b>Total liabilities</b>	<b>20,235,474</b>	<b>16,779,013</b>
Fund balances:		
Reserved for encumbrances	6,669,497	6,068,752
Reserved for inventories and prepaid items	1,338,512	1,468,946
Unreserved:		
Designated for emergency reserve	12,475,984	12,189,927
Designated for contingency reserve	202,729	832,175
Undesignated	10,403,915	10,906,786
<b>Total fund balances</b>	<b>31,090,637</b>	<b>31,466,586</b>
<b>Total liabilities and fund balances</b>	<b>\$ 51,326,111</b>	<b>48,245,599</b>

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL-BUDGET BASIS**  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

**CITY OF AUSTIN, TEXAS**  
**Exhibit B-2**

	1996			1995		
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis
<b>REVENUES</b>						
Taxes	\$ 160,405,219	--	160,405,219	159,312,377	1,092,842	148,888,824
Franchise fees	13,337,896	--	13,337,896	12,661,000	676,896	12,183,178
Fines, forfeitures and penalties	12,159,358	--	12,159,358	11,976,662	182,696	10,966,311
Licenses, permits and inspections	14,311,481	--	14,311,481	13,245,496	1,065,985	13,074,490
Charges for services/goods	8,174,721	--	8,174,721	7,412,840	761,881	8,021,247
Interest and other	6,015,253	--	6,015,253	5,003,397	1,011,856	6,086,132
<b>Total revenues</b>	<b>214,403,928</b>	<b>--</b>	<b>214,403,928</b>	<b>209,611,772</b>	<b>4,792,156</b>	<b>199,220,182</b>
<b>EXPENDITURES</b>						
Administration	6,299,068	(31,630)	6,267,438	6,211,510	(55,926)	5,415,292
Urban growth management	10,567,446	160,511	10,727,957	11,437,108	709,151	11,050,096
Public safety	141,140,763	(2,693,093)	138,447,670	139,574,339	1,126,669	131,744,119
Public services and utilities	1,903,772	4,136	11,907,908	12,004,736	96,828	15,306,381
Public health:						
Physician stipend/charity care	10,252,148	--	10,252,148	10,202,965	30,817	4,830,040
Medical Assistance Program--hospital contracted services/patient services	6,471,999	--	6,471,999	6,744,079	272,080	6,700,000
Other public health	26,923,135	1,478,435	28,401,570	29,004,717	603,147	28,920,529
Public recreation and culture	30,092,171	(211,281)	29,880,890	29,919,128	38,238	29,780,832
Social services management	7,285,563	6,449	7,292,012	7,292,695	683	7,334,218
Nondepartmental expenditures (2)	31,836,942	(24,886,362)	6,950,580	7,434,543	483,963	7,682,857
<b>Total expenditures</b>	<b>282,773,007</b>	<b>(26,172,835)</b>	<b>256,600,172</b>	<b>259,905,820</b>	<b>3,305,648</b>	<b>248,764,364</b>
Excess (deficiency) of revenues over expenditures	(68,369,079)	26,172,835	(42,196,244)	(50,294,048)	8,097,804	(49,544,182)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	73,925,240	--	73,925,240	73,925,240	--	71,513,929
Operating transfers out	(5,932,110)	(25,467,935)	(31,400,045)	(31,553,163)	153,118	(26,680,744)
<b>Total other financing sources (uses)</b>	<b>67,993,130</b>	<b>(25,467,935)</b>	<b>42,525,195</b>	<b>42,372,077</b>	<b>153,118</b>	<b>44,830,185</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(375,949)	704,900	328,951	(7,921,971)	8,250,922	(4,913,997)
Fund balances at beginning of year	31,466,586	860,719	32,327,305	15,314,953	17,012,352	37,241,302
<b>Fund balances at end of year</b>	<b>\$ 31,090,637</b>	<b>1,565,619</b>	<b>32,656,256</b>	<b>7,392,982</b>	<b>25,263,274</b>	<b>32,327,305</b>

(1) Includes adjustments for 1996 encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences, and amounts budgeted as operating transfers.

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

GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL-BUDGET BASIS  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

CITY OF AUSTIN, TEXAS  
Exhibit B-3

	1996				1995
	Actual	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis
<b>Taxes</b>					
Property taxes:					
Current	\$ 73,426,017	73,426,017	72,792,377	633,640	65,095,013
Delinquent	558,454	558,454	722,000	(163,546)	728,248
Penalty and interest	456,982	456,982	436,000	20,982	429,499
Sales taxes	83,681,314	83,681,314	83,234,000	447,314	80,174,693
Other taxes	2,282,452	2,282,452	2,128,000	154,452	2,161,371
Total taxes	160,405,219	160,405,219	159,312,377	1,092,842	148,888,824
<b>Franchise fees</b>	13,337,896	13,337,896	12,661,000	676,896	12,183,178
<b>Fines, forfeitures and penalties</b>					
Library fines	330,905	330,905	300,000	30,905	362,329
Traffic fines	5,280,962	5,280,962	5,123,543	157,419	4,521,025
Parking violations	2,862,334	2,862,334	3,176,181	(313,847)	2,796,013
Weights and measures	156,418	156,418	67,200	89,218	113,429
Other	3,528,739	3,528,739	3,309,738	219,001	3,173,515
Total fines, forfeitures and penalties	12,159,358	12,159,358	11,976,662	182,696	10,966,311
<b>Licenses, permits and inspections</b>					
Parking meters	1,686,918	1,686,918	1,679,754	7,164	1,699,626
Alarm permits	618,896	618,896	547,360	71,536	472,419
Commercial solid waste	487,874	487,874	475,000	12,874	464,298
Public health	606,851	606,851	674,859	(68,008)	577,240
Development	3,277,336	3,277,336	3,154,860	122,476	3,423,382
Building safety	7,171,187	7,171,187	6,291,840	879,347	6,004,847
Beer and wine permits	201,293	201,293	181,000	20,293	175,481
Other	261,126	261,126	240,823	20,303	257,197
Total licenses, permits and inspections	14,311,481	14,311,481	13,245,406	1,065,985	13,074,490
<b>Charges for services/goods</b>					
Recreation and culture	1,745,297	1,745,297	1,657,626	87,671	1,451,752
Public health	859,219	859,219	848,094	11,125	1,385,586
Emergency medical services	5,068,866	5,068,866	4,478,342	590,524	4,412,138
General government	501,339	501,339	428,778	72,561	771,771
Total charges for services/goods	8,174,721	8,174,721	7,412,840	761,881	8,021,247
<b>Interest and other</b>					
Interest	4,180,708	4,180,708	3,866,781	313,927	3,906,132
Rental income	520,232	520,232	455,582	64,650	587,324
Sale of property	371,983	371,983	340,000	31,983	426,437
Other	942,330	942,330	341,034	601,296	1,166,239
Total interest and other	6,015,253	6,015,253	5,003,397	1,011,856	6,086,132
<b>Total revenues</b>	\$ 214,403,928	214,403,928	209,611,772	4,792,156	199,220,182



**GENERAL FUND  
SCHEDULE OF EXPENDITURES -  
BUDGET AND ACTUAL-BUDGET BASIS**

**CITY OF AUSTIN, TEXAS  
Exhibit B-4**

**Year ended September 30, 1996**

**With comparative totals for year ended September 30, 1995**

	1996				1995	
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis
<b>Administration</b>						
Municipal Court:						
Salaries and fringe benefits	\$ 4,974,582	(44,463)	4,930,119	4,816,085	(114,034)	4,405,915
Contractual services	941,666	17,655	959,321	985,973	26,652	737,563
Commodities	159,286	564	159,850	131,152	(28,698)	155,278
Expense refunds	(29,813)	--	(29,813)	(3,000)	26,813	(2,615)
Capital outlay	253,347	(5,386)	247,961	281,300	33,339	119,151
<b>Total administration</b>	<b>6,299,068</b>	<b>(31,630)</b>	<b>6,267,437</b>	<b>6,211,510</b>	<b>(55,928)</b>	<b>5,415,292</b>
<b>Urban growth management</b>						
Planning:						
Salaries and fringe benefits	9,288,727	(167,447)	9,121,280	9,509,991	388,711	10,241,697
Contractual services	1,578,446	176,466	1,754,912	1,712,429	(42,483)	1,657,706
Commodities	231,796	27,167	258,963	497,062	238,099	416,014
Expense refunds	(900,405)	--	(900,405)	(894,562)	5,843	(1,562,021)
Capital outlay	368,882	124,325	493,207	612,188	118,981	296,500
<b>Total urban growth management</b>	<b>10,567,446</b>	<b>160,511</b>	<b>10,727,957</b>	<b>11,437,108</b>	<b>709,151</b>	<b>11,050,096</b>
<b>Public safety</b>						
Police:						
Salaries and fringe benefits	67,783,969	(439,487)	67,344,482	67,708,169	363,687	64,785,766
Contractual services	9,881,991	(150,196)	9,731,795	8,882,686	(848,809)	7,704,580
Commodities	1,165,090	47,252	1,212,342	1,380,426	168,084	1,426,257
Expense refunds	(2,784,721)	--	(2,784,721)	(1,668,833)	1,115,888	(1,808,772)
Capital outlay	811,882	33,693	845,575	378,850	(466,725)	882,954
	<b>76,858,211</b>	<b>(509,038)</b>	<b>76,349,173</b>	<b>76,687,298</b>	<b>332,125</b>	<b>72,990,785</b>
Fire:						
Salaries and fringe benefits	48,945,462	(2,071,299)	46,874,163	47,495,310	621,147	45,072,875
Contractual services	4,094,662	(19,224)	4,075,438	3,981,013	(94,425)	3,049,215
Commodities	1,694,765	86,747	1,781,512	1,662,716	(118,796)	1,491,266
Indirect cost	57,889	--	57,889	72,138	14,249	55,606
Expense refunds	(2,390,705)	--	(2,390,705)	(2,432,986)	(42,281)	(2,312,943)
Capital outlay	244,809	(67,987)	176,822	166,769	(10,053)	231,579
	<b>52,646,882</b>	<b>(2,071,763)</b>	<b>50,575,119</b>	<b>50,944,960</b>	<b>369,841</b>	<b>47,587,598</b>
Emergency Medical Services:						
Salaries and fringe benefits	9,019,735	30,416	9,050,151	9,329,222	279,071	8,944,995
Contractual services	1,309,596	(181)	1,309,415	1,397,866	(1,549)	1,056,021
Commodities	756,388	34,273	790,661	684,292	(106,369)	865,664
Expense refunds	(357,384)	--	(357,384)	--	357,384	(153,612)
Capital outlay	817,335	(176,800)	640,535	536,701	(103,834)	452,768
	<b>11,635,670</b>	<b>(112,292)</b>	<b>11,523,378</b>	<b>11,948,081</b>	<b>424,703</b>	<b>11,165,736</b>
<b>Total public safety</b>	<b>\$ 141,140,763</b>	<b>(2,693,033)</b>	<b>138,447,670</b>	<b>139,574,339</b>	<b>1,126,669</b>	<b>131,744,119</b>

(1) Includes adjustments for 1996 encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences and amounts budgeted as operating transfers.

(continued)

GENERAL FUND  
SCHEDULE OF EXPENDITURES -  
BUDGET AND ACTUAL-BUDGET BASIS

CITY OF AUSTIN, TEXAS  
Exhibit B-4  
(Continued)

Year ended September 30, 1996

With comparative totals for year ended September 30, 1995

	1996			Variance-		1995
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Favorable (Unfavorable)	Actual- Budget Basis
<b>Public services and utilities</b>						
Transportation and Public Services:						
Salaries and fringe benefits	\$ 1,207,491	(80,209)	14,127,262	14,476,292	349,010	17,135,129
Contractual services	2,811,537	18,853	2,996,390	3,067,013	70,623	4,811,678
Commodities	849,324	(19,973)	829,351	999,628	170,277	1,282,444
Indirect cost	4,579,911	--	4,579,911	5,045,813	465,962	4,994,592
Expense refunds	(15,181,489)	--	(15,181,489)	(16,146,251)	(966,762)	(17,823,566)
Capital outlay	238,842	(80,535)	158,307	164,181	5,874	506,104
Street lighting	4,398,156	--	4,398,156	4,400,000	1,844	4,400,000
<b>Total public services and utilities</b>	<b>11,903,772</b>	<b>4,136</b>	<b>11,907,908</b>	<b>12,004,736</b>	<b>96,828</b>	<b>15,306,381</b>
<b>Public health</b>						
Physician stipend/charity care	10,252,148	--	10,252,148	10,282,365	30,817	4,830,040
Medical Assistance Program -- hospital contracted services/ patient services	6,471,999	--	6,471,999	6,744,079	272,080	6,700,000
<b>Other public health:</b>						
Public health and Medical Assistance Program excluding patient services:						
Salaries and fringe benefits	15,516,590	(203,667)	15,312,923	15,327,514	14,591	16,814,199
Contractual services	20,452,855	1,612,128	22,064,983	22,822,611	757,628	15,423,978
Commodities	896,937	30,297	927,234	762,655	(164,579)	1,102,642
Expense refunds	(10,071,424)	--	(10,071,424)	(9,963,824)	107,600	(4,585,501)
Capital outlay	128,177	39,677	167,854	55,761	(112,093)	165,211
Other public health	26,923,135	1,478,435	28,401,570	29,004,717	603,147	28,920,529
<b>Total public health</b>	<b>\$ 43,647,282</b>	<b>1,478,435</b>	<b>45,125,717</b>	<b>46,031,761</b>	<b>906,044</b>	<b>40,450,569</b>

(continued)

**GENERAL FUND  
SCHEDULE OF EXPENDITURES -  
BUDGET AND ACTUAL-BUDGET BASIS  
Year ended September 30, 1996**

**CITY OF AUSTIN, TEXAS  
Exhibit B-4  
(Continued)**

**With comparative totals for year ended September 30, 1995**

			1996		Variance-	1995
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Favorable (Unfavorable)	Actual- Budget Basis
<b>Public recreation and culture</b>						
Parks and Recreation:						
Salaries and fringe benefits	\$ 14,883,795	(45,590)	14,838,205	15,221,580	383,375	14,781,787
Contractual services	5,100,231	(183,138)	4,917,093	4,406,711	(510,382)	5,564,763
Commodities	1,925,457	94,942	2,020,399	1,577,307	(443,092)	1,642,035
Indirect cost	208,162	--	208,162	242,262	34,100	151,365
Expense refunds	(2,840,524)	--	(2,840,524)	(2,298,965)	541,559	(3,011,356)
Capital outlay	133,991	1,022	135,013	141,003	5,990	200,484
	19,411,112	(132,764)	19,278,348	19,289,898	11,550	19,329,078
Libraries:						
Salaries and fringe benefits	7,654,513	(58,132)	7,596,381	7,676,453	80,072	7,903,377
Contractual services	1,690,155	(10,081)	1,680,074	1,708,930	28,856	1,685,043
Commodities	1,416,816	(11,272)	1,405,544	1,345,872	(59,672)	1,360,468
Indirect cost	--	--	--	--	--	482
Expense refunds	(237,117)	--	(237,117)	(225,967)	11,150	(516,227)
Capital outlay	156,692	968	157,660	123,942	(33,718)	18,611
	10,681,059	(78,517)	10,602,542	10,629,230	26,688	10,451,754
<b>Total public recreation and culture</b>	30,092,171	(211,281)	29,880,890	29,919,128	38,238	29,780,832
<b>Social services management</b>	7,285,563	6,449	7,292,012	7,292,695	683	7,334,218
<b>Nondepartmental expenditures (2)</b>	31,836,942	(24,896,362)	6,950,580	7,434,543	483,963	7,682,857
<b>Total expenditures</b>	282,773,007	(26,172,835)	256,600,172	259,905,820	3,305,648	248,764,364
<b>General fund expenditures by cost category</b>						
Salaries	192,274,864	(3,079,878)	189,194,986	191,560,616	2,365,630	190,085,840
Contractuals	64,675,286	1,627,982	66,303,268	65,992,276	(310,992)	53,220,587
Commodities	9,095,859	289,997	9,385,856	9,041,110	(344,746)	9,742,068
Indirect cost	4,845,962	--	4,845,962	5,360,273	514,311	5,202,045
Expense refunds	(34,793,582)	--	(34,793,582)	(33,636,388)	1,157,194	(31,776,613)
Capital outlay	3,153,957	(131,023)	3,022,934	2,460,695	(562,239)	2,873,362
Street lighting	4,398,156	--	4,398,156	4,400,000	1,844	4,400,000
Social services management	7,285,563	6,449	7,292,012	7,292,695	683	7,334,218
Nondepartmental expenditures	31,836,942	(24,896,362)	6,950,580	7,434,543	483,963	7,682,857
<b>Total expenditures</b>	\$ 282,773,007	(26,172,835)	256,600,172	259,905,820	3,305,648	248,764,364

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

GENERAL FUND  
SCHEDULE OF TRANSFERS -  
BUDGET AND ACTUAL-BUDGET BASIS

CITY OF AUSTIN, TEXAS  
Exhibit B-5

Year ended September 30, 1996

With comparative totals for year ended September 30, 1995

	1996			Variance- Favorable (Unfavorable)	1995 Actual- Budget Basis
	Actual	Adjustments (1)	Actual- Budget Basis		
Operating transfers in					
Special revenue funds:					
Balcones Canyonlands Conservation Plan	\$ 275,036	--	275,036	--	203,248
Enterprise funds:					
Electric	59,936,700	--	59,936,700	--	57,936,700
Water and Wastewater	13,646,139	--	13,646,139	--	13,173,981
Parks and Recreation	50,000	--	50,000	--	--
Trust and agency funds:					
Miscellaneous Expendable Trust	17,365	--	17,365	--	--
<b>Total operating transfers in</b>	<b>73,925,240</b>	<b>--</b>	<b>73,925,240</b>	<b>--</b>	<b>71,313,929</b>
Operating transfers out					
Social revenue funds:					
Austin Convention and Visitors Bureau	121,730	--	121,730	--	--
Balcones Canyonlands Conservation Plan	131,000	--	131,000	--	161,000
Environmental Conservation Services	429,011	--	429,011	153,118	455,330
Neighborhood Housing and Conservation	970,231	--	970,231	--	--
Plus One Program	160,000	--	160,000	--	160,000
Capital project funds	3,938,538	--	3,938,538	--	2,756,469
Enterprise funds:					
Hospital	--	--	--	--	5,600,000
Solid Waste Services	181,600	--	181,600	--	162,010
Internal service funds:					
Fleet Maintenance	--	6,614,235	6,614,235	--	2,367,739
Support Services	--	14,669,560	14,669,560	--	11,149,223
Information Systems	--	4,184,140	4,184,140	--	3,871,973
<b>Total operating transfers out</b>	<b>5,932,110</b>	<b>25,467,935</b>	<b>31,400,045</b>	<b>153,118</b>	<b>26,883,744</b>
<b>Net transfers</b>	<b>\$ 67,993,130</b>	<b>(25,467,935)</b>	<b>42,525,195</b>	<b>153,118</b>	<b>44,630,185</b>

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





## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. Included in the special revenue funds are:

- Federal grants funds;
- State grants funds;
- Other special revenue grants funds;
- Other special revenue funds - see next page for descriptions of the individual funds;
- Housing Assistance Fund - accounts for administrative costs and financing ownership and development and providing housing.

## Other Special Revenue Funds

*Austin Convention and Visitors Bureau* - Accounts for the promotion of tourism in Austin as both a leisure and business destination. Funded by a portion of bed tax receipts.

*Austin Industrial Development Corporation Fund (AIDC)* - Accounts for the administrative costs related to the Corporation.

*Austin Inner City Redevelopment Corporation* - Accounts for the activity of this entity.

*Austin Transportation Study Fund* - Accounts for a transportation study regarding the Austin metropolitan roadways, bicycle areas, and pedestrian walkways.

*Aviation Asset Forfeiture Fund* - Accounts for the redistribution of proceeds generated by airport police enforcement activities.

*Balcones Canyonlands Conservation Plan (BCCP)* - Accounts for the City's and county's management of preserve systems.

*Barbara Jordan Memorial Fund* - Accounts for donations for a future memorial.

*Cable TV Fund* - Payments from the Austin Cablevision Company and disbursement to Austin Access Television.

*Campaign Financing Fund* - Accounts for donations and fees for the Austin Fair Campaign Ordinance.

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

*Disproportionate Share Fund* - Used to purchase medical equipment and fund structural changes for the clinic system of the Austin/Travis County Health Department in order to serve indigent patients.

*Economic Development Fund* - Used for economic development programs.

*Energy Conservation Rebates and Incentives Fund* - Used for energy loans and rebates/incentives to customers; funded primarily by Electric Fund.

*Environmental Conservation Services Fund* - Accounts for energy and water conservation services and environmental protection activities; funding provided by transfers from General, Electric, Water and Wastewater and other funds.

*Environmental Remediation* - Accounts for remediation of sites which affect ground and surface water quality or public health and safety for which the City has either partial or total liability.

*Federally Qualified Health Center* - Accounts for services provided to Medical Assistance Program (MAP) and non-MAP clients at the City's Health Department.

*FEMA Flood Disaster Fund* - Accounts for costs related to repairs for damage done to City property by the 1991 flood.

*Fire Miscellaneous* - Accounts for contributions specified purposes and for "The Firehouse," a public safety awareness exhibit which is transported to different sites throughout Austin.

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

*Friends of East Austin Youth Fund* - Accounts for donations from the Friends of East Austin Youth Golf Tournament to fund programs benefiting the youth of East Austin.

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

*Hotel-Motel Occupancy Tax Fund* - Accounts for hotel/motel occupancy tax revenues and transfers of these revenues to participating funds.

*Housing Miscellaneous Fund* - Accounts for donations to the Housing program to be used for specified purposes.

*Leveraged Loan Pool Fund* - Used to leverage private capital and state or federal resources to stimulate business investments.

*Library City Literacy Program Fund* - Accounts for fundraising efforts to help fund the City's Workplace Literacy Program.

*Music Channel Fund* - Established as a pilot program with Austin Music Channel Company to manage and promote Austin as "The Live Music Capital of the World."

*Neighborhood Housing and Conservation Office* - Established in 1996 to lead economic development, affordable housing, and neighborhood revitalization efforts.

*PARD Cultural Projects Fund* - Records activities for cultural project purposes.

*Police Drug Education Fund* - Provides drug education activities by the Austin Police Department.

*Police Federal Seized Funds Fund* - Records all federal seized funds generated by police enforcement activities per State Code of Criminal Procedures (Chapter 59).

*Police Seized Money Fund* - Accounts for the redistribution of proceeds generated by police enforcement activities.

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

*Railroad Right of Way Fund* - Accounts for management of the Austin and Northwestern Railroad right of way.

*RMD Conservation Fund* - Amounts contributed by the Electric Fund to be used for energy loans and rebates/incentives.

*RMD Loan Fund* - Accounts for energy loans to customers.

*Subdivision Participation Fund* - Escrow account for funds received from contractors for construction and installation of streets, sidewalks, drainage facilities, etc.

*Voluntary Utility Assistance Fund* - Contributions for the benefit of indigent utility customers.





**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET**

September 30, 1996

With comparative totals for September 30, 1995

**CITY OF AUSTIN, TEXAS**

**Exhibit C-1**

	Federal Grants	State Grants	Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Totals	
						1996	1995
<b>ASSETS</b>							
Cash	\$ --	--	--	11,150	178,986	190,136	1,45,962
Pooled investments and cash	2,318,603	309,234	89,871	32,674,562	--	35,392,270	28,584,003
Investments, at amortized cost	--	--	--	--	4,320,322	4,320,322	5,108,768
Accounts receivable, net	--	--	--	1,513,587	165,196	1,678,783	2,604,597
Notes receivable, net	--	--	--	--	1,411,403	1,411,403	2,125,324
Receivables from other governments	7,816,195	1,321,374	174,588	--	--	9,312,157	9,215,315
Due from other funds	--	--	--	7,235,527	--	7,235,527	6,545,324
Real property held for resale	--	--	--	--	5,010,198	5,010,198	3,553,918
Other assets	91,610	--	--	5,489	35,795	132,894	183,527
<b>Total assets</b>	<b>10,226,408</b>	<b>1,630,608</b>	<b>264,459</b>	<b>41,440,315</b>	<b>11,121,900</b>	<b>64,683,690</b>	<b>58,167,738</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	1,844,900	257,994	4,032	2,056,945	203,382	4,367,253	4,334,773
Accrued payroll	--	--	--	926,425	--	926,425	850,090
Accrued compensated absences	--	--	--	237,207	--	237,207	88,130
Due to other funds	5,430,416	1,038,190	170,758	394,423	--	7,033,789	6,546,324
Deposits and other liabilities	2,951,090	334,424	89,669	27,705,016	2,378,988	33,459,187	28,201,335
<b>Total liabilities</b>	<b>10,226,408</b>	<b>1,630,608</b>	<b>264,459</b>	<b>31,320,016</b>	<b>2,582,370</b>	<b>46,023,861</b>	<b>40,020,652</b>
Fund balances:							
Reserved for encumbrances	--	--	--	3,715,640	--	3,715,640	2,908,838
Reserved for notes receivable	--	--	--	--	1,411,403	1,411,403	2,125,324
Reserved for real property held for resale	--	--	--	--	5,010,198	5,010,198	3,553,918
Unreserved, designated for future use	--	--	--	6,404,659	2,117,929	8,522,588	9,559,006
<b>Total fund balances</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10,120,299</b>	<b>8,539,530</b>	<b>18,659,829</b>	<b>18,147,086</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,226,408</b>	<b>1,630,608</b>	<b>264,459</b>	<b>41,440,315</b>	<b>11,121,900</b>	<b>64,683,690</b>	<b>58,167,738</b>

**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

**CITY OF AUSTIN, TEXAS**  
**Exhibit C-2**

	Federal Grants	State Grants	Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Totals	
						1996	1995
<b>REVENUES</b>							
Intergovernmental:							
Grants	\$ 30,427,387	4,017,806	934,312	--	--	35,379,505	30,518,965
Other:							
Interest and other	--	--	--	40,814,514	1,524,492	42,339,006	56,912,024
Total revenues	30,427,387	4,017,806	934,312	40,814,514	1,524,492	77,718,511	87,430,989
<b>EXPENDITURES</b>							
Administration	--	--	--	44,668,223	--	44,668,223	46,813,792
Special projects	30,427,387	4,017,806	934,312	--	2,246,448	37,625,953	31,230,813
Total expenditures	30,427,387	4,017,806	934,312	44,668,223	2,246,448	82,294,176	78,044,605
Excess (deficiency) of revenues over expenditures	--	--	--	(3,853,709)	(721,956)	(4,575,665)	9,386,384
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	--	--	--	22,420,512	--	22,420,512	9,913,524
Operating transfers out	--	--	--	(17,332,104)	--	(17,332,104)	(17,069,409)
Total other financing sources (uses)	--	--	--	5,088,408	--	5,088,408	(7,155,885)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	--	--	1,234,699	(721,956)	512,743	2,230,499
Fund balances at beginning of year	--	--	--	8,885,600	9,261,486	18,147,086	15,916,587
Fund balances at end of year	\$ --	--	--	10,120,299	8,539,530	18,659,829	18,147,086

**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET - ALL SPECIAL REVENUE GRANTS**  
September 30, 1996  
With comparative totals for September 30, 1995

**CITY OF AUSTIN, TEXAS**  
**Exhibit C-3**

	Assets				Liabilities and Fund Balances					Total Liabilities and Fund Balances
	Pooled Investments and Cash	Receivables from Other Governments	Other Assets	Total Assets	Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Fund Balances	
<b>FEDERAL GRANTS</b>										
U.S. Department of Agriculture	\$ --	458,483	--	458,483	32,741	425,742	--	458,483	--	458,483
U.S. Department of Education	--	230,378	--	230,378	16,941	213,437	--	230,378	--	230,378
Equal Employment Opportunity Commission	--	113,873	--	113,873	--	113,873	--	113,873	--	113,873
U.S. Department of Justice	5,395	508,769	--	514,164	19,118	495,046	--	514,164	--	514,164
U.S. Department of Labor	1,448	--	--	1,448	160	--	1,288	1,448	--	1,448
U.S. Environmental Protection Agency	100,081	4,415	--	104,496	6,007	4,415	94,074	104,496	--	104,496
U.S. Department of Transportation	--	190,469	--	190,469	--	190,469	--	190,469	--	190,469
U.S. Federal Emergency Management Agency	350	62,181	--	62,531	500	56,982	--	62,531	--	62,531
U.S. Health & Human Services	141,805	2,931,212	13,816	3,086,833	1,185,032	1,766,581	135,220	3,086,833	--	3,086,833
U.S. Housing/Urban Development	1,660,724	3,225,702	77,794	4,964,220	503,597	2,073,160	2,387,463	4,964,220	--	4,964,220
U.S. National Foundation on the Arts and Humanities	33,565	--	--	33,565	2,335	--	31,230	33,565	--	33,565
U.S. Department of Veterans Affairs	375,235	--	--	375,235	73,420	--	301,815	375,235	--	375,235
U.S. Department of Interior	--	90,713	--	90,713	--	90,713	--	90,713	--	90,713
<b>Total Federal Grants</b>	<b>2,318,603</b>	<b>7,816,195</b>	<b>91,610</b>	<b>10,226,408</b>	<b>1,844,900</b>	<b>5,430,418</b>	<b>2,951,090</b>	<b>10,226,408</b>	<b>--</b>	<b>10,226,408</b>

(continued)

SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET - ALL SPECIAL REVENUE GRANTS  
 September 30, 1996  
 With comparative totals for September 30, 1995

CITY OF AUSTIN, TEXAS  
 Exhibit C-3  
 (Continued)

	Assets				Liabilities and Fund Balances					Total Liabilities and Fund Balances
	Pooled Investments and Cash	Receivables from Other Governments	Other Assets	Total Assets	Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Fund Balances	
<b>STATE GRANTS</b>										
Texas Governor's Office Criminal Justice Division	--	240,927	--	240,927	67,914	169,313	3,700	240,927	--	240,927
Texas Health Department	41,016	345,248	--	386,264	75,573	239,878	70,813	306,264	--	386,264
Texas State Library	--	141,904	--	141,904	9,998	131,906	--	141,904	--	141,904
Texas Parks and Wildlife	--	156,632	--	156,632	--	156,632	--	156,632	--	156,632
Texas Water Commission	--	2,926	--	2,926	--	2,926	--	2,926	--	2,926
Texas Comptroller of Public Accounts	10,227	--	--	10,227	143	--	10,084	10,227	--	10,227
Texas Forest Service	--	2,325	--	2,325	--	2,325	--	2,325	--	2,325
Texas Youth Commission	--	1,743	--	1,743	--	1,743	--	1,743	--	1,743
Texas Alternative Fuels Council	--	--	--	--	--	--	--	--	--	--
Texas Employment Commission	--	2,947	--	2,947	76	2,871	--	2,947	--	2,947
Texas Department of Human Services	257,991	--	--	257,991	8,164	--	249,827	257,991	--	257,991
Texas Department of Protective and Regulatory Affairs	--	327,831	--	327,831	96,076	231,755	--	327,831	--	327,831
Texas Department of Transportation	--	98,891	--	98,891	50	98,841	--	98,891	--	98,891
Texas Historical Commission	--	--	--	--	--	--	--	--	--	--
Texas State Energy Conservation	--	--	--	--	--	--	--	--	--	--
Texas Natural Resource Conservation Commission	--	--	--	--	--	--	--	--	--	--
Texas Water Development Board	--	--	--	--	--	--	--	--	--	--
<b>Total State Grants</b>	<b>309,234</b>	<b>1,321,374</b>	<b>--</b>	<b>1,630,608</b>	<b>257,994</b>	<b>1,038,190</b>	<b>334,424</b>	<b>1,630,608</b>	<b>--</b>	<b>1,630,608</b>
<b>OTHER SPECIAL REVENUE GRANTS</b>	<b>89,871</b>	<b>174,588</b>	<b>--</b>	<b>264,459</b>	<b>4,032</b>	<b>170,758</b>	<b>89,669</b>	<b>264,459</b>	<b>--</b>	<b>264,459</b>
<b>Total All Grants</b>	<b>2,717,708</b>	<b>9,312,157</b>	<b>91,610</b>	<b>12,121,475</b>	<b>2,106,926</b>	<b>6,639,366</b>	<b>3,375,183</b>	<b>12,121,475</b>	<b>--</b>	<b>12,121,475</b>
<b>1995 Total</b>	<b>\$ 965,589</b>	<b>9,215,315</b>	<b>156,038</b>	<b>10,336,942</b>	<b>1,755,516</b>	<b>6,113,668</b>	<b>2,467,758</b>	<b>10,336,942</b>	<b>--</b>	<b>10,336,942</b>



## SPECIAL REVENUE FUNDS

## COMBINING SCHEDULE OF EXPENDITURES - ALL SPECIAL REVENUE GRANTS

From Inception to September 30, 1996

CITY OF AUSTIN, TEXAS

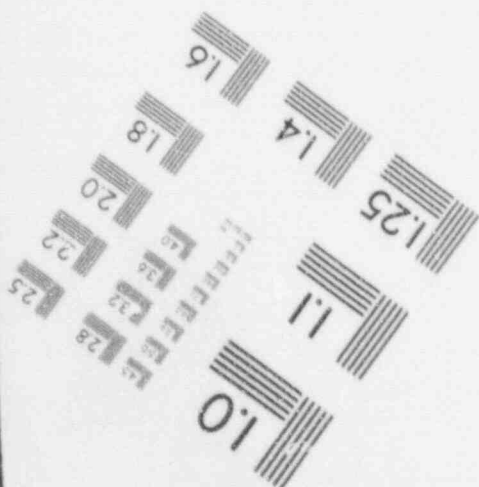
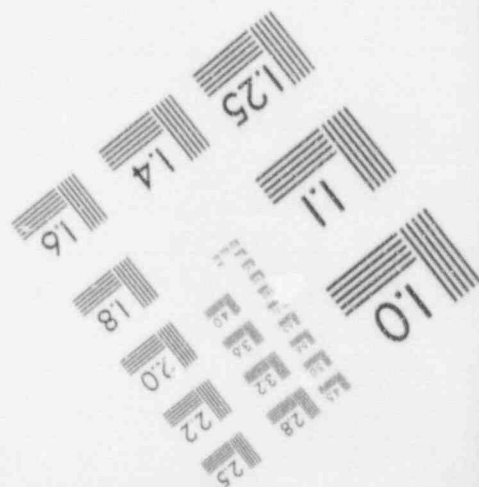
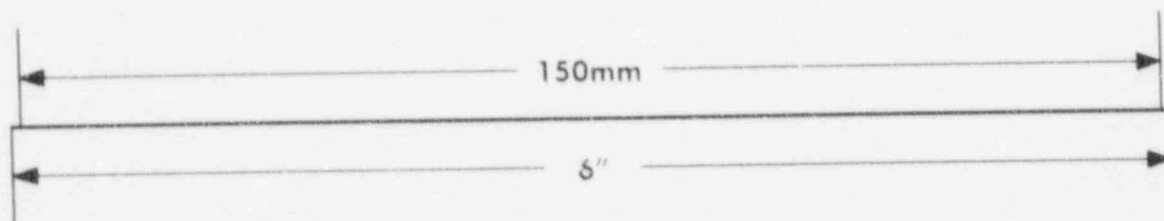
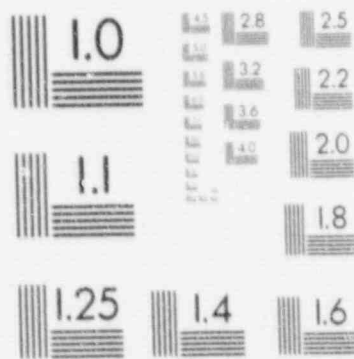
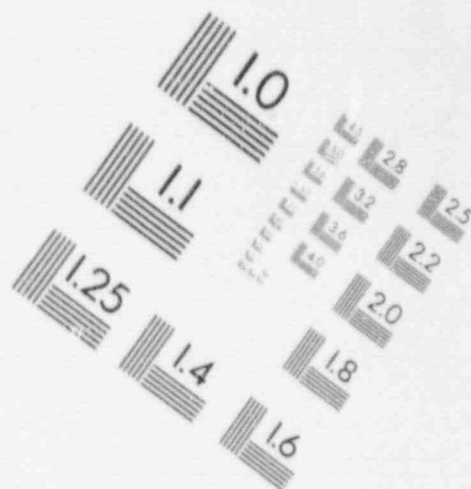
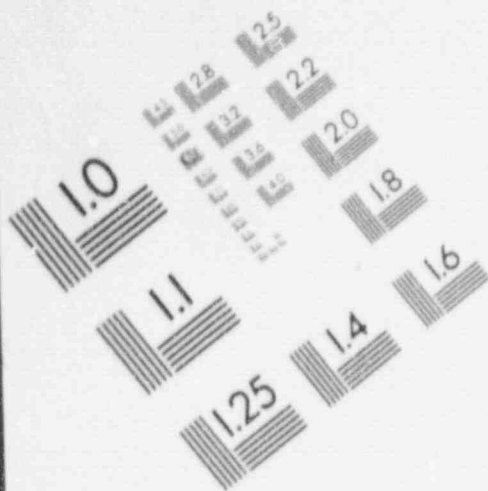
Exhibit C-4

	Total Expenditures at September 30, 1995			Current Year		Total Expenditures at September 30, 1996			Budget		
	Grant	In-Kind Match	Total	Grant	In-Kind Match	Grant	In-Kind Match	Total	Grant	In-Kind Match	Total
<b>FEDERAL GRANTS</b>											
U.S. Department of Agriculture	\$ 3,950,083	407,193	4,357,276	3,066,869	(382,425)	7,016,952	24,768	7,041,720	7,346,581	--	7,346,581
U.S. Department of Education	605,502	88	605,590	621,986	425	1,227,488	513	1,228,001	1,788,046	--	1,788,046
Equal Employment Opportunity Commission	204,137	--	204,137	207,923	--	412,060	--	412,060	412,250	--	412,250
U.S. Department of Justice	1,072,537	643,199	1,715,736	1,671,594	890,525	2,744,131	1,533,724	4,277,855	6,722,333	3,042,482	9,764,815
U.S. Department of Labor	303,685	79,884	383,569	222,062	55,714	525,747	135,598	661,345	768,077	165,536	933,613
U.S. Environmental Protection Agency	295,905	318,430	614,335	121,431	46,452	417,336	364,882	782,218	667,831	340,000	1,007,831
U.S. Department of Transportation	324,831	129,270	454,101	267,372	154,781	592,203	284,051	876,254	853,858	290,850	1,144,708
U.S. Federal Emergency Management	487,367	285,182	772,549	124,362	124,362	611,729	409,544	1,021,273	894,341	478,096	1,372,437
U.S. Health & Human Services	12,247,843	1,035,069	13,282,912	14,095,943	956,108	26,343,786	1,991,177	28,334,963	41,731,820	1,638,763	43,370,583
U.S. Housing/Urban Development	41,819,567	635,757	42,455,324	9,728,354	29,231	51,547,921	664,988	52,212,909	72,652,539	700,000	73,352,539
U.S. National Foundation on the Arts and Humanities	160,704	--	160,704	85,508	14,684	246,212	14,684	260,896	442,218	98,208	540,426
U.S. Department of Veterans Affairs	86,831	--	86,831	123,270	--	210,101	--	210,101	196,656	--	496,656
U.S. Department of Interior	--	--	--	90,713	10,079	90,713	10,079	100,792	267,000	67,000	334,000
<b>Total Federal Grants</b>	<b>61,558,992</b>	<b>3,534,072</b>	<b>65,093,064</b>	<b>30,427,387</b>	<b>1,899,936</b>	<b>91,986,379</b>	<b>5,434,008</b>	<b>97,420,387</b>	<b>135,043,550</b>	<b>6,820,935</b>	<b>141,864,485</b>

(continued)

# 2

## IMAGE EVALUATION TEST TARGET (MT-3)



PHOTOGRAPHIC SCIENCES CORPORATION  
770 BASKET ROAD  
P.O. BOX 338  
WEBSTER, NEW YORK 14580  
(716) 265-1600

**SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF EXPENDITURES - ALL SPECIAL REVENUE GRANTS**  
**From Inception to September 30, 1996**

**CITY OF AUSTIN, TEXAS**  
**Exhibit C-3**  
**(Continued)**

	Total Expenditures at September 30, 1995			Current Year		Total Expenditures at September 30, 1996			Budget		
	Grant	In-Kind	Total	Grant	In-Kind	Grant	In-Kind	Total	Grant	In-Kind	Total
		Match			Match		Match			Match	
STATE GRANTS											
Texas Governor's Office Criminal Justice Division	502,540	19,370	522,510	898,382	2,854	1,400,922	22,824	1,423,746	2,002,690	52,335	2,055,025
Texas Health Department	2,157,116	3,995	2,161,111	1,928,774	--	4,085,890	3,995	4,089,885	5,946,281	--	5,946,281
Texas State Library	424,638	--	424,838	389,362	--	814,200	--	814,200	1,254,672	--	1,254,672
Texas Parks and Wildlife	1,456,531	1,456,531	2,913,062	--	--	1,456,531	1,456,531	2,913,062	1,456,531	1,456,531	2,913,062
Texas Water Commission	50,212	3,346	93,560	11,439	8,453	61,651	51,801	113,452	63,600	57,100	126,700
Texas Comptroller of Public Accounts	--	--	--	11,032	--	11,032	--	11,032	21,116	--	21,116
Texas Forest Service	13,886	9,412	23,298	3,439	(1,483)	17,325	7,929	25,254	25,000	24,200	49,200
Texas Youth Commission	3,414	--	3,414	3,523	--	6,937	--	6,937	71,200	--	71,200
Texas Alternative Fuels Council	--	--	--	--	--	--	--	--	45,408	11,352	56,760
Texas Employment Commission	--	--	--	11,197	4,887	11,197	4,887	16,084	20,000	8,960	28,960
Texas Department of Human Services	--	--	--	122,466	--	122,466	--	122,466	702,739	--	702,739
Texas Department of Protective and Regulatory Affairs	--	--	--	327,831	17,852	327,831	17,852	345,683	1,100,000	20,000	1,120,000
Texas Department of Transportation	61,717	14,690	76,407	126,439	39,963	188,056	54,653	242,709	4,684,964	1,717,761	6,402,725
Texas Historical Commission	900	--	900	--	--	900	--	900	900	900	1,800
Texas State Energy Conservation	--	--	--	178,115	--	178,115	--	178,115	2,965,054	--	2,965,054
Texas Natural Resource Conservation Commission	60,000	--	60,000	--	--	60,000	--	60,000	60,000	--	60,000
Texas Water Development Board	78,243	56,026	134,269	5,900	--	84,150	56,026	140,176	265,000	156,000	421,000
Total State Grants	4,809,397	1,603,972	6,413,369	4,017,500	72,526	8,827,203	1,676,498	10,503,701	20,691,155	3,505,139	24,196,294
OTHER SPECIAL REVENUE GRANTS											
	1,051,664	32,805	1,084,469	954,312	28,448	1,985,976	61,253	2,047,229	3,135,948	305,826	3,441,774
Total All Grants	67,420,053	5,170,849	72,590,902	35,379,505	2,000,910	102,799,558	7,171,759	109,971,317	158,870,653	10,631,900	169,502,553

**SPECIAL REVENUE FUNDS - ENTERPRISE RELATED**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

**CITY OF AUSTIN, TEXAS**  
**Exhibit C-5**

	Assets			Liabilities and Fund Balances			
	Pooled Investments and Cash	Receivables from Other Governments	Total Assets	Advanced Pooled Investments and Cash	Other Liabilities	Total Liabilities	Fund Balances
<b>ELECTRIC RELATED</b>							
U.S. Department of Energy	\$ --	--	--	--	--	--	--
<b>WATERWORKS AND SEWER RELATED</b>							
U.S. Environmental Protection Agency							
Texas Water Development Board	182,325	--	182,325	--	182,325	182,325	--
<b>SOLID WASTE RELATED</b>							
U.S. Environmental Protection Agency	1,281	4,101	5,382	--	5,382	5,382	--
Texas Natural Resource Conservation Commission	1,040	--	1,040	--	1,040	1,040	--
Capital Area Planning Council	--	20,533	20,533	20,135	398	20,533	--
Travis County	--	--	--	--	--	--	--
<b>Total Solid Waste</b>	2,321	24,634	26,955	20,135	6,820	26,955	--
<b>AIRPORT RELATED</b>							
U.S. Department of Transportation	--	485,786	485,786	485,786	--	485,786	--
Texas Comptroller of Public Accounts	788	--	788	--	788	788	--
<b>Total Airport</b>	788	485,786	486,574	485,786	788	486,574	--
<b>Total grants, enterprise related</b>	185,434	510,420	695,854	505,921	186,933	695,854	--
<b>1995 Total</b>	\$ 1,741,411	4,800,472	6,541,912	4,792,976	1,748,936	6,541,912	--

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



**SPECIAL REVENUE FUNDS - ENTERPRISE RELATED**  
**COMBINING SCHEDULE OF EXPENDITURES**  
**From Inception to September 30, 1996**

**CITY OF AUSTIN, TEXAS**  
**Exhibit C-6**

	Total Expenditures at September 30, 1995			Current Year		Total Expenditures at September 30, 1996			Budget		
	In-Kind			In-Kind		In-Kind			In-Kind		
	Grant	Match	Total	Grant	Match	Grant	Match	Total	Grant	Match	Total
<b>ELECTRIC RELATED</b>											
U.S. Department of Energy	\$ --	--	--	14,400	6,848	14,400	6,848	21,248	714,013	1,459,273	2,173,291
<b>WATERWORKS AND SEWER RELATED</b>											
U.S. Environmental Protection Agency											
Texas Water Development Board	1,462,229	--	1,462,229	1,553,264	--	3,015,493	--	3,015,493	3,500,000	--	3,500,000
<b>SOLID WASTE RELATED</b>											
U.S. Environmental Protection Agency	36,613	55,176	91,789	21,128	32,148	57,741	87,324	145,065	70,000	105,563	175,563
Texas Natural Resource Conservation Commission	51,933	231	52,164	53,093	17,701	105,026	17,932	122,958	117,817	36,204	154,021
Capital Area Planning Council	--	--	--	20,533	--	20,533	--	20,533	43,273	--	43,273
Travis County	28,949	--	28,949	--	--	28,949	--	28,949	30,150	--	30,150
<b>Total Solid Waste</b>	<b>117,495</b>	<b>55,407</b>	<b>172,902</b>	<b>94,754</b>	<b>49,849</b>	<b>212,249</b>	<b>105,256</b>	<b>317,505</b>	<b>261,240</b>	<b>141,767</b>	<b>403,007</b>
<b>AIRPORT RELATED</b>											
U.S. Department of Transportation	19,460,942	6,491,982	25,952,924	27,500,910	9,161,968	46,961,852	15,653,950	62,615,802	66,608,488	20,952,829	87,561,317
Texas Comptroller of Public Accounts	--	--	--	--	--	--	--	--	776	--	776
<b>Total Airport</b>	<b>19,460,942</b>	<b>6,491,982</b>	<b>25,952,924</b>	<b>27,500,910</b>	<b>9,161,968</b>	<b>46,961,852</b>	<b>15,653,950</b>	<b>62,615,802</b>	<b>66,609,264</b>	<b>20,952,829</b>	<b>87,562,093</b>
<b>Total grants, enterprise related</b>	<b>\$21,040,666</b>	<b>6,547,389</b>	<b>27,588,055</b>	<b>29,163,328</b>	<b>9,218,665</b>	<b>50,203,994</b>	<b>15,766,054</b>	<b>65,970,048</b>	<b>71,084,517</b>	<b>22,553,874</b>	<b>93,638,391</b>

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

**SPECIAL REVENUE FUNDS - OTHER**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Assets				
	Cash	Pooled Investments and Cash	Net Accounts Receivable	Due from Other Funds	Other Assets
Austin Convention and Visitors Bureau	\$ 650	1,466,656	--	--	--
Austin Industrial Development Corporation (AIDC)	--	109,070	--	--	--
Austin Inner City Redevelopment Corporation	--	1,102	--	--	--
Austin Transportation Study	--	--	407,269	--	--
Aviation Asset Forfeiture	--	107,526	--	--	--
Lalcones Canyonlands Conservation Plan (BCCP)	--	182,914	--	--	--
Barbara Jordan Memorial Fund	--	1,281	--	--	--
Cable TV	--	99,806	--	--	397
Campaign Financing Fund	--	25,588	--	--	--
Child Safety Fund	--	528,723	--	--	--
Disproportionate Share	--	1,933,183	63,750	201,738	--
Economic Development	--	--	--	--	--
Energy Conservation Rebates and Incentives	--	2,149,915	--	--	--
Environmental Conservation Services	1,400	649,078	436	--	5,092
Environmental Remediation	--	205,343	--	--	--
Federally Qualified Health Center	500	578,080	721,181	--	--
FEMA Flood Disaster	--	97,466	--	--	--
Fire Miscellaneous	--	2,972	--	--	--
Fiscal Surety - Land Development	--	16,777,010	--	7,033,789	--
Friends of East Austin Youth	--	9,829	--	--	--
Health Miscellaneous	--	18,904	--	--	--
Hotel-Motel Occupancy Tax Fund	--	764,314	--	--	--
Housing Miscellaneous	--	30,216	--	--	--
Leveraged Loan Pool	--	336,166	320,951	--	--
Library City Literacy Program	--	2,079	--	--	--
Municipal Court Miscellaneous	--	748	--	--	--
Music Channel	--	366	--	--	--
Neighborhood Housing and Conservation Fund	500	727,846	--	--	--
PARD Cultural Projects	--	558,870	--	--	--
Police Drug Education	--	8,051	--	--	--
Police Federal Seized Funds	8,100	207,945	--	--	--
Police Seized Money Fund	--	126,364	--	--	--
Public Improvement District	--	486,120	--	--	--
Railroad Right of Way	--	3,920	--	--	--
RMD Conservation	--	97,421	--	--	--
RMD Loan Fund	--	813,106	--	--	--
Subdivision Participation	--	3,376,882	--	--	--
Voluntary Utility Assistance	--	189,702	--	--	--
<b>1996 Total</b>	<b>11,150</b>	<b>32,674,562</b>	<b>1,513,587</b>	<b>7,235,527</b>	<b>5,489</b>
<b>1995 Total</b>	<b>\$ 11,717</b>	<b>27,618,414</b>	<b>2,004,570</b>	<b>6,546,324</b>	<b>2,646</b>
					<b>36,183,671</b>

CITY OF AUSTIN, TEXAS  
Exhibit C-7

Liabilities						Fund Balances				Total Liabilities and Fund Balances
Accounts Payable	Accrued Payrol	Accrued	Due	Deposits	Total	Reserved for Encum- brances	Unreserved		Total Fund Balances	
		Compen- sated Absences	to Other Funds	and Other Liabilities			Liabilities	Designat ed		
138,887	57,319	64,891	--	66	261,163	393,698	812,445	--	1,206,143	1,467,306
--	--	--	--	--	--	--	109,070	--	109,070	109,070
--	--	--	--	--	--	--	1,102	--	1,102	1,102
12,076	--	--	394,423	--	406,499	770	--	--	770	407,269
1,742	--	--	--	3,322	5,064	--	102,462	--	102,462	107,526
222	4,518	--	--	7,504	12,244	20,041	150,629	--	170,670	182,914
--	--	--	--	--	--	--	1,281	--	1,281	1,281
--	--	--	--	--	--	5,877	94,326	--	100,203	100,203
--	--	--	--	25,588	25,588	--	--	--	--	25,588
4,039	27,643	--	--	--	31,682	117,622	379,419	--	497,041	528,723
111,254	--	--	--	201,738	312,992	627,669	1,258,010	--	1,885,679	2,198,671
--	--	--	--	--	--	--	--	--	--	--
651,240	--	--	--	--	651,240	1,498,675	--	--	1,498,675	2,149,915
230,453	334,120	52,256	--	39,177	656,006	--	--	--	--	656,006
--	--	--	--	49,572	49,572	--	155,771	--	155,771	205,343
185,998	479,202	108,029	--	--	773,229	226,599	299,933	--	526,532	1,299,761
6,195	--	--	--	90,796	96,991	475	--	--	475	97,466
--	--	--	--	--	--	--	2,972	--	2,972	2,972
682,862	--	--	--	23,127,937	23,810,799	--	--	--	--	23,810,799
--	--	--	--	7,356	7,356	--	2,473	--	2,473	9,829
--	--	--	--	18,132	18,132	--	772	--	772	18,904
774	--	--	--	763,540	764,314	--	--	--	--	764,314
--	--	--	--	--	--	--	30,216	--	30,216	30,216
--	--	--	--	--	--	--	657,117	--	657,117	657,117
--	--	--	--	--	--	--	2,079	--	2,079	2,079
--	--	--	--	--	--	--	748	--	748	748
--	--	--	--	--	--	337	29	--	366	366
1,454	23,623	12,031	--	--	37,108	220,075	471,163	--	691,238	728,346
7,078	--	--	--	--	7,078	179,900	371,892	--	551,792	558,870
--	--	--	--	--	--	--	8,051	--	8,051	8,051
22,671	--	--	--	--	22,671	4,663	188,711	--	193,374	216,045
--	--	--	--	--	--	271	126,093	--	126,364	126,364
--	--	--	--	383	383	418,968	66,769	--	485,737	486,120
--	--	--	--	3,920	3,920	--	--	--	--	3,920
--	--	--	--	--	--	--	97,421	--	97,421	97,421
--	--	--	--	--	--	--	813,106	--	813,106	813,106
--	--	--	--	3,365,985	3,365,985	--	10,897	--	10,897	3,376,882
--	--	--	--	--	--	--	189,702	--	189,702	189,702
2,056,945	926,425	237,207	394,423	27,705,016	31,320,016	3,715,640	6,404,659	--	10,120,299	41,440,315
1,977,369	850,090	88,130	432,656	23,949,826	27,298,071	2,908,838	5,976,762	--	8,885,600	36,183,671

**SPECIAL REVENUE FUNDS - OTHER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

**CITY OF AUSTIN, TEXAS**  
**Exhibit C-8**

	Fund Balances September 30, 1995	Revenues	Expenditures (1)	Operating Transfers In	Operating Transfers Cut	Residual Equity Transfers In (Out)	Fund Balances September 30, 1996
Austin Convention and Visitors Bureau	\$ 1,186,080	100,194	3,257,738	3,177,607	--	--	1,206,143
Austin Industrial Development Corporation (AIDC)	103,401	5,669	--	--	--	--	109,070
Austin Inner City Redevelopment Corporation	1,067	35	--	--	--	--	1,102
Austin Transportation Study	--	604,218	603,448	--	--	--	770
Aviation Asset Forfeiture	131,226	13,430	42,203	--	--	--	102,462
Balcones Canyonlands Conservation Plan (BCCP)	146,265	--	106,595	418,640	(287,640)	--	170,670
Barbara Jordan Memorial Fund	--	1,281	--	--	--	--	1,281
Cable TV	264,530	625,646	789,973	--	--	--	100,203
Campaign Financing Fund	--	--	--	--	--	--	--
Child Safety Fund	396,889	1,264,997	1,164,845	--	--	--	497,041
Disproportionate Share	1,125,918	2,624,385	364,624	--	(1,500,000)	--	1,885,679
Economic Development	1,781	72	1,853	--	--	--	--
Energy Conservation Rebates and Incentives	1,392,761	958,558	8,466,161	7,613,517	--	--	1,498,675
Environmental Conservation Services	--	5,916,522	11,575,914	5,659,392	--	--	--
Environmental Remediation	67,849	12,008	33,886	820,000	(710,000)	--	155,771
Federally Qualified Health Center	652,704	13,115,729	14,516,394	1,559,899	(285,406)	--	526,532
FEMA Flood Disaster	12,255	20,806	32,586	--	--	--	475
Fire Miscellaneous	120	8,244	5,392	--	--	--	2,972
Fiscal Surety - Land Development	--	10,750	--	--	(10,750)	--	--
Friends of East Austin Youth	2,473	--	--	--	--	--	2,473
Health Miscellaneous	113	659	--	--	--	--	772
Hotel-Motel Occupancy Tax Fund	--	14,259,808	--	--	(14,259,808)	--	--
Housing Miscellaneous	28,645	1,571	--	--	--	--	30,216
Leveraged Loan Pool	31,288	29,231	103,402	--	--	--	657,117
Library City Literacy Program	1,971	108	--	--	--	--	2,079
Municipal Court Miscellaneous	--	748	--	--	--	--	748
Music Channel	347	19	--	--	--	--	366
Neighborhood Housing and Conservation Fund	--	18,176	297,169	970,231	--	--	691,238
PARC Cultural Projects	412,048	--	1,897,982	2,037,726	--	--	551,792
Police Drug Education	4,204	347	--	3,500	--	--	8,051
Police Federal Seized Funds	242,053	229,992	275,171	--	(3,500)	--	193,374
Police Seized Money Fund	140,895	77,517	92,048	--	--	--	126,364
Public Improvement District	487,622	794,589	796,474	--	--	--	485,737
Railroad Right of Way	--	--	--	--	--	--	--
RMD Conservation	372,421	--	--	--	(275,000)	--	97,421
RMD Loan Fund	793,250	19,856	--	--	--	--	813,106
Subdivision Participation	10,897	--	--	--	--	--	10,897
Voluntary Utility Assistance	174,727	99,340	244,365	160,000	--	--	189,702
<b>1996 Total</b>	<b>8,885,600</b>	<b>40,814,514</b>	<b>44,668,223</b>	<b>22,420,512</b>	<b>(17,332,104)</b>	<b>--</b>	<b>10,120,299</b>
<b>1995 Total</b>	<b>\$ 7,703,734</b>	<b>55,382,450</b>	<b>46,813,792</b>	<b>9,913,524</b>	<b>(17,069,409)</b>	<b>(230,907)</b>	<b>8,885,600</b>

(1) Expenditures include capital outlay of \$777,251



SPECIAL REVENUE FUNDS - OTHER  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -  
 BUDGET AND ACTUAL-BUDGET BASIS  
 Year ended September 30, 1996

CITY OF AUSTIN, TEXAS  
 Exhibit C-9

	Fund Balances September 30, 1995	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 1996
Austin Convention and Visitors Bureau							
Actual budget basis	\$ 865,318	100,194	3,401,411	3,177,607	--	(123,610)	741,708
Budget	865,318	54,450	3,577,256	2,939,239	--	(583,567)	281,751
Variance	--	45,744	175,845	238,368	--	459,957	459,957
Aviation Asset Forfeiture							
Actual budget basis	111,193	13,439	22,213	--	--	(8,774)	102,419
Budget	111,193	33,200	44,800	--	--	(11,100)	99,593
Variance	--	(19,761)	22,587	--	--	2,825	2,826
Balcones Canyonlands Conservation Plan (BCCP)							
Actual budget basis	129,479	--	106,711	418,640	287,640	24,289	153,768
Budget	129,479	14,000	215,451	418,640	287,640	(70,451)	59,028
Variance	--	(14,000)	108,740	--	--	94,740	94,740
Child Safety Fund							
Actual budget basis	359,578	1,264,997	1,249,046	--	--	15,951	375,529
Budget	359,578	1,163,000	1,352,407	--	--	(189,407)	170,171
Variance	--	101,997	103,361	--	--	205,358	205,358
Disproportionate Share							
Actual budget basis	844,903	2,624,385	792,348	--	1,500,000	332,037	1,176,940
Budget	844,903	2,800,000	777,980	--	1,500,000	522,020	1,366,923
Variance	--	(175,615)	(14,368)	--	--	(189,983)	(199,983)
Energy Conservation Rebates and Incentives							
Actual budget basis	--	958,558	8,572,075	7,613,517	--	--	--
Budget	--	1,138,051	10,899,751	9,761,700	--	--	--
Variance	--	(179,493)	2,327,676	(2,148,183)	--	--	--
Environmental Conservation Services							
Actual budget basis	\$ --	5,916,519	11,575,911	5,659,392	--	--	--
Budget	--	6,819,230	12,900,409	6,081,179	--	--	--
Variance	--	(902,711)	1,324,498	(421,787)	--	--	--

(continued)

SPECIAL REVENUE FUNDS - OTHER  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -  
BUDGET AND ACTUAL-BUDGET BASIS

Year ended September 30, 1996

CITY OF AUSTIN, TEXAS

Exhibit C-9  
(Continued)

	Fund Balances September 30, 1995	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 1996
Environmental Remediation Fund							
Actual budget basis	\$ 67,649	12,008	33,886	820,000	710,000	88,122	155,771
Budget	67,649	2,000	50,000	820,000	710,000	62,000	129,649
Variance	--	10,008	16,114	--	--	26,122	26,122
Federally Qualified Health Center							
Actual budget basis	388,848	13,115,729	14,527,358	1,559,899	285,406	(137,136)	251,712
Budget	388,848	13,169,374	14,665,220	1,536,000	285,406	(245,252)	143,595
Variance	--	(53,645)	137,862	23,899	--	108,116	108,116
Hotel-Motel Occupancy Tax Fund							
Actual budget basis	--	14,259,808	--	--	14,259,308	--	--
Budget	--	13,147,500	--	--	13,147,500	--	--
Variance	--	1,112,308	--	--	(1,112,308)	--	--
Neighborhood Housing and Conservation							
Actual budget basis	--	18,176	481,590	970,231	--	506,817	506,817
Budget	--	50,000	1,020,231	970,231	--	--	--
Variance	--	(31,824)	538,641	--	--	506,817	506,817
PARD Cultural Projects							
Actual budget basis	306,399	--	1,980,047	2,037,726	--	57,679	364,078
Budget	306,399	--	2,025,797	1,878,778	--	(147,019)	159,380
Variance	--	--	45,750	158,948	--	204,698	204,698
Police Drug Education							
Actual budget basis	4,204	347	--	3,500	--	3,847	8,051
Budget	4,204	150	4,700	3,500	--	(1,050)	3,154
Variance	--	197	4,700	--	--	4,897	4,897
Police Federal Seized Funds							
Actual budget basis	\$ 238,452	229,992	276,233	--	3,500	(49,741)	188,711
Budget	238,452	446,350	501,153	--	5,000	(59,803)	178,649
Variance	--	(216,358)	224,920	--	1,500	10,062	10,062

(continued)

SPECIAL REVENUE FUNDS - OTHER  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -  
 BUDGET AND ACTUAL-BUDGET BASIS  
 Year ended September 30, 1996

CITY OF AUSTIN, TEXAS  
 Exhibit C-9  
 (Continued)

	Fund Balances September 30, 1995	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 1996
Police Seized Money Fund							
Actual budget basis	\$ 140,624	77,517	92,048	--	--	(14,531)	126,093
Budget	140,624	49,999	134,000	--	--	(84,001)	56,623
Variance	--	27,518	41,952	--	--	69,470	69,470
Public Improvement District							
Actual budget basis	51,656	794,589	779,476	--	--	15,113	66,769
Budget	51,656	779,476	779,476	--	--	--	51,656
Variance	--	15,113	--	--	--	15,113	15,113
<b>Total</b>							
Actual budget basis	\$ 3,508,293	39,386,258	43,890,353	22,260,512	17,046,354	710,063	4,218,366
Budget	3,508,303	39,666,780	48,948,631	24,409,267	15,935,546	(808,130)	2,700,173
Variance	--	(280,522)	5,058,278	(2,148,755)	(1,110,608)	1,518,193	1,518,193





## **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

## DEBT SERVICE FUND

## BALANCE SHEET

September 30, 1996

With comparative totals for September 30, 1995

CITY OF AUSTIN, TEXAS

Exhibit D-1

	1996	1995
<b>ASSETS</b>		
Cash	\$ --	158
Investments, at amortized cost	8,398,016	8,411,154
Property taxes receivable	3,415,305	3,458,752
Less allowance for uncollectible taxes	(761,163)	(842,844)
Net taxes receivable	2,654,142	2,615,908
<b>Total assets</b>	<b>11,052,158</b>	<b>11,457,520</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Deferred revenue	2,577,012	2,522,702
Total liabilities	2,577,012	2,522,702
Fund balances (unreserved):		
Designated for debt service	8,475,146	8,934,818
Total fund balances	8,475,146	8,934,818
<b>Total liabilities and fund balances</b>	<b>\$11,052,158</b>	<b>11,457,520</b>

DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL-BUDGET BASIS  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

CITY OF AUSTIN, TEXAS  
Exhibit D-2

			1996			1995
		Adjustments	Actual- Budget		Variance- Favorable	Actual- Budget
	Actual	(1)	Basis	Budget	(Unfavorable)	Basis
<b>REVENUES</b>						
General property taxes	\$ 53,213,806	--	53,213,806	52,949,631	264,175	52,678,572
Interest	2,056,867	--	2,056,867	1,806,472	250,395	2,544,078
Other revenue	546,162	540,731	1,086,893	1,356,110	(269,217)	559,819
Total revenues	55,816,835	540,731	56,357,566	56,112,213	245,353	55,782,469
<b>EXPENDITURES</b>						
Principal retirement	22,722,983	3,139,251	25,862,234	31,362,234	5,500,000	28,249,174
Interest and other	35,035,214	2,789,105	37,824,319	40,368,979	2,544,660	38,631,188
Fees and commissions	3,363	--	3,363	5,322	1,959	2,773
Total expenditures	57,761,560	5,928,356	63,689,916	71,736,535	8,046,619	66,683,135
Excess (deficiency) of revenues over expenditures	(1,944,725)	(5,387,625)	(7,332,350)	(15,624,322)	8,291,972	(11,100,666)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	1,485,053	5,387,625	6,872,678	14,631,874	(7,759,196)	13,512,664
Total other financing sources (uses)	1,485,053	5,387,625	6,872,678	14,631,874	(7,759,196)	13,512,664
Excess (deficiency) of revenues and other sources over expenditures and other uses	(459,672)	--	(459,672)	(992,448)	532,776	2,411,998
Fund balances at beginning of year	8,934,818	--	8,934,818	8,279,984	654,834	6,522,820
Fund balances at end of year	\$ 8,475,146	--	8,475,146	7,287,536	1,187,610	8,934,818

(1) Revenue and expenditure adjustments represent amount of certain enterprise fund and internal service fund debt payments budgeted as operating transfers.

## CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds. There are twelve major groups of funds that account for the activities related to the capital improvement projects:

Funds authorized prior to 1981;

Funds authorized August 29, 1981 for street and drainage, fire stations, traffic signals and emergency medical service projects;

Funds authorized September 11, 1982 for various purposes;

Funds authorized October 22, 1983 for Jollyville Road improvements and energy improvements for City facilities;

Funds authorized September 8, 1984 for various purposes;

Funds authorized January 19, 1985 for cultural arts;

Funds authorized July 26, 1985 for parks and recreation;

Funds authorized September 26, 1985 for art in public places;

Funds authorized December 14, 1985 for various purposes;

Funds authorized September 3, 1987 for street improvements;

Funds authorized August 10, 1992 for various purposes; and

Other funds established for various purposes.





**CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET**

**September 30, 1996**

**With comparative totals for September 30, 1995**

**CITY OF AUSTIN, TEXAS**

**Exhibit E-1**

	Summary of Funds from General Obligation Bonds								Other	Totals		
	by Year of Authorization								Funds			
	Prior to 1981	1981	1982	1983	1984	1985	1987	1992		1996	1995	
<b>ASSETS</b>												
Pooled investments and cash	\$ 1,444,706	1,348,366	888,760	503,490	21,334,707	12,678,884	515,133	27,399,079	22,068,403	88,181,528	79,305,064	
Accounts receivable	--	--	--	--	2,072,395	--	414,519	--	1,462,919	3,949,833	6,953,247	
Less allowance for doubtful accounts	--	--	--	--	--	--	(185,698)	--	--	(185,698)	(780,611)	
Net accounts receivable	--	--	--	--	2,072,395	--	228,821	--	1,462,919	3,764,135	6,172,636	
Due from other funds	--	--	--	--	3,055,612	--	--	33,531	--	3,089,143	16,647,807	
Other assets	838	1,691	25,790	--	159,228	--	--	--	16,520	204,067	39,513	
<b>Total assets</b>	<b>1,445,544</b>	<b>1,350,057</b>	<b>914,550</b>	<b>503,490</b>	<b>26,621,942</b>	<b>12,678,884</b>	<b>743,954</b>	<b>27,432,610</b>	<b>23,547,842</b>	<b>95,238,873</b>	<b>102,165,020</b>	
<b>LIABILITIES AND FUND EQUITY</b>												
Liabilities:												
Accounts payable	1,687	15,113	383	5,610	125,942	30,258	227,877	849,412	564,628	1,820,920	2,675,222	
Due to other funds	42,783	--	70,319	--	890,169	--	--	--	2,052,341	3,055,612	16,647,807	
Other liabilities	--	--	--	--	--	7,469	9,327	33,200	350,034	400,030	471,340	
<b>Total liabilities</b>	<b>44,470</b>	<b>15,113</b>	<b>70,702</b>	<b>5,610</b>	<b>1,016,111</b>	<b>37,727</b>	<b>237,204</b>	<b>882,622</b>	<b>2,967,003</b>	<b>5,276,562</b>	<b>19,794,369</b>	
Fund balances:												
Reserved for encumbrances	44,119	110,797	151,961	62,388	3,581,818	662,589	80,544	7,342,218	6,752,042	18,789,476	29,159,815	
Unreserved, undesignated	1,356,955	1,224,177	691,887	435,492	22,024,013	11,977,568	426,206	19,207,770	13,828,797	71,172,835	53,210,836	
<b>Total fund balances</b>	<b>1,401,074</b>	<b>1,334,944</b>	<b>843,848</b>	<b>497,880</b>	<b>25,605,831</b>	<b>12,641,157</b>	<b>506,750</b>	<b>26,549,988</b>	<b>20,580,839</b>	<b>89,962,311</b>	<b>82,370,651</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 1,445,544</b>	<b>1,350,057</b>	<b>914,550</b>	<b>503,490</b>	<b>26,621,942</b>	<b>12,678,884</b>	<b>743,954</b>	<b>27,432,610</b>	<b>23,547,842</b>	<b>95,238,873</b>	<b>102,165,020</b>	

**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**

Year ended September 30, 1996

With comparative totals for year ended September 30, 1995

**CITY OF AUSTIN, TEXAS**  
**Exhibit E-2**

	Summary of Funds from General Obligation Bonds								Other	Totals	
	by Year of Authorization								Funds		
	Prior to 1981	1981	1982	1983	1984	1985	1987	1992		1996	1995
<b>REVENUES</b>											
Intergovernmental revenues	\$ --	--	--	--	--	--	282,581	64,558	4,324,487	4,371,626	4,725,470
Property owners' participation and contributions	--	2,894	--	--	--	320,000	318,006	12,000	--	652,900	207,139
Interest and other	200	--	--	--	180	605,348	35,542	244,200	5,352,972	6,238,442	10,420,518
<b>Total revenues</b>	200	2,894	--	--	180	925,348	636,129	320,758	9,377,459	11,262,968	15,353,127
<b>EXPENDITURES</b>											
Capital outlay for construction	357,706	48,380	334,530	573,631	12,058,309	446,497	381,641	19,133,867	10,252,973	43,593,534	59,461,815
Excess (deficiency) of revenues over expenditures	(357,506)	(45,486)	(334,530)	(573,631)	(12,058,129)	478,851	254,488	(18,813,109)	(881,514)	(32,330,566)	(44,108,688)
<b>OTHER FINANCING SOURCES (USES)</b>											
Proceeds from issuance of tax supported debt	--	--	--	--	2,661,000	--	--	27,589,000	4,755,000	35,005,000	38,565,000
Operating transfers in	27,000	1,651,000	--	--	548,550	6,412,428	--	472,923	14,823,255	23,935,156	12,380,555
Operating transfers out	(22,218)	(472,923)	--	--	(75,000)	(6,576,352)	--	(22,200)	(11,849,237)	(19,017,930)	(7,063,279)
<b>Total other financing sources (uses)</b>	4,782	1,178,077	--	--	3,134,550	(163,924)	--	28,039,723	7,729,018	39,922,226	43,882,275
Excess (deficiency) of revenues and other sources over expenditures and other uses	(352,724)	1,132,591	(334,530)	(573,631)	(8,923,579)	314,927	254,488	9,226,614	6,847,504	7,591,660	(226,412)
Fund balances at beginning of year	1,753,798	202,353	1,178,378	1,071,511	34,529,410	12,326,230	252,262	17,323,374	13,733,335	82,370,651	82,597,063
<b>Fund balances at end of year</b>	\$ 1,401,074	1,334,944	843,848	497,880	25,605,831	12,641,157	506,750	26,549,988	20,580,839	89,962,311	82,370,651

**CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET**

September 30, 1996

With comparative totals for September 30, 1995

	Assets						
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	Total Assets
Funds Authorized							
Prior to 1981							
Parks and recreation	\$ 914,862	--	--	--	--	838	915,700
Police and courts	2,469	--	--	--	--	--	2,469
Street improvements	518,185	--	--	--	--	--	518,185
Library	--	--	--	--	--	--	--
Health centers	9,190	--	--	--	--	--	9,190
	1,444,706	--	--	--	--	838	1,445,544
Funds Authorized							
August 29, 1981							
Street and drainage	210,635	--	--	--	--	--	210,635
Fire stations	24,184	--	--	--	--	604	24,788
EMS buildings	1,113,547	--	--	--	--	1,087	1,114,634
	1,348,366	--	--	--	--	1,691	1,350,057
Funds Authorized							
September 11, 1982							
Street and drainage	13,112	--	--	--	--	--	13,112
Flood prevention	704,478	--	--	--	--	--	704,478
Public works parking	142	--	--	--	--	--	142
Public works service center	--	--	--	--	--	--	--
Traffic signals	4	--	--	--	--	--	4
Parks--various	112,042	--	--	--	--	25,790	137,832
Environmental resources	15,723	--	--	--	--	--	15,723
Fire/EMS building	43,259	--	--	--	--	--	43,259
	888,760	--	--	--	--	25,790	914,550
Funds Authorized							
October 22, 1983							
Jollyville road improvements	56,748	--	--	--	--	--	56,748
Energy improvements - city facilities	446,742	--	--	--	--	--	446,742
	503,490	--	--	--	--	--	503,490
Funds Authorized							
September 8, 1984							
Zilker land acquisition	9	--	--	--	--	--	9
PARD pools	32,414	--	--	--	--	--	32,414
Parkland acquisition	361,588	--	--	--	--	--	361,588
Parks/Old Bakery	--	--	--	--	--	--	--
Drainage and flood improvements	7,413,376	--	--	--	--	--	7,413,376
Street improvements	12,154,130	2,072,395	--	2,072,395	3,055,612	159,228	17,441,365
Fire improvements	69,088	--	--	--	--	--	69,088
Libraries	841	--	--	--	--	--	841
Police FACS	--	--	--	--	--	--	--
Traffic signals	1,299,732	--	--	--	--	--	1,299,732
EMS/Fire facility	3,529	--	--	--	--	--	3,529
	\$ 21,334,707	2,072,395	--	2,072,395	3,055,612	159,228	26,621,942



CITY OF AUSTIN, TEXAS  
Exhibit E-3

Liabilities				Fund Balances			Total Liabilities and Fund Balances
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	
--	--	--	--	--	915,700	915,700	915,700
--	--	--	--	--	2,469	2,469	2,469
--	--	--	--	--	519,185	519,185	519,185
1,687	42,783	--	44,470	44,119	(88,582)	(44,470)	--
--	--	--	--	--	9,190	9,190	9,190
1,687	42,783	--	44,470	44,119	1,356,955	1,401,074	1,445,544
15,113	--	--	15,113	1,649	193,873	195,522	210,635
--	--	--	--	--	24,788	24,788	24,788
--	--	--	--	109,148	1,005,486	1,114,634	1,114,634
15,113	--	--	15,113	110,797	1,224,147	1,334,944	1,350,057
--	--	--	--	110,002	(96,890)	13,112	13,112
383	--	--	383	9,745	694,350	704,095	704,478
--	--	--	--	--	142	142	142
--	70,319	--	70,319	795	(71,114)	(70,319)	--
--	--	--	--	--	4	4	4
--	--	--	--	18,158	119,674	137,832	137,832
--	--	--	--	13,261	2,462	15,723	15,723
--	--	--	--	--	43,259	43,259	43,259
383	70,319	--	70,702	151,961	691,887	843,848	914,550
--	--	--	--	--	56,748	56,748	56,748
5,610	--	--	5,610	62,368	378,744	441,132	446,742
5,610	--	--	5,610	62,368	435,492	497,860	503,490
--	--	--	--	--	9	9	9
--	--	--	--	--	32,414	32,414	32,414
4,500	--	--	4,500	--	357,088	357,088	361,588
235	876,384	--	876,619	81,621	(958,240)	(876,619)	--
82,569	--	--	82,569	1,987,776	5,343,031	7,330,807	7,413,376
16,975	--	--	16,975	1,502,485	15,921,905	17,424,390	17,441,365
--	--	--	--	9,936	59,152	69,088	69,088
--	--	--	--	--	841	841	841
--	13,785	--	13,785	--	(13,785)	(13,785)	--
21,663	--	--	21,663	--	1,278,069	1,278,069	1,299,732
--	--	--	--	--	3,529	3,529	3,529
125,942	890,169	--	1,016,111	3,581,618	22,021,013	25,605,831	26,621,942

(continued)

**CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Assets						Total Assets
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	
<b>Funds Authorized</b>							
<b>January 19, 1985</b>							
Cultural Arts	\$ 3,625,680	--	--	--	--	--	3,625,680
Downtown art museum	6,364,010	--	--	--	--	--	6,364,010
	9,989,690	--	--	--	--	--	9,989,690
<b>Funds Authorized</b>							
<b>July 26, 1985</b>							
Neighborhood park and recreation	2,308,909	--	--	--	--	--	2,308,909
<b>Funds Authorized</b>							
<b>September 26, 1985</b>							
Art in public places	152,421	--	--	--	--	--	152,421
<b>Funds Authorized</b>							
<b>December 14, 1985</b>							
Senior activity center	13,135	--	--	--	--	--	13,135
South Austin parkland	10,903	--	--	--	--	--	10,903
Parks Oak Hill	203,826	--	--	--	--	--	203,826
	227,864	--	--	--	--	--	227,864
<b>Total Funds Authorized</b>							
<b>in 1985</b>	12,678,864	--	--	--	--	--	12,678,864
<b>Funds Authorized</b>							
<b>September 3, 1987</b>							
Street resurfacing	515,133	414,519	(185,698)	228,821	--	--	743,954
<b>Funds Authorized</b>							
<b>August 10, 1992</b>							
EMS facility	556,985	--	--	--	--	--	556,985
Fire stations	1,693,501	--	--	--	--	--	1,693,501
Police substations	90,369	--	--	--	--	--	90,369
Asbestos abatement/ADA compliance/							
East Austin health clinic	3,539,112	--	--	--	--	--	3,539,112
Erosion & flood control	7,045,188	--	--	--	--	--	7,045,188
Street & traffic signals	2,942,881	--	--	--	--	--	2,942,881
Neighborhood sidewalks	107,106	--	--	--	--	--	107,106
Parks and recreation facilities	4,704,354	--	--	--	--	--	4,704,354
Libraries	5,310,104	--	--	--	--	--	5,310,104
Balcones Canyonlands							
Conservation Plan	941,183	--	--	--	33,531	--	974,714
Barton Creek greenway	468,296	--	--	--	--	--	468,296
	\$ 27,399,079	--	--	--	33,531	--	27,432,610

CITY OF AUSTIN, TEXAS  
Exhibit E-3  
(Continued)

Liabilities				Fund Balances			Total Liabilities and Fund Balances
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	
15,350	--	7,469	22,819	356,852	3,246,009	3,602,861	3,625,680
--	--	--	--	--	6,364,010	6,364,010	6,364,010
15,350	--	7,469	22,819	356,852	9,610,019	9,966,871	9,989,690
7,973	--	--	7,973	116,241	2,184,695	2,300,936	2,308,909
2,187	--	--	2,187	56,103	94,131	150,234	152,421
--	--	--	--	--	13,135	13,135	13,135
--	--	--	--	--	10,903	10,903	10,903
4,748	--	--	4,748	134,393	64,685	199,078	203,823
4,748	--	--	4,748	134,393	88,723	223,116	227,864
30,258	--	7,469	37,727	663,589	11,977,568	12,641,157	12,678,884
227,877	--	9,327	237,204	80,544	426,206	506,750	743,954
173,545	--	--	173,545	460,931	(77,491)	383,440	556,985
--	--	--	--	650,680	1,042,821	1,693,501	1,693,501
6,440	--	--	6,440	72,186	11,743	83,929	90,369
58,878	--	--	58,878	546,823	2,933,411	3,480,234	3,539,112
218,542	--	--	218,542	2,822,881	4,003,765	6,826,646	7,045,188
48,688	--	--	48,688	300,709	2,593,484	2,894,193	2,942,881
--	--	--	--	--	107,106	107,106	107,106
162,227	--	--	162,227	972,700	3,569,427	4,542,127	4,704,354
181,102	--	--	181,102	1,492,872	3,636,130	5,129,002	5,310,104
--	--	33,200	33,200	22,236	919,278	941,514	974,714
--	--	--	--	200	468,096	468,296	468,296
849,422	--	33,200	882,622	7,342,218	19,207,770	26,549,988	27,432,610

(continued)

**CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET**

September 30, 1996

With comparative totals for September 30, 1995

	Assets						Total Assets
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	
Other funds							
Street lights	\$ --	--	--	--	--	--	--
Planning & development improvements	847,107	--	--	--	--	--	847,107
TPSD general improvements	2,784,933	--	--	--	--	--	2,784,933
Parks-1992	787,289	--	--	--	--	--	787,289
Library automation system	92,915	--	--	--	--	9,150	102,065
Fire/EMS/NW Austin MUD #1	193,561	--	--	--	--	--	193,561
General government projects	3,341,868	--	--	--	--	--	3,341,868
Health projects	6,313,744	--	--	--	--	--	6,313,744
Build Austin	--	1,462,919	--	1,462,919	--	--	1,462,919
Forsythia Drive	434,671	--	--	--	--	--	434,671
Central City Entertainment Center	--	--	--	--	--	--	--
New Ball Park	--	--	--	--	--	--	--
Police and courts	34,497	--	--	--	--	--	34,497
Health centers	2,092,774	--	--	--	--	1,193	2,093,967
Neighborhood centers	128,321	--	--	--	--	--	128,321
Loan star improvements	--	--	--	--	--	--	--
Fire - general	3,938,538	--	--	--	--	--	3,938,538
Capital reserve	--	--	--	--	--	--	--
Interest income fund	1,078,185	--	--	--	--	6,177	1,084,362
<b>Total other funds</b>	<b>22,068,403</b>	<b>1,462,919</b>	<b>--</b>	<b>1,462,919</b>	<b>--</b>	<b>16,520</b>	<b>23,547,842</b>
<b>1996 Totals</b>	<b>88,181,528</b>	<b>3,949,833</b>	<b>(185,698)</b>	<b>3,764,135</b>	<b>3,082,143</b>	<b>204,067</b>	<b>95,238,873</b>

Funds authorized:

prior to 1981	1,765,750	320	--	320	--	838	1,766,908
August 29, 1981	255,664	--	--	--	--	1,691	257,355
September 11, 1982	1,285,628	2,658	--	2,658	--	30,807	1,319,093
October 22, 1983	1,164,478	--	--	--	--	--	1,164,478
September 8, 1984	16,063,547	2,710,177	--	2,710,177	16,647,807	--	35,421,531
1985	12,408,155	--	--	--	--	--	12,408,155
September 3, 1987	--	1,799,288	(780,611)	1,018,677	--	--	1,018,677
August 10, 1992	31,612,714	--	--	--	--	--	31,612,714
Other funds	14,749,128	2,440,804	--	2,440,804	--	6,177	17,196,109
<b>1995 Totals</b>	<b>\$ 79,305,064</b>	<b>6,953,247</b>	<b>(780,611)</b>	<b>6,172,636</b>	<b>16,647,807</b>	<b>39,513</b>	<b>102,165,020</b>



## CITY OF AUSTIN, TEXAS

## Exhibit E-3

(Continued)

Liabilities				Fund Balances			Total Liabilities and Fund Balances
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	
--	1,721	--	1,721	--	(1,721)	(1,721)	--
--	--	--	--	--	847,107	847,107	847,107
137,288	--	--	137,288	496,595	2,151,050	2,647,645	2,784,933
105,717	--	--	105,717	367,130	314,442	681,572	787,289
--	--	--	--	59,725	42,340	102,065	102,065
--	--	--	--	--	193,561	193,561	193,561
166,561	--	--	166,561	1,719,596	1,455,711	3,175,307	3,341,868
51,067	--	--	51,067	1,387,120	4,875,557	6,262,677	6,313,744
37,521	1,444,882	--	1,482,403	1,258,361	(1,277,788)	(19,484)	1,462,919
--	--	--	--	--	434,671	434,671	434,671
--	306,802	--	306,802	976,570	(1,283,372)	(306,802)	--
--	--	--	--	--	--	--	--
--	--	--	--	33,622	875	34,497	34,497
--	--	--	--	182,385	1,911,582	2,093,967	2,093,967
16,383	--	--	16,383	24,907	87,031	111,938	128,321
50,091	298,936	--	349,027	246,088	(595,115)	(349,027)	--
--	--	--	--	--	3,938,538	3,938,538	3,938,538
--	--	--	--	--	--	--	--
--	--	350,034	350,034	--	734,328	734,328	1,084,362
564,628	2,052,341	350,034	2,967,003	6,752,042	13,826,797	20,580,839	23,547,842
1,820,920	3,055,612	400,030	5,276,562	16,789,476	71,172,835	89,962,311	95,238,873
5,167	--	7,943	13,110	135,526	1,618,272	1,753,798	1,766,908
15,113	39,889	--	55,002	23,358	178,995	202,353	257,355
73,000	67,715	--	140,715	221,570	956,808	1,178,378	1,319,093
92,967	--	--	92,967	514,703	556,808	1,071,511	1,164,478
355,678	536,443	--	892,121	8,660,481	25,868,929	34,529,410	35,421,531
74,009	--	7,916	81,925	520,202	11,806,028	12,326,230	12,408,155
274,629	386,564	105,222	766,415	469,269	(217,007)	252,262	1,018,677
957,069	13,332,046	225	14,289,340	12,174,056	5,149,318	17,323,374	31,612,714
827,590	2,285,150	350,034	3,462,774	6,140,650	7,292,685	13,733,335	17,196,109
2,675,222	16,647,807	471,340	19,794,369	29,159,815	53,210,836	82,370,651	102,165,020

**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

	Revenues				Expenditures	Excess (Deficiency) of Revenues Over Expenditures
	Inter- governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay	
<b>Funds Authorized</b>						
<b>Prior to 1981</b>						
Parks and recreation	\$ --	--	--	--	47,343	(47,343)
Police and courts	--	--	--	--	22	(22)
Street improvements	--	--	--	--	3,448	(3,448)
Library	--	--	200	200	306,893	(306,693)
Health centers	--	--	--	--	--	--
	--	--	200	200	357,706	(357,506)
<b>Funds Authorized</b>						
<b>August 29, 1981</b>						
Street and drainage	--	2,894	--	2,894	23,739	(20,845)
Fire stations	--	--	--	--	--	--
EMS buildings	--	--	--	--	24,641	(24,641)
	--	2,894	--	2,894	48,380	(45,486)
<b>Funds Authorized</b>						
<b>September 11, 1982</b>						
Street and drainage	--	--	--	--	7,598	(7,598)
Flood prevention	--	--	--	--	44,334	(44,334)
Public works parking	--	--	--	--	--	--
Public works service center	--	--	--	--	2,604	(2,604)
Traffic signals	--	--	--	--	2,472	(2,472)
Parks--various	--	--	--	--	245,083	(245,083)
Environmental resources	--	--	--	--	32,439	(32,439)
Fire/EMS building	--	--	--	--	--	--
	--	--	--	--	334,530	(334,530)
<b>Funds Authorized</b>						
<b>October 22, 1983</b>						
Jollyville road improvements	--	--	--	--	--	--
Energy improvements - city facilities	--	--	--	--	573,631	(573,631)
	--	--	--	--	573,631	(573,631)
<b>Funds Authorized</b>						
<b>September 8, 1984</b>						
Zilker land acquisition	--	--	--	--	--	--
PARD pools	--	--	--	--	--	--
Parkland acquisition	--	--	--	--	370,367	(370,367)
Parks/Old Bakery	--	--	--	--	429,642	(429,642)
Drainage and flood improvements	--	--	180	180	3,732,304	(3,732,124)
Street improvements	--	--	--	--	7,417,000	(7,417,000)
Fire improvements	--	--	--	--	30,963	(30,963)
Libraries	--	--	--	--	--	--
Police FACS	--	--	--	--	--	--
Traffic signals	--	--	--	--	78,033	(78,033)
EMS/Fire facility	--	--	--	--	--	--
	\$ --	--	180	180	12,058,309	(12,058,129)

CITY OF AUSTIN, TEXAS  
Exhibit E-4

Other Financing Sources (Uses)				EXCESS (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	Fund Balances Beginning of Year	Fund Balances End of Year
Issuance of Tax Supported Debt	Operating Transfers In	Operating Transfers Out	Total Other Financing Sources (Uses)			
--	--	--	--	(47,343)	963,043	915,700
--	--	--	--	(22)	2,491	2,469
--	--	--	--	(3,448)	521,633	518,185
--	27,000	(22,218)	4,782	(301,911)	257,441	(44,470)
--	--	--	--	--	9,190	9,190
--	27,000	(22,218)	4,782	(352,724)	1,753,798	1,401,074
--	--	--	--	(20,845)	216,367	195,522
--	--	--	--	--	24,788	24,788
--	1,651,000	(472,923)	1,178,077	1,153,436	(38,802)	1,114,634
--	1,651,000	(472,923)	1,178,077	1,132,591	202,353	1,334,944
--	--	--	--	(7,598)	20,710	13,112
--	--	--	--	(44,334)	748,420	704,095
--	--	--	--	--	142	142
--	--	--	--	(2,604)	(67,715)	(70,319)
--	--	--	--	(2,472)	2,476	4
--	--	--	--	(245,083)	382,915	137,832
--	--	--	--	(32,439)	48,162	15,723
--	--	--	--	--	43,259	43,259
--	--	--	--	(334,530)	1,178,378	843,848
--	--	--	--	--	56,748	56,748
--	--	--	--	(573,631)	1,014,763	441,132
--	--	--	--	(573,631)	1,071,511	497,880
--	--	--	--	--	9	9
--	--	--	--	--	32,414	32,414
335,000	--	--	335,000	(35,367)	392,455	357,088
118,000	--	--	118,000	(311,642)	(564,977)	(876,619)
1,150,000	--	(75,000)	1,075,000	(2,657,124)	9,987,931	7,330,807
1,058,000	548,550	--	1,606,550	(5,810,450)	23,234,840	17,424,390
--	--	--	--	(30,963)	100,051	69,088
--	--	--	--	--	841	841
--	--	--	--	--	(13,785)	(13,785)
--	--	--	--	(78,033)	1,356,102	1,278,069
--	--	--	--	--	3,529	3,529
2,661,000	548,550	(75,000)	3,134,550	(8,923,579)	34,529,410	25,605,831

(continued)

**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

	Revenues				Expenditures	Excess (Deficiency) of Revenues Over Expenditures
	Inter- governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay	
<b>Funds Authorized</b>						
<b>January 19, 1985</b>						
Cultural Arts	\$ --	--	212,342	212,342	41,756	170,586
Downtown art museum	--	--	--	--	--	--
	--	--	212,342	212,342	41,756	170,586
<b>Funds Authorized</b>						
<b>July 26, 1985</b>						
Neighborhood park and recreation	--	--	393,006	393,006	296,035	96,971
<b>Funds Authorized</b>						
<b>September 26, 1985</b>						
Art in public places	--	--	--	--	50,901	(50,901)
<b>Funds Authorized</b>						
<b>December 14, 1985</b>						
Senior activity center	--	--	--	--	--	--
South Austin parkland	--	--	--	--	167	(167)
Parks Oak Hill	--	320,000	--	320,000	57,638	262,362
	--	320,000	--	320,000	57,805	262,195
<b>Total funds authorized</b>						
<b>in 1985</b>	--	320,000	605,348	925,348	446,497	478,851
<b>Funds Authorized</b>						
<b>September 3, 1987</b>						
Street resurfacing	282,581	318,006	35,542	636,129	381,641	254,488
<b>Funds Authorized</b>						
<b>August 10, 1992</b>						
EMS facility	--	--	--	--	414,287	(414,287)
Fire stations	--	--	--	--	167,369	(167,369)
Police substations	--	--	--	--	57,455	(57,455)
Asbestos abatement/ADA compliance/ East Austin health clinic	--	--	84,158	84,158	1,923,460	(1,839,302)
Erosion & flood control	--	--	40	40	1,082,763	(1,082,723)
Street & traffic signals	--	--	158,377	158,377	5,558,598	(5,400,221)
Neighborhood sidewalks	--	--	--	--	6,118	(6,118)
Parks and recreation facilities	64,558	12,000	1,500	78,058	4,315,271	(4,237,213)
Libraries	--	--	125	125	2,447,641	(2,447,516)
Balcones Canyonlands Conservation Plan	--	--	--	--	1,271,247	(1,271,247)
Barton Creek greenway	--	--	--	--	1,889,658	(1,889,658)
	\$ 64,558	12,000	244,200	320,758	19,133,867	(18,813,109)



## CITY OF AUSTIN, TEXAS

Exhibit E-4

(Continued)

Other Financing Sources (Uses)				Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	Fund Balances Beginning of Year	Fund Balances End of Year
Issuance of Tax Supported Debt	Operating Transfers In	Operating Transfers Out	Total Other Financing Sources (Uses)			
--	--	(6,576,352)	(6,576,352)	(6,405,766)	10,008,627	3,602,861
--	6,364,010	--	6,364,010	6,364,010	--	6,364,010
--	6,364,010	(6,576,352)	(212,342)	(41,756)	10,008,627	9,966,871
--	--	--	--	96,971	2,203,965	2,300,936
--	48,418	--	48,418	(2,483)	152,717	150,234
--	--	--	--	--	13,135	13,135
--	--	--	--	(167)	11,070	10,903
--	--	--	--	262,362	(63,284)	199,078
--	--	--	--	262,195	(39,079)	223,116
--	6,412,428	(6,576,352)	(163,924)	314,927	12,326,230	12,641,157
--	--	--	--	254,488	252,262	506,750
--	472,923	--	472,923	58,636	324,804	383,440
1,105,000	--	--	1,105,000	937,631	755,870	1,693,501
--	--	--	--	(57,455)	141,384	83,929
1,598,000	--	--	1,598,000	(241,302)	3,721,536	3,480,234
1,868,000	--	--	1,868,000	785,277	6,041,369	6,826,646
3,699,000	--	--	3,699,000	(1,701,221)	4,595,414	2,894,193
--	--	--	--	(6,118)	113,224	107,106
1,100,000	--	(500)	1,099,500	(3,137,713)	7,679,840	4,542,127
2,529,000	--	(21,700)	2,507,300	59,784	5,069,218	5,129,002
--	--	--	--	(1,271,247)	2,212,761	941,514
15,690,000	--	--	15,690,000	13,800,342	(13,332,046)	468,296
27,589,000	472,923	(22,200)	28,039,723	9,226,614	17,323,374	26,549,988

(continued)

**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

	Revenues				Expenditures Capital Outlay	Excess (Deficiency) of Revenues Over Expenditures
	Inter- governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues		
<b>Other funds</b>						
Street lights	\$ --	--	--	--	--	--
Planning & development improvements	--	--	--	--	47,924	(47,924)
TPSD general improvements	--	--	25	25	916,346	(916,321)
Parks project 1992	108,288	--	--	108,288	223,367	(115,079)
Library automation system	--	--	--	--	290,716	(290,716)
Fire/EMS/NW Austin MUD #1	--	--	10,049	10,049	--	10,049
General government projects	--	--	250	250	3,345,442	(3,345,192)
Health projects	--	--	--	--	560,385	(560,385)
Build Austin	3,083,084	--	200	3,083,284	3,182,574	(99,290)
Forsythia Drive	--	--	22,590	22,590	--	22,590
Central City Entertainment Center	655,000	--	--	655,000	769,400	(114,400)
New Ball Park	--	--	--	--	--	--
Police and courts	--	--	--	--	22,472	(22,472)
Health centers	--	--	--	--	181,254	(181,254)
Neighborhood centers	--	--	--	--	191,951	(191,951)
Loan star improvements	178,115	--	--	178,115	527,142	(349,027)
Fire - general	--	--	--	--	--	--
Capital reserve	--	--	--	--	--	--
Interest income fund	--	--	5,319,858	5,319,858	--	5,319,858
<b>Total other funds</b>	<b>4,024,487</b>	<b>--</b>	<b>5,352,972</b>	<b>9,377,459</b>	<b>10,258,973</b>	<b>(881,514)</b>
<b>1996 Totals</b>	<b>4,371,626</b>	<b>652,900</b>	<b>6,238,442</b>	<b>11,262,968</b>	<b>43,593,534</b>	<b>(32,330,566)</b>

**Funds authorized:**

prior to 1981	--	--	75	75	176,580	(176,505)
August 29, 1981	--	--	--	--	436,929	(436,929)
September 11, 1982	--	--	--	--	685,620	(685,620)
October 22, 1983	--	--	100	100	636,491	(636,391)
September 8, 1984	--	10,000	9,330	19,330	13,432,858	(13,413,528)
1985	133,359	105,000	1,565,208	1,803,567	470,983	1,332,584
September 3, 1987	935,263	23,568	1,034,670	1,993,503	1,089,587	903,916
August 10, 1992	--	--	506,298	506,298	30,397,955	(29,891,657)
<b>Other funds</b>	<b>3,656,846</b>	<b>68,571</b>	<b>7,304,837</b>	<b>11,030,254</b>	<b>12,134,812</b>	<b>(1,104,558)</b>
<b>1995 Totals</b>	<b>\$ 4,725,470</b>	<b>207,139</b>	<b>10,420,518</b>	<b>15,353,127</b>	<b>59,461,815</b>	<b>(44,108,688)</b>

CITY OF AUSTIN, TEXAS  
Exhibit E-4  
(Continued)

Other Financing Sources (Uses)				Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	Fund Balances Beginning of Year	Fund Balances End of Year
Issuance of Tax Supported Debt	Operating Transfers In	Operating Transfers Out	Total Other Financing Sources (Uses)			
--	--	--	--	--	(1,721)	(1,721)
--	--	--	--	(47,924)	895,031	847,107
--	2,035,000	--	2,035,000	1,118,679	1,528,966	2,647,645
--	916,000	--	916,000	800,921	(119,349)	681,572
--	--	(27,000)	(27,000)	(317,716)	419,781	102,065
--	--	--	--	10,049	183,512	193,561
--	3,782,837	(787,800)	6,350,037	3,004,845	170,462	3,175,307
--	--	--	--	(560,385)	6,823,062	6,262,677
--	--	--	--	(99,290)	79,606	(19,484)
--	--	--	--	22,590	412,081	431,671
--	--	--	--	(114,400)	(192,402)	(306,802)
--	--	(1,650,000)	(1,650,000)	(1,650,000)	1,650,000	--
--	--	--	--	(22,472)	56,969	34,497
1,400,000	--	--	1,400,000	1,218,746	875,221	2,093,967
--	--	(4,000)	(4,000)	(195,951)	307,889	111,938
--	--	--	--	(349,027)	--	(349,027)
--	3,938,538	--	3,938,538	3,938,538	--	3,938,538
--	3,938,538	(3,938,538)	--	--	--	--
--	212,342	(5,441,899)	(5,229,557)	90,301	644,027	734,328
4,755,000	14,823,255	(11,849,237)	7,729,018	6,847,504	13,733,335	20,580,839
35,005,000	23,935,156	(19,017,930)	39,922,226	7,591,000	82,370,651	89,962,311
--	--	--	--	(176,505)	1,930,303	1,753,798
--	--	(1,700)	(1,700)	(438,629)	640,982	202,353
136,000	--	(313,000)	(177,000)	(862,620)	2,040,998	1,178,378
--	15,000	--	15,000	(621,391)	1,692,902	1,071,511
3,794,000	2,620,594	(1,288,750)	5,125,844	(8,287,684)	42,817,094	34,529,410
--	251,050	(579,299)	(328,249)	1,004,335	11,321,895	12,326,230
--	--	--	--	903,916	(651,654)	252,262
45,000	1,355,888	(228,970)	30,571,918	680,261	16,643,113	17,323,374
90,000	8,138,023	(4,651,560)	8,676,463	7,571,905	6,161,430	13,733,335
50,865,000	12,380,555	(7,063,279)	43,882,276	(226,412)	82,597,063	82,370,651





## 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. Debt service for the Electric Fund, the Water and Wastewater Fund, the Hospital Fund, the Solid Waste Services Fund, the Airport Fund, and the Convention Center Fund is also included. The enterprise funds are as follows:

- The Electric Fund;
- The Water and Wastewater Fund;
- The Hospital Fund;
- The Solid Waste Services Fund;
- The Airport Fund;
- The Convention Center Fund;
- The Drainage Fund;
- The Transportation Fund;
- The Golf Fund; and
- The Parks and Recreation Fund.

## STATISTICAL SECTION

Financial presentations included in the Statistical Section provide data on the financial, physical and economic characteristics of the City. These tables cover multiple fiscal years and provide users with a broader and more complete understanding of the City and its financial affairs.

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**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>ASSETS</b>				
Current assets:				
Cash	\$ 30,000	10,750	--	1,350
Pooled investments and cash	126,967,433	21,009,888	10,565,346	2,598,694
Accrued interest on investments	--	--	--	--
Working capital advances	2,273,423	--	--	--
Accounts receivable	69,193,507	16,365,373	12,206,099	2,434,838
Less allowance for doubtful accounts	(3,547,394)	(1,405,824)	(8,656,575)	(1,332,377)
Net accounts receivable	65,646,113	14,959,549	3,547,524	1,102,461
Receivable from other governments	--	--	--	24,634
Due from other funds	--	--	--	--
Inventories, at cost	48,810,039	766,810	--	--
Prepaid expenses and other assets	734,445	--	718,680	--
Total current assets	244,481,453	36,746,997	14,831,550	3,727,139
Restricted assets:				
Revenue bond debt service account	69,991,907	22,961,555	--	53,137
Revenue bond retirement reserve account	109,876,305	51,024,028	--	--
Tax and revenue bond debt service account	--	20,548	--	--
Capitalized interest account	--	--	--	--
Construction account	34,555,725	49,396,002	--	14,452,720
Construction account due from other funds	155,692	228,732	--	--
Construction account advances to other funds	622,770	1,183,649	--	--
Decommissioning account	31,788,778	--	--	--
Capital improvement account	--	--	--	--
Operating reserve account	--	--	--	--
Hotel occupancy tax account	--	--	--	--
Revenue account	--	--	--	--
Renewal and replacement account	--	--	--	--
Capital lease retirement reserve account	2,004,314	1,429,893	--	--
Investments and cash held by trustee	--	--	5,000,000	--
Nuclear fuel inventory acquisition account	21,857,601	--	--	--
Passenger facility charge account	--	--	--	--
Mueller disposition account	--	--	--	--
Customer deposits	2,066,989	807,109	--	133,166
Escrow deposits	1,210,631	171,480	5,000,000	--
Total restricted assets	274,130,712	127,222,996	10,000,000	14,639,031
Fixed assets, at cost:				
Property, plant and equipment in service	2,335,855,186	1,540,423,592	74,780,562	28,805,424
Less accumulated depreciation	(745,058,632)	(375,222,408)	(22,628,508)	(15,852,744)
Net property, plant and equipment in service	1,590,796,554	1,165,201,184	52,152,054	12,952,680
Construction in progress	88,107,493	78,288,097	--	9,582,152
Nuclear fuel, net of amortization	29,478,659	--	--	--
Plant held for future use	32,653,983	--	--	--
Net property, plant and equipment	1,741,036,689	1,243,489,281	52,152,054	22,534,832
Investment in municipal utility districts	--	19,612,403	--	--
Advances to other funds	--	--	--	--
Deferred costs and expenses, including bond issue cost, net of amortization	357,236,230	161,273,194	--	345,439
<b>Total assets</b>	<b>\$ 2,616,865,084</b>	<b>1,588,344,871</b>	<b>76,983,604</b>	<b>41,246,441</b>

## CITY OF AUSTIN, TEXAS

## Exhibit F-1

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1995
3,550	2,000	350	--	1,300	--	49,300	58,988
2,356,676	5,642,217	4,289,161	935,022	437,617	660,571	175,462,625	134,713,116
46,504	--	--	--	--	--	46,504	30,237
--	79,007	--	--	--	--	2,352,430	3,643,671
1,162,724	--	1,078,164	814,730	--	--	103,255,435	123,390,596
(150,000)	--	(148,885)	(147,577)	--	--	(15,390,632)	(22,054,303)
1,012,724	--	929,279	667,153	--	--	97,864,803	101,336,293
--	--	--	--	--	--	24,634	4,361,279
298,581	--	--	--	--	--	298,581	320,679
--	--	16,326	266,412	--	--	49,859,587	51,199,978
500	--	--	--	--	--	1,453,625	1,673,791
3,718,535	5,723,224	5,235,116	1,868,587	438,917	660,571	317,412,089	297,347,234
737,952	1,534,310	--	--	--	--	95,278,861	100,278,710
30,341,433	6,864,575	--	--	--	--	198,106,341	198,470,429
--	--	--	--	--	--	20,548	27,862
56,961,194	--	--	--	--	--	56,961,194	69,220,569
277,680,876	1,363,817	18,180,002	--	1,578,757	--	397,207,907	401,795,026
--	--	--	--	--	--	384,424	384,424
--	--	--	--	--	--	1,806,419	2,190,843
--	--	--	--	--	--	31,788,778	24,896,284
18,105,312	--	--	--	--	--	18,105,312	9,864,826
3,064,889	3,898,708	--	--	--	--	6,963,597	4,755,956
--	1,188,741	--	--	--	--	1,188,741	447,249
--	3,676,536	--	--	--	--	3,676,536	1,521,341
5,000,000	368,659	--	--	--	--	5,368,659	5,212,379
--	--	--	--	--	--	3,434,207	3,280,761
--	--	--	--	--	--	5,000,000	412,253
--	--	--	--	--	--	21,857,601	14,719,771
1,068,327	--	--	--	--	--	1,068,327	1,573,343
1,857	--	--	--	--	--	1,857	--
59,077	--	--	--	--	--	3,066,341	3,988,534
--	--	--	--	--	--	6,382,111	1,162,811
393,020,917	18,895,346	18,180,002	--	1,578,757	--	857,667,761	844,205,371
96,005,749	97,514,325	3,163,220	3,351,060	9,143,143	71,432	4,189,113,693	4,025,670,822
(51,168,928)	(13,441,319)	(856,798)	(810,435)	(1,674,415)	(18,162)	(1,226,732,349)	(1,112,328,164)
44,836,821	84,073,006	2,306,422	2,540,625	7,468,728	53,270	2,962,381,344	2,913,342,658
128,598,031	1,524,562	10,623,216	--	711,036	--	317,434,587	257,796,116
--	--	--	--	--	--	29,478,659	36,616,489
--	--	--	--	--	--	32,653,983	31,913,591
173,434,852	85,597,568	12,929,638	2,540,625	8,179,764	53,270	3,341,948,573	3,239,668,854
--	--	--	--	--	--	19,612,403	21,806,472
103,656	--	--	--	--	--	103,656	141,835
2,536,239	1,270,069	--	--	29,153	--	522,690,324	473,147,254
572,814,199	111,486,207	36,344,756	4,409,212	10,226,591	713,841	5,059,434,806	4,876,317,020

(continued)

**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>LIABILITIES AND FUND EQUITY</b>				
Current liabilities:				
Accounts payable	\$ 35,885,921	991,350	4,316,398	238,192
Accrued payroll	2,567,874	1,608,733	60,718	515,269
Accrued compensated absences	5,541,436	3,296,911	268,775	828,637
Construction contracts payable	--	274,698	--	--
Contract revenue bonds payable	--	4,365,000	--	--
Due to other governments	--	--	33,612	--
Due to other funds	--	220,356	201,738	121,550
Interest payable on other debt	545,259	2,805,489	--	233,322
Deferred revenue	672,224	--	--	--
General obligation bonds payable and other tax supported debt	--	--	--	1,915,146
Water improvement district bonds payable	--	122,000	--	--
Capital lease obligations payable	1,080,933	575,000	--	--
Other liabilities	3,393,000	237,426	--	12,350
Total current liabilities	49,686,647	14,496,963	4,881,241	3,864,466
Liabilities payable from restricted assets:				
Accounts and retainage payable	2,696,004	4,460,989	2,500,000	184,014
Accrued interest payable	38,996,701	15,836,238	--	6,112
General obligation bonds payable and other tax supported debt	--	1,389,178	--	655,000
Revenue bonds payable within one year	71,872,010	10,668,571	--	--
Customer deposits	2,066,989	807,109	--	133,166
Escrow deposits	1,210,631	171,480	--	--
Decommissioning expense payable	31,788,778	--	--	--
Nuclear fuel expense payable	21,857,601	--	--	--
Other liabilities	--	--	--	--
Total liabilities payable from restricted assets	\$ 170,488,714	33,333,565	2,500,000	978,292

CITY OF AUSTIN, TEXAS  
Exhibit F-1  
(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1993
289,538	85,115	181,363	172,050	41,587	40,493	42,242,007	32,654,149
302,142	170,509	123,379	215,697	60,812	50,359	5,675,492	8,112,011
434,439	190,706	172,483	340,298	93,885	54,465	11,222,035	14,269,915
--	--	--	--	--	--	274,698	857,294
--	--	--	--	--	--	4,365,000	3,015,000
--	--	--	--	--	--	33,612	--
2,656	--	5,559	--	--	--	551,859	30,825
180,779	--	--	--	32,149	--	3,805,998	4,244,730
--	--	--	--	--	--	672,224	511,280
109,770	--	--	--	277,457	--	2,302,373	5,721,527
--	--	--	--	--	--	122,000	113,000
--	--	--	--	--	--	1,655,933	1,566,105
--	--	--	--	--	--	3,642,776	4,394,541
1,326,324	446,330	482,784	728,045	505,890	145,317	76,566,007	75,490,377
9,815,068	30,193	857,035	--	7,537	--	20,550,840	12,054,305
8,977,264	1,534,235	--	--	--	--	65,350,550	65,146,271
--	--	--	--	--	--	2,044,178	1,654,735
--	--	--	--	--	--	82,540,581	75,520,329
59,077	585,689	283,840	--	--	--	3,935,870	5,093,072
--	--	--	--	--	--	1,382,111	1,162,811
--	--	--	--	--	--	31,788,778	24,898,284
--	--	--	--	--	--	21,857,601	14,719,771
9,788	4,279,588	--	--	--	--	4,289,376	1,377,827
18,861,197	6,429,705	1,140,875	--	7,537	--	233,739,885	201,627,405

(continued)



**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>LIABILITIES AND FUND EQUITY, CONTINUED</b>				
Long-term liabilities:				
Accrued compensated absences payable	\$ 3,092,440	1,249,226	194,008	133,637
Construction contracts payable	--	2,997,817	--	--
Contract revenue bonds payable	--	112,475,000	--	--
Advances from other funds	--	--	--	288,318
Capital appreciation bond interest payable	69,988,039	25,570,744	--	113,457
Commercial paper notes payable	88,000,000	44,918,000	--	--
General obligation bonds payable, net of discount, and other tax supported debt	--	7,950,896	--	18,369,794
Revenue bonds payable, net of discount and inclusive of premium	1,618,141,708	755,810,697	--	--
Water improvement district bonds payable	--	613,000	--	--
Capital lease obligations payable	14,975,229	10,250,000	--	--
Decommissioning assessment payable	3,014,901	--	--	--
Accrued landfill closure and postclosure costs	--	--	--	7,751,392
Total long-term liabilities	1,797,212,317	961,835,380	194,008	26,656,598
<b>Total liabilities</b>	<b>2,017,387,678</b>	<b>1,009,665,908</b>	<b>7,575,249</b>	<b>31,499,356</b>
<b>Fund equity</b>				
Contributions from municipality	300,398	3,913,619	8,053,972	1,261,029
Contributions from State and Federal governments	263,330	35,838,356	874,135	--
Contributions in aid of construction	64,610,974	238,324,270	--	--
Contributions from the private sector	--	--	3,886,908	--
Total contributions	65,174,702	278,076,245	12,615,015	1,261,029
Retained earnings:				
Reserved for renewal and replacement	--	--	--	--
Reserved for passenger facility charge	--	--	--	--
Unreserved	534,302,704	300,602,718	56,793,340	8,486,056
Total retained earnings	534,302,704	300,602,718	56,793,340	8,486,056
<b>Total fund equity</b>	<b>599,477,406</b>	<b>578,678,963</b>	<b>69,408,355</b>	<b>9,747,085</b>
<b>Total liabilities and fund equity</b>	<b>\$ 2,616,865,084</b>	<b>1,588,344,871</b>	<b>76,983,604</b>	<b>41,246,441</b>

## CITY OF AUSTIN, TEXAS

## Exhibit F-1

(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1995
265,749	88,669	162,464	209,585	127,693	26,828	5,550,299	7,523,211
--	--	--	--	--	--	2,997,817	2,585,180
--	--	--	--	--	--	112,475,000	118,780,000
10,625	--	22,230	--	--	--	321,179	770,238
320,969	--	--	--	--	--	95,903,209	80,408,964
--	--	--	--	--	--	132,918,000	78,884,000
851,380	--	--	--	6,933,428	--	34,105,498	68,091,048
381,569,306	70,800,264	--	--	--	--	2,826,321,975	2,855,914,789
--	--	--	--	--	--	613,000	735,000
--	--	--	--	--	--	25,225,229	26,881,162
--	--	--	--	--	--	3,014,901	3,524,510
--	--	--	--	--	--	7,751,392	7,922,815
383,018,029	70,888,933	184,700	209,585	7,061,121	26,828	3,247,287,499	3,252,020,917
403,207,550	77,764,960	1,808,359	937,630	7,574,548	172,145	3,557,593,391	3,529,138,699
570,204	18,954,158	3,913,062	279,574	927,974	1,069,976	39,243,966	39,481,495
64,190,022	288,271	--	--	--	--	101,454,114	81,242,025
--	2,102,272	7,001,304	--	--	--	312,038,820	292,210,794
--	88,436	--	--	--	--	3,775,344	3,775,344
64,760,226	21,433,137	10,914,366	279,574	927,974	1,069,976	456,512,244	416,709,658
5,000,000	368,659	--	--	--	--	5,368,659	5,212,379
1,068,327	--	--	--	--	--	1,068,327	1,573,343
98,778,096	11,919,443	23,622,031	3,192,008	1,724,069	(528,280)	1,038,892,185	923,682,941
104,846,423	12,280,102	23,622,031	3,192,008	1,724,069	(528,280)	1,045,329,171	930,468,663
169,606,649	33,721,239	34,536,397	3,471,582	2,652,043	541,696	1,501,841,415	1,347,178,321
572,814,199	111,486,207	36,344,756	4,409,212	10,226,591	713,641	5,059,434,806	4,876,317,020

# ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year ended September 30, 1996

With comparative totals for year ended September 30, 1995

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>REVENUES</b>				
Utility services	\$ 613,648,422	186,429,126	--	--
Hospital patient services, net	--	--	--	--
User fees and rentals	--	--	2,142,348	26,607,393
Operating revenues from other governments	--	--	--	--
Operating revenues	613,648,422	186,429,126	2,142,348	26,607,393
<b>EXPENSES</b>				
Operating expenses before depreciation	303,557,594	76,849,508	5,875,620	21,770,106
Depreciation	72,883,945	35,602,029	2,224,232	2,570,239
Total operating expenses	376,441,539	112,451,537	8,099,852	24,340,345
Operating income (loss) before nonoperating revenues (expenses) and operating transfers	237,206,883	73,977,589	(5,957,504)	2,267,048
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and other revenues	21,841,086	9,451,992	2,114,831	974,023
Interest on revenue bonds and other debt	(135,880,083)	(59,610,987)	(729,236)	(1,258,607)
Interest capitalized during construction	--	--	--	--
Amortization of bond issue cost	(520,885)	(265,756)	--	(10,445)
Loss on disposal of assets	(10,217)	(121,779)	--	(17,460)
Total nonoperating revenues (expenses)	(114,570,099)	(50,546,530)	1,385,595	(312,489)
Cost to be recovered in future years	22,222,641	19,716,458	--	--
Income (loss) before operating transfers	144,859,425	43,147,517	(4,571,909)	1,954,559
Operating transfers:				
Operating transfers in	--	--	--	431,600
Operating transfers out	(72,912,425)	(14,267,638)	--	(140,170)
Income (loss) before extraordinary loss	71,947,000	28,879,879	(4,571,909)	2,245,989
Extraordinary loss on cash defeasance of debt	--	--	(4,691,673)	--
<b>Net income (loss)</b>	71,947,000	28,879,879	(9,263,582)	2,245,989
Add depreciation transferred to contributions	--	--	--	--
Net increase (decrease) in retained earnings	71,947,000	28,879,879	(9,263,582)	2,245,989
Retained earnings at beginning of year	462,355,704	271,722,839	66,056,922	6,240,067
<b>Retained earnings at end of year</b>	<b>\$ 534,302,704</b>	<b>300,602,718</b>	<b>56,793,340</b>	<b>8,486,056</b>

CITY OF AUSTIN, TEXAS  
Exhibit F-2

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1995
--	--	--	--	--	--	800,077,548	690,831,874
--	--	--	--	--	--	--	165,957,644
33,847,006	7,731,076	16,049,867	9,778,134	3,758,863	2,730,584	102,645,271	94,572,524
--	--	--	--	--	--	--	17,017,704
33,847,006	7,731,076	16,049,867	9,778,134	3,758,863	2,730,584	902,722,819	968,389,746
<hr/>							
14,087,958	9,489,919	13,063,496	8,895,447	2,912,114	2,596,652	459,098,414	578,157,317
10,352,995	2,427,446	249,414	417,801	344,823	3,586	127,076,490	123,195,177
24,440,953	11,917,365	13,312,910	9,313,248	3,256,937	2,600,218	586,174,904	701,352,494
<hr/>							
9,406,053	(4,186,289)	2,736,957	464,886	501,926	130,366	316,547,915	267,037,252
<hr/>							
22,391,925	969,810	1,176,349	55,499	109,112	31,003	59,115,630	34,834,579
(24,695,593)	(4,784,739)	(8,812)	--	(401,589)	--	(227,369,646)	(208,762,429)
2,958,049	--	--	--	--	--	2,958,049	806,126
(88,239)	(70,725)	--	--	(1,750)	--	(957,800)	(903,250)
(40,776)	(17,784)	(1,855)	(3,220)	(13,307)	(1,450)	(227,848)	(13,406,835)
525,366	(3,903,438)	1,165,682	52,279	(307,534)	29,553	(166,481,615)	(137,432,509)
--	--	--	--	--	--	41,939,099	61,592,089
9,931,419	(8,089,727)	3,902,639	517,165	194,392	159,919	182,005,399	141,196,832
<hr/>							
--	9,166,205	75,000	--	--	--	9,672,805	14,766,717
--	--	(419,664)	(8,016)	--	(50,000)	(87,797,913)	(75,784,775)
9,931,419	1,076,478	3,557,975	509,149	194,392	109,919	113,880,291	80,178,774
--	--	--	--	--	--	(4,691,673)	--
9,931,419	1,076,478	3,557,975	509,149	194,392	109,919	109,188,618	80,178,774
5,606,412	65,478	--	--	--	--	5,671,890	3,911,379
15,537,831	1,141,956	3,557,975	509,149	194,392	109,919	114,860,508	84,090,153
89,308,592	11,146,146	20,064,056	2,682,859	1,529,677	(638,199)	930,468,663	846,378,510
104,846,423	12,286,102	23,622,031	3,192,008	1,724,069	(528,280)	1,045,329,171	930,468,663



**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 612,459,322	185,861,545	27,292,769	26,603,779
Cash payments to suppliers for goods and services	(193,664,459)	(37,133,007)	(7,215,759)	(10,453,508)
Cash payments to employees for services	(62,877,576)	(38,548,513)	(11,409,542)	(11,195,610)
Cash received from other governments	--	--	--	--
Taxes collected and remitted to other governments	(11,514,030)	--	--	--
<b>Net cash provided (used) by operating activities</b>	<b>344,403,257</b>	<b>110,180,025</b>	<b>8,667,468</b>	<b>4,954,661</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Operating transfers in	--	--	--	431,600
Operating transfers out	(72,912,425)	(14,267,638)	--	(140,170)
Interest paid on revenue notes and other debt	(139,238)	(53,316)	--	--
Decrease in deferred assets	905,802	--	--	--
Loan (to) from other funds	--	--	--	--
Contributions from private sector	--	--	--	--
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(72,145,861)</b>	<b>(14,320,954)</b>	<b>--</b>	<b>291,430</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from the sale of commercial paper notes	64,800,000	39,234,000	--	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	2,900,000	--	9,210,000
Proceeds from the sale of revenue bonds	--	--	--	--
Principal paid on long-term debt	(65,901,913)	(16,247,991)	--	(2,201,727)
Proceeds from the sale of fixed assets	900,485	--	--	--
Purchased interest received	1,436,209	551,547	--	--
Interest paid on revenue bonds and other debt	(116,950,843)	(50,851,217)	(7,409,779)	(1,242,981)
Acquisition and construction of capital assets	(90,219,081)	(50,302,972)	(4,353)	(4,113,998)
Contributions from municipality	--	21,068	--	--
Contributions from State and Federal governments	--	--	--	--
Contributions in aid of construction	9,378,529	12,863,668	--	--
Bond discounts and issuance costs	(5,041,340)	(1,914,740)	(117,020)	--
Cash paid for bond defeasance	--	(22,995,011)	(49,537,545)	--
Bonds issued for advanced refundings of debt	182,461,407	66,773,593	--	--
Cash paid for bond refunding escrow	(182,971,531)	(67,570,687)	--	--
Proceeds from municipal utility district reserves	--	2,040,257	--	--
Cash paid for nuclear fuel inventory	(6,680,569)	--	--	--
<b>Net cash provided (used) by capital and related financing activities</b>	<b>\$ (208,788,648)</b>	<b>(85,498,485)</b>	<b>(57,068,697)</b>	<b>1,651,294</b>

CITY OF AUSTIN, TEXAS  
Exhibit F-3

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1995
34,509,720	7,519,549	16,622,331	9,614,153	3,758,863	2,730,584	926,992,615	947,973,408
(7,054,230)	(5,324,464)	(10,676,885)	(4,671,972)	(1,505,613)	(1,059,152)	(278,759,049)	(338,879,950)
(6,888,205)	(3,709,363)	(2,617,492)	(4,635,221)	(1,507,384)	(1,556,216)	(144,945,122)	(200,039,378)
--	--	--	--	--	--	--	17,017,704
--	--	--	--	--	--	(11,514,030)	(11,539,596)
20,567,285	(1,514,278)	3,327,954	326,960	745,866	115,216	491,774,414	414,532,188
<hr/>							
--	9,166,205	75,000	--	--	--	9,672,805	14,766,717
--	--	(419,664)	(8,016)	--	(50,000)	(87,797,913)	(75,784,775)
--	--	--	--	--	--	(192,554)	(201,445)
--	--	--	--	--	--	905,802	684,488
40,773	--	--	--	--	--	40,773	(200,000)
--	--	--	--	--	--	--	279,523
<hr/>							
40,773	9,166,205	(344,664)	(8,016)	--	(50,000)	(77,371,087)	(60,422,492)
<hr/>							
--	--	--	--	--	--	104,034,000	112,684,000
--	--	--	--	--	--	12,110,000	3,270,000
--	--	--	--	--	--	--	362,205,000
(132,867)	--	--	--	(232,822)	--	(64,717,320)	(47,045,768)
--	--	--	--	--	--	900,485	10,477,741
--	--	--	--	--	--	1,987,756	4,611,057
(19,136,873)	(4,091,294)	(8,812)	--	(403,025)	--	(200,094,824)	(178,123,767)
(69,952,785)	(1,840,959)	(3,234,943)	(882,276)	(613,759)	(6,908)	(221,172,034)	(196,834,226)
--	--	--	--	--	--	21,068	--
31,783,188	--	--	--	--	--	31,783,188	15,467,322
--	--	1,163,841	--	--	--	23,406,037	19,648,202
154,820	--	--	--	--	--	(6,918,280)	(26,071,660)
--	--	--	--	--	--	(72,532,556)	(12,281,391)
--	--	--	--	--	--	249,235,000	325,368,632
--	--	--	--	--	--	(250,542,218)	(309,025,001)
--	--	--	--	--	--	2,040,257	--
--	--	--	--	--	--	(6,680,569)	(2,231,553)
<hr/>							
(57,284,517)	(5,932,253)	(2,079,914)	(882,276)	(1,249,606)	(6,908)	(417,140,010)	82,118,588

(continued)

**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of investment securities	\$ (462,308,318)	(104,778,910)	--	(800,549)
Proceeds from sale and maturities of investment securities	460,712,570	105,140,990	--	798,632
Interest on investments	19,417,761	9,131,121	2,114,831	974,023
<b>Net cash provided (used) by investing activities</b>	<b>17,822,013</b>	<b>9,493,201</b>	<b>2,114,831</b>	<b>972,106</b>
Net increase (decrease) in cash and cash equivalents	31,290,761	19,853,787	(46,286,398)	7,869,491
Cash and cash equivalents, October 1 (including \$187,910,255 in restricted accounts)	107,591,199	53,002,398	66,851,744	9,316,447
<b>Cash and cash equivalents, September 30</b> (including \$217,164,813 in restricted accounts)	<b>188,881,960</b>	<b>72,856,185</b>	<b>20,565,346</b>	<b>17,185,938</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	237,206,883	73,977,589	(5,957,504)	2,267,048
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	72,883,945	35,602,029	2,224,232	2,570,239
Allowance for doubtful accounts	(31,667)	115,507	(6,665,907)	162,269
Amortization	13,818,400	--	--	--
Change in assets and liabilities:				
Decrease in working capital advances	1,075,614	--	--	--
(Increase) decrease in accounts receivable	(8,581,989)	28,364	27,485,224	140,354
Decrease in receivable from other governments	--	--	4,328,871	7,774
Decrease in due from other funds	--	--	--	--
(Increase) decrease in inventory	1,331,243	(125,185)	--	--
(Increase) decrease in prepaid expenses and deferred costs	4,411,709	--	(712,213)	--
Decrease in other regulatory assets	300,974	--	--	--
Increase (decrease) in accounts payable	16,286,477	241,276	(3,600,763)	(14,946)
Increase (decrease) in accrued payroll and compensated absences	(467,794)	53,260	(7,444,079)	133,697
Increase (decrease) in deferred revenue	394,061	--	(233,117)	--
Decrease in unrecovered fuel revenue	(509,609)	--	--	--
Increase (decrease) in accrued landfill closure costs	--	--	--	(171,423)
Increase in due to other governments	--	--	33,612	--
Increase in due to other funds	--	--	201,738	--
Increase (decrease) in other liabilities	7,257,294	93,837	(992,626)	11,391
Increase (decrease) in customer deposits	(972,284)	193,348	--	(151,742)
<b>Total adjustments</b>	<b>107,196,374</b>	<b>36,202,436</b>	<b>14,624,972</b>	<b>2,687,613</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 344,403,257</b>	<b>110,180,025</b>	<b>8,667,468</b>	<b>4,954,661</b>

CITY OF AUSTIN, TEXAS  
Exhibit F-3  
(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1995
(232,693,417)	(10,569,625)	--	--	--	--	(811,150,819)	(1,281,129,272)
245,912,577	12,419,201	--	--	--	--	824,983,970	923,872,720
24,861,296	1,026,914	1,176,349	55,499	109,112	31,003	58,897,909	25,292,315
38,080,456	2,876,490	1,176,349	55,499	109,112	31,003	72,731,060	(331,964,237)
1,403,997	4,596,164	2,079,725	(507,833)	(394,628)	89,311	69,994,377	104,231,047
53,492,804	7,611,564	20,389,788	1,442,855	2,412,302	571,260	322,682,361	218,451,314
54,896,801	12,207,728	22,469,513	935,022	2,017,674	660,571	392,676,738	322,682,361
9,406,053	(4,186,289)	2,736,957	464,886	501,926	130,066	316,547,915	267,037,252
10,352,995	2,427,446	249,414	417,801	344,823	3,566	127,076,490	123,195,177
--	--	(336,720)	92,847	--	--	(6,663,671)	(1,574,382)
--	--	--	--	--	--	13,818,400	13,353,921
--	170,992	--	--	--	--	1,246,607	2,521,445
634,725	(191,035)	572,464	(143,981)	(93,059)	--	19,851,067	(12,267,981)
--	--	--	--	--	--	4,336,645	5,330,547
19,504	--	--	--	--	--	19,504	285,961
--	--	--	134,333	--	--	1,440,391	2,046,853
(500)	--	--	--	--	--	3,698,996	(1,792,666)
--	--	--	--	--	--	300,974	400,108
39,155	(101,387)	40,720	(692,017)	--	(14,863)	12,183,652	9,637,100
106,868	54,204	65,119	53,091	(7,824)	(3,853)	(7,457,311)	(151,041)
--	--	--	--	--	--	160,944	(190,824)
--	--	--	--	--	--	(509,609)	--
--	--	--	--	--	--	(171,423)	329,728
--	--	--	--	--	--	33,612	--
--	--	--	--	--	--	201,738	--
--	332,282	--	--	--	--	6,702,178	7,097,882
8,485	(20,492)	--	--	--	--	(942,685)	(726,892)
11,161,232	2,672,011	590,997	(137,926)	243,940	(15,150)	175,226,499	147,494,976
20,567,285	(1,514,278)	3,327,954	326,960	745,866	115,216	427,774,414	414,532,188

(continued)



# ENTERPRISE FUNDS

## COMBINING STATEMENT OF CASH FLOWS

Year ended September 30, 1996

With comparative totals for year ended September 30, 1995

	Electric	Water and Wastewater	Hospital	Solid Waste Services
<b>NONCASH INVESTING, CAPITAL AND FINANCING</b>				
<b>ACTIVITIES:</b>				
Increase in deferred assets/expenses	\$ 43,901,622	10,325,831	--	296,818
Unamortized bond discounts/issue costs on advance refundings	(6,673,257)	(1,549,952)	--	--
(Increase) decrease in capital appreciation bond interest payable	(14,843,924)	(7,021,523)	(545,823)	34,563
Fixed assets contributed (to) from other funds	(11,973)	--	--	--
Increase in contributed facilities	--	6,790,416	--	--
Amortization of bond discounts/issue costs	(3,791,355)	(1,801,083)	--	(10,445)
Amortization of deferred loss on refundings	--	--	(1,433,221)	--
Loss on disposal of assets	(10,702)	(121,779)	--	(17,460)
Costs to be recovered in future years	22,222,641	19,716,458	--	--
Loss on extinguishment of debt	(17,518,444)	1,626,587	(4,574,653)	--
Increase in decommissioning assessment payable	--	--	--	--
Due to other funds for fixed assets	--	--	--	(113,051)
Contributions from private sector	--	--	--	--
Decrease in inventories due to market adjustment	--	--	--	--

CITY OF AUSTIN, TEXAS  
Exhibit F-3  
(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						1996	1995
--	--	--	--	--	--	55,024,271	57,655,528
--	--	--	--	--	--	(8,223,209)	(1,877,752)
97,113	--	--	--	--	--	(22,279,694)	(18,439,144)
16,900	--	--	179,574	--	--	284,501	233,405
--	--	--	--	--	--	6,790,416	9,176,178
(622,457)	(247,380)	--	--	(1,750)	--	(6,474,510)	(1,197,779)
(83,370)	(516,790)	--	--	--	--	(2,031,381)	(693,048)
(50,771)	(17,784)	(1,855)	(3,220)	(13,307)	(1,450)	(228,333)	(12,929,094)
--	--	--	--	--	--	41,939,099	61,768,188
--	--	--	--	--	--	(20,466,510)	(8,698,481)
--	--	--	--	--	--	--	(56,056)
(13,281)	--	(27,795)	--	--	--	(154,127)	(184,952)
--	--	--	--	--	--	--	1,260,277
--	--	--	--	--	--	--	(1,297,244)

**ENTERPRISE FUNDS**
**COMBINING SCHEDULE OF CHANGES IN FIXED ASSETS AND ACCUMULATED DEPRECIATION**

Year ended September 30, 1996

	Assets					Balance September 30, 1996
	Balance September 30, 1995	Additions	Retirements	Transfers from	Transfers	
				Construction	from (to)	
				In Progress	Other Funds (1)	
Property, plant and equipment in service:						
Electric	\$ 2,273,534,347	10,851,986	(9,694,751)	61,269,635	(106,031)	2,335,855,186
Water	679,686,571	4,331,502	(431,860)	52,277,553	271,923	736,135,689
Wastewater	768,237,863	4,523,712	(612,865)	32,497,371	(285,178)	804,287,903
Hospital	74,041,910	4,353	--	734,399	--	74,780,562
Solid Waste Services	25,198,910	231,233	(563,770)	3,939,051	--	28,805,424
Airport	92,629,804	1,731,788	(77,277)	1,737,481	(16,047)	96,005,749
Convention Center	96,914,851	1,317,585	(885,215)	175,519	(8,415)	97,514,325
Drainage	2,347,976	680,695	(1,855)	136,404	--	3,163,220
Transportation	2,441,064	882,276	(3,220)	--	30,940	3,351,060
Golf	10,577,749	91,810	(1,655,220)	128,804	--	9,143,143
Parks and Recreation	59,877	6,908	(1,634)	--	6,281	71,432
	4,025,670,822	24,653,848	(14,000,667)	152,896,217	(106,527)	4,189,113,693
Construction in progress:						
Electric	70,005,106	79,667,569	(295,547)	(61,269,635)	--	88,107,493
Water	71,896,423	20,689,838	--	(52,277,553)	--	40,308,708
Wastewater	39,767,728	30,709,032	--	(32,497,371)	--	37,979,389
Hospital	734,399	--	--	(734,399)	--	--
Solid Waste Services	9,649,774	3,871,429	--	(3,939,051)	--	9,582,152
Airport	56,519,836	73,815,676	--	(1,737,481)	--	128,598,031
Convention Center	1,150,512	549,569	--	(175,519)	--	1,524,562
Drainage	7,720,253	3,039,367	--	(136,404)	--	10,623,216
Golf	352,085	487,755	--	(128,804)	--	711,036
	257,796,116	212,830,235	(295,547)	(152,896,217)	--	317,434,587
Electric-nuclear fuel	96,157,692	6,680,569	--	--	--	102,838,261
Electric-plant held for future use	31,913,591	--	740,392	--	--	32,653,983
Total	\$ 4,411,538,221	244,164,652	(13,555,822)	--	(106,527)	4,642,040,524

Accumulated Depreciation

Balance September 30, 1995	Current Depreciation & Amortization	Retirements	Transfers and Adjustments	Balance September 30, 1996
680,744,173	72,883,945	(8,339,203)	(230,283)	745,058,632
150,767,689	15,146,193	(365,977)	(13,255)	165,534,650
189,861,891	20,455,836	(629,969)	--	209,687,758
20,404,276	2,224,232	--	--	22,628,508
13,828,814	2,570,239	(546,310)	1	15,852,744
40,851,580	10,352,995	(36,501)	854	51,168,928
11,889,720	2,427,446	(867,432)	(8,415)	13,441,319
607,383	249,414	--	1	856,798
392,634	417,801	--	--	810,435
2,971,505	344,823	(1,641,913)	--	1,674,415
8,499	3,566	(184)	6,281	18,162
1,112,328,164	127,076,490	(12,427,489)	(244,816)	1,226,732,349
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
59,541,203	13,818,399	--	--	73,359,602
--	--	--	--	--
1,171,869,367	140,894,889	(12,427,489)	(244,816)	1,300,091,951

(continued)



**ENTERPRISE FUNDS**
**COMBINING SCHEDULE OF CHANGES IN FIXED ASSETS AND ACCUMULATED DEPRECIATION**
**Year ended September 30, 1996**

	Electric	Water	Wastewater	Hospital	Solid Waste Services
<b>Property, plant and equipment:</b>					
Land and land rights	\$ 29,057,443	30,903,414	10,655,254	759,502	10,461,629
Buildings	526,730,881	501,198,679	553,413,594	73,267,728	483,718
Improvements to grounds	9,433,417	16,720,367	12,368,613	14,580	3,369
Machinery and equipment	1,642,440,381	107,839,774	171,752,014	--	1,356,233
Vehicles	19,283,638	6,182,960	10,149,019	--	12,924,829
Completed assets not classified	108,909,426	73,290,495	45,949,409	738,752	3,575,646
	2,335,855,186	736,135,689	804,287,903	74,780,562	28,805,424
Less accumulated depreciation	745,058,632	165,534,650	209,687,758	22,628,508	15,852,744
Net property, plant and equipment in service	1,590,796,554	570,601,039	594,600,145	52,152,054	12,952,680
Construction in progress	88,107,493	40,308,708	37,979,389	--	9,582,152
Nuclear fuel, net of amortization	29,478,659	--	--	--	--
Plant held for future use	32,653,983	--	--	--	--
<b>Total property, plant and equipment</b>	<b>1,741,036,689</b>	<b>610,909,747</b>	<b>632,579,534</b>	<b>52,152,054</b>	<b>22,534,832</b>

(1) Transfers from (to) other funds and account groups are as follows:

General Fixed Assets	(32,769)	--	--	--	--
Electric	--	--	--	--	--
Water	--	--	(285,178)	--	--
Wastewater	--	285,178	--	--	--
Airport	(853)	--	--	--	--
Fleet Maintenance	6,773	--	--	--	--
Support Services	(79,182)	--	--	--	--
Information Systems	--	(13,255)	--	--	--
<b>\$</b>	<b>(113,031)</b>	<b>271,923</b>	<b>(285,178)</b>	<b>--</b>	<b>--</b>

CITY OF AUSTIN, TEXAS  
Exhibit F-4  
(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Total
1,546,757	12,040,579	789,961	--	324,265	--	96,538,804
43,107,297	80,261,594	--	--	1,027,771	--	1,779,491,262
38,842,248	--	--	--	6,316,877	2,999	83,702,470
6,497,502	2,541,879	65,659	93,574	358,277	14,445	1,932,959,738
1,307,053	354,667	1,489,306	2,932,565	242,628	6,281	54,872,946
4,704,892	2,315,606	818,294	324,921	873,325	47,707	241,548,473
96,005,749	97,514,325	3,163,220	3,351,060	9,143,143	71,432	4,189,113,693
51,168,928	13,441,319	656,798	810,435	1,674,415	18,162	1,226,732,349
44,836,821	84,073,006	2,306,422	2,540,625	7,468,728	53,270	2,962,381,344
128,598,031	1,524,562	10,623,216	--	711,036	--	317,434,587
--	--	--	--	--	--	29,476,659
--	--	--	--	--	--	32,653,983
173,434,852	85,597,568	12,929,638	2,540,625	8,179,764	53,270	3,341,948,573

(16,900)	--	--	30,940	--	6,281	(12,448)
853	--	--	--	--	--	853
--	--	--	--	--	--	(285,178)
--	--	--	--	--	--	285,178
--	--	--	--	--	--	(853)
--	(8,415)	--	--	--	--	(1,642)
--	--	--	--	--	--	(79,182)
--	--	--	--	--	--	(13,255)
(16,047)	(8,415)	--	30,940	--	6,281	(106,527)



## INTERNAL SERVICE FUNDS

Internal service funds are used to account for 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 internal service funds are as follows:

- The Fleet Maintenance Fund, which includes vehicle and equipment services;
- The Support Services Fund, which includes the activities of the various support service departments;
- The Information Systems Fund, which includes data systems services;
- The Utility Customer Services Fund, which includes the utility billing and collection activities for the City;
- The Employee Benefits Fund, which includes activities related to the health, dental, and life insurance costs of City employees;
- The Liability Reserve Fund, which provides coverage of the City's major claims liabilities;
- The Workers' Compensation Fund, which accounts for workers' compensation costs; and
- The Radio Communication Fund, which includes communication support activities.





**INTERNAL SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	Fleet Maintenance Fund	Support Services Fund	Information Systems Fund
<b>ASSETS</b>			
Current assets:			
Cash	\$ 7,566	12,950	375
Pooled investments and cash	3,091,732	3,591,634	2,100,212
Cash held by trustee	--	--	--
Accounts receivable	255,507	11,382	1,793
Less allowance for doubtful accounts	(243,588)	--	--
Net accounts receivable	11,919	11,382	1,793
Due from other funds	764,253	--	--
Inventories, at cost	1,202,283	--	--
Prepaid expenses	--	48,088	--
Total current assets	5,077,753	3,664,054	2,102,380
Restricted assets:			
Construction account	415,322	--	--
Total restricted assets	415,322	--	--
Fixed assets, at cost:			
Property, plant, and equipment in service	24,341,336	4,285,116	11,180,419
Less accumulated depreciation	(13,658,064)	(1,290,800)	(6,261,123)
Net property, plant and equipment in service	10,683,272	2,994,316	5,219,296
Construction in progress	810,557	--	--
Net property, plant and equipment	11,493,829	2,994,316	5,219,296
Advances to other funds	197,878	--	--
Deferred costs and expenses	--	159,227	--
<b>Total assets</b>	<b>\$ 17,184,782</b>	<b>6,817,597</b>	<b>7,321,676</b>

(1) The Radio Communication Fund was reported in Fleet Maintenance Fund in fiscal year 1995.

CITY OF AUSTIN, TEXAS  
Exhibit G-1

Utility Customer Service Fund	Employee Benefits Fund	Liability Reserve Fund	Workers' Compensation Fund	Radio Communication Fund (1)	Totals	
					1995	1996
1,000	--	--	--	800	22,691	26,025
3,753,781	6,306,589	8,237,655	9,559,375	--	36,640,978	38,459,858
--	160,131	--	--	--	160,131	174,047
2,110	457,170	--	--	107,262	835,224	479,622
(2,110)	--	--	--	--	(245,698)	(255,791)
--	457,170	--	--	107,262	589,526	223,831
--	--	--	--	--	764,253	--
--	--	--	--	188,069	1,390,352	1,687,181
--	--	--	--	4,432	52,520	16,007
3,754,781	6,923,890	8,237,655	9,559,375	300,563	39,620,451	40,588,949
--	--	--	--	--	415,322	533,515
--	--	--	--	--	415,322	533,515
1,704,234	--	--	--	30,810	41,841,915	43,702,430
(8,162)	--	--	--	(2,201)	(21,903,809)	(26,855,217)
1,012,613	--	--	--	28,609	19,938,106	16,847,213
--	--	--	--	--	810,557	725,761
1,012,613	--	--	--	28,609	20,748,663	17,572,974
--	--	--	--	--	197,878	616,112
--	--	--	--	--	159,227	200,000
4,767,394	6,923,890	8,237,655	9,559,375	329,172	61,141,541	59,511,550

(continued)

**INTERNAL SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**September 30, 1996**  
**With comparative totals for September 30, 1995**

	<b>Fleet Maintenance Fund</b>	<b>Support Services Fund</b>	<b>Information Systems Fund</b>
<b>LIABILITIES AND FUND EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 1,034,733	1,529,150	271,195
Accrued payroll	344,323	1,189,539	208,649
Accrued compensated absences	562,237	2,001,857	336,263
Claims payable	--	--	--
Due to other funds	25,330	258,648	328,269
Interest payable on other debt	10,606	--	--
Deferred revenue	517,174	--	--
General obligation bonds payable and other tax supported debt	139,452	--	--
Capital lease obligations payable	--	--	--
Other liabilities	--	31,710	--
Total current liabilities	2,633,855	5,010,904	1,144,376
Liabilities payable from restricted assets:			
Accounts payable	675	--	--
Total liabilities payable from restricted assets	675	--	--
Long-term liabilities:			
Accrued compensated absences	--	799,652	286,956
Claims payable	--	--	--
Advances from other funds	101,321	103,656	1,581,797
General obligation bonds payable and other tax supported debt	380,810	--	--
Total long-term liabilities	482,131	903,308	1,868,753
<b>Total liabilities</b>	<b>3,116,661</b>	<b>5,914,212</b>	<b>3,013,129</b>
<b>Fund equity</b>			
Contributions from municipality	13,012,768	1,913,760	6,171,767
Retained earnings - unreserved	1,055,353	(1,010,375)	(1,863,220)
<b>Total fund equity</b>	<b>14,068,121</b>	<b>903,385</b>	<b>4,308,547</b>
<b>Total liabilities and fund equity</b>	<b>\$ 17,184,782</b>	<b>6,817,597</b>	<b>7,321,676</b>

(1) The Radio Communication Fund was reported in Fleet Maintenance Fund in fiscal year 1995.



CITY OF AUSTIN, TEXAS  
Exhibit G-1  
(Continued)

Utility Customer Service Fund	Employee Benefits Fund	Liability Reserve Fund	Workers' Compensation Fund	Radio Communication Fund (1)	Totals	
					1996	1995
207,727	788,491	209,979	156,146	41,381	4,238,802	3,355,637
309,694	--	--	--	41,369	2,093,574	1,865,431
746,528	--	--	--	76,465	3,723,350	3,547,897
--	2,829,000	3,061,011	1,710,390	--	7,601,001	11,251,984
--	--	--	--	444,957	1,057,204	674,278
--	--	--	--	--	10,606	19,399
--	--	--	--	--	517,174	616,112
--	--	--	--	--	139,452	134,088
--	--	--	--	--	--	1,045,046
4,926	160,131	--	--	--	196,767	183,069
1,268,875	3,777,622	3,271,590	1,866,536	604,172	19,577,930	22,692,941
--	--	--	--	--	675	835
--	--	--	--	--	675	835
--	--	--	--	58,277	1,141,885	1,162,098
--	--	10,513,065	3,472,610	--	13,985,675	11,603,802
--	--	--	--	--	1,786,774	2,178,552
--	--	--	--	--	380,810	520,262
--	--	10,513,065	3,472,610	58,277	17,298,144	15,464,714
1,268,875	3,777,622	13,784,655	5,339,146	662,449	36,876,749	38,158,490
600,772	9,244,036	--	2,443,263	29,398	33,415,784	28,273,248
2,897,747	(6,097,768)	(5,547,000)	1,776,946	(362,675)	(9,150,992)	(6,920,188)
3,498,519	3,146,268	(5,547,000)	4,220,229	(333,277)	24,264,792	21,353,060
4,767,394	6,923,890	8,237,655	9,559,375	329,172	61,141,541	59,511,550

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

	<b>Fleet Maintenance Fund</b>	<b>Support Services Fund</b>	<b>Information Systems Fund</b>
<b>REVENUES</b>			
Billings to departments	\$ 13,519,250	35,014,417	8,848,201
Employee contributions	--	--	--
Other revenues	--	--	--
Operating revenues	<u>13,519,250</u>	<u>35,014,417</u>	<u>8,848,201</u>
<b>EXPENSES</b>			
Operating expenses before depreciation	12,247,595	33,334,922	7,775,669
Depreciation	600,192	245,598	1,027,016
Total operating expenses	<u>12,847,787</u>	<u>33,580,520</u>	<u>8,802,685</u>
Operating income (loss) before nonoperating revenues (expenses) and operating transfers	<u>671,463</u>	<u>1,433,897</u>	<u>45,516</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenues	216,749	--	56,578
Interest on other debt	(27,580)	--	--
Gain (loss) on disposal of assets	(38,348)	(27,254)	(22,807)
Total nonoperating revenues (expenses)	<u>150,821</u>	<u>(27,254)</u>	<u>33,771</u>
Income (loss) before operating transfers	822,284	1,406,643	79,287
Operating transfers:			
Operating transfers in	--	--	--
Operating transfers out	(551,718)	(682,839)	(255,325)
<b>Net income (loss)</b>	<u>270,566</u>	<u>723,804</u>	<u>(176,038)</u>
Retained earnings at beginning of year	784,787	(1,734,179)	(1,687,182)
Residual equity transfers out	--	--	--
<b>Retained earnings at end of year</b>	<u>\$ 1,055,353</u>	<u>(1,010,375)</u>	<u>(1,863,220)</u>

(1) The Radio Communication Fund was reported in Fleet Maintenance Fund in fiscal year 1995.

CITY OF AUSTIN, TEXAS  
Exhibit G-2

Utility Customer Service Fund	Employee Benefits Fund	Liability Reserve Fund	Workers' Compensation Fund	Radio Communication Fund (1)	Totals	
					1996	1995
16,526,542	22,595,727	6,129,641	6,631,404	1,363,162	110,628,344	114,050,195
--	12,786,961	--	--	--	12,786,961	13,944,484
--	--	--	--	242,447	242,447	322,623
16,526,542	35,382,688	6,129,641	6,631,404	1,605,609	123,657,752	128,317,302
17,076,294	38,700,062	4,687,108	7,030,495	1,816,083	122,668,228	125,247,870
139,364	--	--	--	2,201	2,014,371	2,068,599
17,215,658	38,700,062	4,687,108	7,030,495	1,818,284	124,682,599	128,316,469
(689,116)	(3,317,374)	1,442,533	(399,091)	(212,675)	(1,024,847)	833
286,793	--	--	--	--	597,120	361,133
--	--	--	--	--	7,580	(176,479)
(10,206)	--	--	--	--	(98,615)	72,784
276,587	--	--	--	--	433,925	257,438
(412,529)	(3,317,374)	1,442,533	(399,091)	(212,675)	(590,922)	258,271
--	--	--	--	--	--	887,860
--	--	--	--	(150,000)	(1,639,882)	(195,121)
(412,529)	(3,317,374)	1,442,533	(399,091)	(362,675)	(2,230,804)	951,010
3,310,276	(2,780,394)	(6,989,533)	2,176,037	--	(6,920,188)	(7,244,061)
--	--	--	--	--	--	(627,137)
2,897,747	(6,097,768)	(5,547,000)	1,776,946	(362,675)	(9,150,992)	(6,920,188)

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year ended September 30, 1996**  
**With comparative totals for year ended September 30, 1995**

	<b>Fleet Maintenance Fund</b>	<b>Support Services Fund</b>	<b>Information Systems Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 13,731,162	35,003,035	8,846,408
Cash payments to suppliers for goods and services	(5,432,342)	(4,426,824)	(3,129,236)
Cash payments to employees for services	(6,973,087)	(27,446,647)	(4,283,145)
Cash payments to claimants/beneficiaries	--	--	--
Other operating revenues	--	--	--
<b>Net cash provided (used) by operating activities</b>	<b>1,325,733</b>	<b>3,129,564</b>	<b>1,434,027</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating transfers in	--	--	--
Operating transfers out	(551,718)	(682,839)	(255,325)
Cash received from other funds	--	--	--
Loan to other funds	(444,957)	--	--
Contributions (to) from municipality	--	--	--
Residual equity transfers out	--	--	--
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(996,675)</b>	<b>(682,839)</b>	<b>(255,325)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid on long-term debt	(134,088)	--	(254,129)
Proceeds from the sale of equipment	--	--	--
Interest paid on other debt	(30,191)	--	--
Acquisition and construction of capital assets	(5,880,120)	(1,025,837)	(730,491)
Contributions from municipality	7,005,493	--	--
<b>Net cash provided (used) by capital and related financing activities</b>	<b>961,094</b>	<b>(1,025,837)</b>	<b>(984,620)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	216,749	--	56,578
<b>Net cash provided by investing activities</b>	<b>216,749</b>	<b>--</b>	<b>56,578</b>
Net increase (decrease) in cash and cash equivalents	1,506,901	1,420,888	250,660
Cash and cash equivalents, October 1 (including \$533,515 in restricted accounts)	2,007,719	2,183,696	1,849,927
<b>Cash and cash equivalents, September 30 (including \$415,322 in restricted accounts)</b>	<b>\$ 3,514,620</b>	<b>3,604,584</b>	<b>2,100,587</b>

(1) The Radio Communication Fund was reported in Fleet Maintenance Fund in fiscal year 1995.



CITY OF AUSTIN, TEXAS  
Exhibit G-3

Utility Customer Service Fund	Employee Benefits Fund	Liability Reserve Fund	Workers' Compensation Fund	Radio Communication Fund (1)	Totals	
					1996	1995
16,526,542	34,925,518	6,129,641	6,631,404	1,498,347	123,292,057	127,897,260
(9,018,358)	(17,988,166)	(1,014,478)	(1,916,633)	(838,886)	(43,764,923)	(43,227,450)
(8,463,974)	--	--	--	(952,206)	(48,119,059)	(48,484,610)
--	(20,902,105)	(5,367,583)	(4,522,501)	--	(30,792,189)	(31,254,329)
--	--	--	--	--	--	322,623
(955,790)	(3,964,753)	(252,420)	192,270	(292,745)	615,886	5,253,294
--	--	--	--	--	--	887,860
--	--	--	--	(150,000)	(1,639,882)	(195,121)
--	--	--	--	444,957	444,957	16,387,246
--	--	--	--	--	(444,957)	--
--	--	--	--	(1,412)	(1,412)	11,687,319
--	--	--	--	--	--	(627,137)
--	--	--	--	293,545	(1,641,294)	28,140,167
--	--	--	--	--	(388,217)	(310,176)
--	--	--	--	--	--	135,023
--	--	--	--	--	(30,191)	(180,367)
(441,672)	--	--	--	--	(8,078,120)	(4,724,177)
--	--	--	--	--	7,005,493	3,364,158
(441,672)	--	--	--	--	(1,491,035)	(1,715,539)
286,793	--	--	--	--	560,120	361,133
286,793	--	--	--	--	560,120	361,133
(1,110,669)	(3,964,753)	(252,420)	192,270	800	(1,956,323)	32,039,055
4,865,450	10,431,473	8,490,075	9,367,105	--	39,195,445	7,156,390
3,754,781	6,466,720	8,237,655	9,559,375	800	37,239,122	39,195,445

(continued)

**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

	Fleet Maintenance Fund	Support Services Fund	Information Systems Fund
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>			
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 671,463	1,433,897	45,516
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	600,192	245,598	1,027,016
Allowance for doubtful accounts	(10,093)	--	--
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	222,005	(11,382)	(1,793)
(Increase) decrease in inventory	484,898	--	--
(Increase) decrease in prepaid expenses	--	(32,081)	--
Decrease in deferred expenses	--	40,773	--
Increase (decrease) in accounts payable	(307,131)	1,053,226	130,577
Increase (decrease) in accrued payroll and compensated absences	(335,601)	468,033	232,711
Increase (decrease) in claims payable	--	--	--
Increase (decrease) in due to other funds	--	(62,031)	--
Decrease in advance from other funds	--	(38,179)	--
Increase (decrease) in other liabilities	--	31,710	--
<b>Total adjustments</b>	<b>654,270</b>	<b>1,695,667</b>	<b>1,388,511</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,325,733</b>	<b>3,129,564</b>	<b>1,434,027</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Increase in deferred expenses	\$ --	--	--
Fixed assets contributed (to) from other funds	(2,791,575)	81,490	--
Due to other funds for fixed assets	--	--	--
Advance from other funds for fixed assets	--	--	--
Contributions for capital lease	--	--	797,100
Loss on disposal of assets	(38,348)	(2,907)	(22,807)
Advances to other funds	197,878	--	--
Deferred revenue	(517,174)	--	--
Adjustment for a change in accounting principle	--	--	--
Liabilities assumed from other funds	--	--	--
Due from other funds	319,296	--	--

(1) The Radio Communication Fund was reported in Fleet Maintenance Fund in fiscal year 1995.

## CITY OF AUSTIN, TEXAS

## Exhibit G-3

(Continued)

Utility Customer Service Fund	Employee Benefits Fund	Liability Reserve Fund	Workers' Compensation Fund	Radio Communication Fund (1)	Totals	
					1996	1995
(689,116)	(3,317,374)	1,442,533	(399,091)	(212,675)	(1,024,847)	833
139,364	--	--	--	2,201	2,014,371	2,068,599
--	--	--	--	--	(10,093)	(48,072)
--	(457,170)	--	--	(107,262)	(355,602)	(49,347)
--	--	--	--	(188,069)	296,829	(298,955)
--	--	--	--	(4,432)	(36,513)	223,575
--	--	--	--	--	40,773	--
(247,071)	36,707	(75,843)	28,361	41,381	660,207	1,682,320
(154,871)	--	--	--	176,111	386,383	224,322
--	(213,000)	(1,619,110)	563,000	--	(1,269,110)	1,808,849
--	--	--	--	--	(62,031)	172,638
--	--	--	--	--	(38,179)	--
(4,096)	(13,916)	--	--	--	13,698	(531,468)
(266,674)	(647,379)	(1,694,953)	591,361	(80,070)	1,640,733	5,252,461
(955,790)	(3,964,753)	(252,420)	192,270	(292,745)	615,886	5,253,294
--	--	--	--	--	--	200,000
8,160	--	--	--	30,810	(2,671,115)	(257,752)
--	--	--	--	--	--	(58,165)
--	--	--	--	--	--	(141,835)
--	--	--	--	--	797,100	797,100
(10,206)	--	--	--	--	(74,268)	(62,239)
--	--	--	--	--	197,878	616,112
--	--	--	--	--	(517,174)	(616,112)
--	--	--	--	--	--	6,024,196
--	--	--	--	--	--	(22,411,442)
--	--	--	--	--	319,296	--

**INTERNAL SERVICE FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN FIXED ASSETS AND ACCUMULATED DEPRECIATION**  
**Year ended September 30, 1996**

	Assets					
	Balance	Additions	Retirements	Transfers	Transfers	Balance
	September 30,			from	from (to)	September 30,
	1995			Construction	Other	1996
			In Progress	Funds (1)		
Property, plant and equipment						
In service:						
Fleet Maintenance	\$ 22,488,147	5,992,795	(1,398,588)	--	(2,741,018)	24,341,336
Support Services	3,191,106	1,025,836	(118,814)	--	186,988	4,285,116
Information Systems	16,650,249	402,223	(5,585,308)	--	13,255	11,480,419
Utility Customer Service	1,372,928	441,669	(75,151)	--	(35,212)	1,704,234
Radio Communication (2)	--	--	--	--	30,810	30,810
	43,702,430	7,862,523	(7,177,861)	--	(2,545,177)	41,841,915
Construction in progress:						
Fleet Maintenance	725,761	84,796	--	--	--	810,557
	725,761	84,796	--	--	--	810,557
Total	\$ 44,428,191	7,947,319	(7,177,861)	--	(2,545,177)	42,652,472

	Fleet Maintenance Fund	Support Services Fund	Information Systems Fund	Utility Customer Service Fund	Radio Communication Fund (2)	Total
<b>Property, plant and equipment:</b>						
Land	\$ --	485,463	--	--	--	485,463
Plant and equipment	3,528,426	--	--	--	--	3,528,426
Completed construction unclassified	5,404,865	1,365,736	6,621,000	189,408	--	13,581,009
Less accumulated depreciation	6,167,062	442,285	42,040	720,707	30,810	7,402,904
Construction in progress	9,240,983	1,991,632	4,817,379	794,119	--	16,844,113
Less accumulated depreciation	24,341,336	4,285,116	11,480,419	1,704,234	30,810	41,841,915
Construction in progress	13,658,064	1,290,800	6,261,123	691,621	2,201	21,903,809
Less accumulated depreciation	10,683,272	2,994,316	5,219,296	1,012,613	28,609	19,938,106
Construction in progress	810,557	--	--	--	--	810,557
<b>Net property, plant and equipment</b>	<b>\$ 11,493,829</b>	<b>2,994,316</b>	<b>5,219,296</b>	<b>1,012,613</b>	<b>28,609</b>	<b>20,748,663</b>

(1) Transfers from (to) other funds and account groups are as follows:

General Fixed Assets	\$ (2,665,885)	26,629	--	--	--	(2,639,256)
Electric	(6,773)	79,182	--	--	--	72,409
Water	--	--	13,255	--	--	13,255
Convention Center	8,415	--	--	--	--	8,415
Fleet Maintenance	--	86,095	--	(20,130)	30,810	76,775
Support Services	(66,095)	--	--	(15,082)	--	(81,177)
Utility Customer Service	20,130	15,082	--	--	--	35,212
Radio Communication	(30,810)	--	--	--	--	(30,810)
	<b>\$ (2,741,018)</b>	<b>186,988</b>	<b>13,255</b>	<b>(35,212)</b>	<b>30,810</b>	<b>(2,545,177)</b>

(2) The Radio Communication Fund was reported in Fleet Maintenance Fund in fiscal year 1995.



CITY OF AUSTIN, TEXAS  
Exhibit G-4

Accumulated Depreciation				
Balance September 30, 1995	Current Depreciation	Retirements	Transfers and Adjustments	Balance September 30, 1996
14,396,340	600,192	(1,360,240)	21,772	13,658,064
1,031,265	245,598	(91,560)	105,497	1,290,800
10,783,354	1,027,016	(5,562,501)	13,254	6,261,123
644,258	139,364	(64,945)	(27,056)	691,621
--	2,201	--	--	2,201
26,855,217	2,014,371	(7,079,246)	113,467	21,903,809
--	--	--	--	--
--	--	--	--	--
26,855,217	2,014,371	(7,079,246)	113,467	21,903,809



## FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for other agencies, individuals, private organizations or governmental units. Included in the fiduciary funds are expendable and nonexpendable trust funds, pension trust funds, and agency funds.

The expendable trust funds include a variety of activities, as described on the following page.

The nonexpendable trust fund includes contributions for various governmental purposes, including purchase of library books and cemetery and preserve maintenance.

The pension trust funds include the City of Austin Police Officers' Retirement and Pension Fund, Fire Fighters' Relief and Retirement Fund of Austin, Texas, and the City of Austin Employees' Retirement and Pension Fund.

The agency funds include the Municipal Utility Districts Fund, Water Improvement District Funds, Deferred Compensation Fund, and various others.

See next page for descriptions of the individual funds.

### **Expendable Trust Funds**

*Adaptive Programs Fund* - Accounts for programs and activities sponsored by the Parks and Recreation Department.

*Brackenridge Imaging* - Accounts for participation in and support of programs which will provide health care services.

*Bicentennial Affairs Fund* - Donations to be used for bicentennial/sesquicentennial type activities.

*Cemetery Fund* - Revenues to be used for maintenance and care of cemeteries.

*Fairway Ridge* - Accounts for deposits for Fairway Ridge Subdivision.

*Hospital Memorial Donations Fund* - Donations for memorials for former patients.

*Meadows of Trinity Crossing* - Deposits received for Meadows of Trinity Crossing Subdivision.

*Miscellaneous Fund* - Various donations and revenues to be used for specified purposes.

*PARD Miscellaneous Fund* - Various donations and revenues to be used for specified purposes for Parks and Recreation Department activities.

*Planting for the Future Fund* - Donations to be used for plantings in the City of Austin.

*Police Benefit Fund* - Donations for the benefit and improvement of the Police Department.

*Recycle Bins Fund* - Donations and receipts to be used to purchase recycle bins for the recycling program.

*Special Library Fund* - Donations received to purchase books or special equipment in memory of an individual.

*Summer Musical Fund* - Donations and revenues to be used for the annual summer musical production that is administered by PARD.

*Town Lake Beautification Fund* - Donations to be used for the beautification of Town Lake.

### **Nonexpendable Trust Funds**

Interest income from contributions may be used for specified purposes, such as purchase of library books or maintenance of cemeteries and preserves.

### **Pension Trust Funds**

*Police Officers' Retirement and Pension Fund* - Accounts for pension fund activity related to civil service police officers.

*Fire Fighters' Relief and Retirement Fund* - Accounts for pension fund activity related to civil service fire fighters.

*Employees' Retirement and Pension Fund* - Accounts for pension fund activity related to all City employees other than police officers and fire fighters.

### **Agency Funds**

*Municipal Utility Districts Funds* - Receives revenues from municipal utility districts which are used to make debt service payments for the districts.

*Water Improvement Districts Funds* - Collects billings from water control and improvement customers which are periodically remitted to the districts.

*Neighborhood Revitalization Funds* - Accounts for various loans related to revitalization programs.

*Municipal Courts Fund* - Holds fees collected by the City to be remitted to the State.

*BCCP Permit Fund* - Receives permit fees to support City of Austin and Travis County preserve administration for the Balcones Canyonlands Conservation Plan.

*Deferred Compensation Fund* - Used to record the amount of compensation deferred by City employees and held by an independent administrator.



**TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
September 30, 1996**

**CITY OF AUSTIN, TEXAS  
Exhibit H-1**

**With comparative totals for September 30, 1995**

	Expendable Trust Funds	Nonexpendable Trust Funds	Pension Trust Funds (1)	Agency Funds	Totals	
					1996	1995
<b>ASSETS</b>						
Cash	\$ --	--	5,655,357	--	5,655,357	5,539,588
Pooled investments and cash	3,047,413	76,374	--	2,919,415	6,043,202	5,255,662
Investments, at amortized cost	--	--	941,120,847	--	941,120,847	847,832,151
Cash and investments held by trustee	--	--	--	86,038,542	86,038,542	76,732,209
Accounts receivable	--	--	--	--	--	84,488
Other assets	--	--	8,995,648	--	8,995,648	7,499,033
Furniture and equipment, at cost, net of accumulated depreciation	--	--	1,477,344	--	1,477,344	991,550
<b>Total assets</b>	<b>3,047,413</b>	<b>76,374</b>	<b>957,249,196</b>	<b>88,957,957</b>	<b>1,049,330,940</b>	<b>943,934,681</b>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities</b>						
Accounts payable	6,009	--	1,364,074	34,657	1,404,740	912,777
Due to other governments:						
Municipal utility districts	--	--	--	106,671	106,671	64,963
Water improvement districts	--	--	--	--	--	171,240
Others	--	--	--	1,037,056	1,037,056	1,096,463
Total due to other governments	--	--	--	1,143,727	1,143,727	1,332,666
Due to other funds	--	--	--	33,531	33,531	--
Escrow and other deposits	--	--	--	87,746,042	87,746,042	78,381,908
Other liabilities	517,494	--	1,289,016	--	1,806,510	834,406
<b>Total liabilities</b>	<b>523,503</b>	<b>--</b>	<b>2,653,090</b>	<b>88,957,957</b>	<b>92,134,550</b>	<b>81,461,757</b>
<b>Fund balances</b>						
Reserved for nonexpendable trust	--	76,374	--	--	76,374	76,374
Reserved for retirement systems	--	--	954,596,106	--	954,596,106	860,258,865
Unreserved:						
Designated for purposes of trust	2,523,910	--	--	--	2,523,910	2,137,685
Total fund balances	2,523,910	76,374	954,596,106	--	957,196,390	862,472,924
<b>Total liabilities and fund balances</b>	<b>\$ 3,047,413</b>	<b>76,374</b>	<b>957,249,196</b>	<b>88,957,957</b>	<b>1,049,330,940</b>	<b>943,934,681</b>

(1) Pension trust funds information presented is audited information as of December 31, 1995 and 1994.

TRUST AND AGENCY FUNDS  
EXPENDABLE TRUST FUNDS  
COMBINING BALANCE SHEET

September 30, 1996

With comparative totals for September 30, 1995

CITY OF AUSTIN, TEXAS

Exhibit H-2

	Assets		Liabilities			Unreserved	Total
	Pooled					Fund Balances	Liabilities
	Investments and Cash	Total Assets	Accounts Payable	Other Liabilities	Total Liabilities	Designated for Trust	and Fund Balances
Adaptive Programs	\$ 15,616	15,616	--	--	--	15,616	15,616
Brackenridge Imaging	642,597	642,597	--	--	--	642,597	642,597
Bicentennial Affairs	--	--	--	--	--	--	--
Cemetery	974,843	974,843	--	--	--	974,843	974,843
Fairway Ridge	298,538	298,538	--	--	--	298,538	298,538
Hospital Memorial Donations	--	--	--	--	--	--	--
Meadows of Trinity Crossing	395,194	395,194	--	384,795	384,795	10,399	395,194
Miscellaneous	173,637	173,637	--	132,699	132,699	40,938	173,637
PARD Miscellaneous	131,781	131,781	5,869	--	5,869	125,912	131,781
Planting for the Future	155,258	155,258	--	--	--	155,258	155,258
Police Benefit	34,358	34,358	50	--	50	34,308	34,358
Recycle Bins	3,922	3,922	--	--	--	3,922	3,922
Special Library	163,019	163,019	90	--	90	162,929	163,019
Summer Musical	25,648	25,648	--	--	--	25,648	25,648
Town Lake Beautification	33,002	33,002	--	--	--	33,002	33,002
<b>1996 Total</b>	<b>3,047,413</b>	<b>3,047,413</b>	<b>6,009</b>	<b>517,494</b>	<b>523,503</b>	<b>2,523,910</b>	<b>3,047,413</b>
<b>1995 Total</b>	<b>\$ 2,257,508</b>	<b>2,257,508</b>	<b>11,985</b>	<b>107,838</b>	<b>119,823</b>	<b>2,137,685</b>	<b>2,257,508</b>

TRUST AND AGENCY FUNDS  
EXPENDABLE TRUST FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

CITY OF AUSTIN, TEXAS  
Exhibit H-3

	Fund Balances September 30, 1995	Revenues Contributions	Expenditures (1)	Operating Transfers In (Out)	Residual Equity Transfers In (Out)	Fund Balances September 30, 1996
Adaptive Programs	\$ 15,616	--	--	--	--	15,616
Brackenridge Imaging	609,200	33,397	--	--	--	642,597
Bicentennial Affairs	17,385	--	--	(17,365)	--	--
Cemetery	974,275	50,923	50,355	--	--	974,843
Fairway Ridge	--	--	--	298,538	--	298,538
Hospital Memorial Donations	14,256	--	14,256	--	--	--
Meadows of Trinity Crossing	--	10,399	--	--	--	10,399
Miscellaneous	43,906	6,138	9,106	--	--	40,938
PARC Miscellaneous	121,351	147,647	143,086	--	--	125,912
Planting for the Future	83,256	85,842	13,840	--	--	155,258
Police Benefit	18,139	16,592	423	--	--	34,308
Recycle Bins	32,987	933	29,998	--	--	3,922
Special Library	154,968	12,393	4,432	--	--	162,929
Summer Musical	20,646	6,325	1,323	--	--	25,648
Town Lake Beautification	31,720	16,897	15,615	--	--	33,002
<b>1996 Total</b>	<b>2,137,685</b>	<b>387,486</b>	<b>282,434</b>	<b>281,173</b>	<b>--</b>	<b>2,523,910</b>
<b>1995 Total</b>	<b>\$ 12,551,306</b>	<b>1,047,094</b>	<b>400,533</b>	<b>--</b>	<b>(11,060,182)</b>	<b>2,137,685</b>

(1) Expenditures include capital outlay of \$8,158.

TRUST AND AGENCY FUNDS  
PENSION TRUST FUNDS  
COMBINING BALANCE SHEET  
September 30, 1996

CITY OF AUSTIN, TEXAS  
Exhibit H-4

With comparative totals for September 30, 1995

	Police Officers' Retirement and Pension Fund	Fire Fighters' Relief and Retirement Fund	Employees' Retirement and Pension Fund	Totals (1)	
				1996	1995
<b>ASSETS</b>					
Cash	\$ 43,958	390,770	5,220,629	5,655,357	5,539,588
Investments, at amortized cost	120,351,385	187,157,388	633,612,074	941,120,847	847,832,151
Other assets	919,524	3,479,588	4,596,536	8,995,648	7,499,033
Property and equipment, at cost, net of accumulated depreciation	589,232	11,247	876,865	1,477,344	991,550
<b>Total assets</b>	<b>121,904,099</b>	<b>191,038,993</b>	<b>644,306,104</b>	<b>957,249,196</b>	<b>861,862,322</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities</b>					
Accounts payable	222,075	215,454	926,545	1,364,074	879,177
Other liabilities	82,577	--	1,206,439	1,289,016	724,280
<b>Total liabilities</b>	<b>304,652</b>	<b>215,454</b>	<b>2,132,984</b>	<b>2,653,090</b>	<b>1,603,457</b>
<b>Fund balances</b>					
Reserved for retirement systems	121,599,447	190,823,539	642,173,120	954,596,106	860,258,865
<b>Total fund balances</b>	<b>121,599,447</b>	<b>190,823,539</b>	<b>642,173,120</b>	<b>954,596,106</b>	<b>860,258,865</b>
<b>Total liabilities and fund balances</b>	<b>\$ 121,904,099</b>	<b>191,038,993</b>	<b>644,306,104</b>	<b>957,249,196</b>	<b>861,862,322</b>

(1) Pension trust funds information presented is audited information as of December 31, 1995 and 1994.



TRUST AND AGENCY FUNDS  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND BALANCES  
Year ended September 30, 1996  
With comparative totals for year ended September 30, 1995

CITY OF AUSTIN, TEXAS  
Exhibit H-5

	Police Officers' Retirement and Pension Fund	Fire Fighters' Relief and Retirement Fund	Employees' Retirement and Pension Fund	Totals (1)	
				1996	1995
<b>REVENUES</b>					
Pension contributions	\$ 9,129,327	9,792,591	34,404,103	53,326,021	50,520,970
Interest and other	13,344,647	18,120,077	52,426,839	83,891,563	73,118,012
Operating revenues	22,473,974	27,912,668	86,830,942	137,217,584	123,638,982
<b>EXPENSES</b>					
Benefit payments	3,205,464	7,653,236	23,205,043	34,063,743	30,614,140
Contributions refunded	243,120	95,648	8,477,832	8,816,600	4,816,796
Total operating expenses	3,448,584	7,748,884	31,682,875	42,880,343	35,430,936
<b>Net income</b>	19,025,390	20,163,784	55,148,067	94,337,241	88,208,046
Fund balances at beginning of year	102,574,057	170,659,755	587,025,053	860,258,865	772,050,819
<b>Fund balances at end of year</b>	<b>\$ 121,599,447</b>	<b>190,823,539</b>	<b>642,173,120</b>	<b>954,596,106</b>	<b>860,258,865</b>

(1) Pension trust funds information presented is actual information for the years ended December 31, 1995 and 1994.

TRUST AND AGENCY FUNDS  
 AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 September 30, 1996  
 With comparative totals for September 30, 1995

CITY OF AUSTIN, TEXAS  
 Exhibit H-6

	Municipal Utility Districts	Water Improvement Districts	Neighborhood Revitalization	Municipal Courts	BCCP Permit Fund	Deferred Compensation	Totals	
							1996	1995
<b>ASSETS</b>								
Pooled investments and cash	\$ 816,312	--	109,965	1,926,076	67,062	--	2,919,415	2,921,780
Cash and investments held by trustee	--	--	--	--	--	86,038,542	86,038,542	76,732,209
Accounts receivable	--	--	--	--	--	--	--	84,488
<b>Total assets</b>	<b>816,312</b>	<b>--</b>	<b>109,965</b>	<b>1,926,076</b>	<b>67,062</b>	<b>86,038,542</b>	<b>88,957,957</b>	<b>79,738,477</b>
<b>LIABILITIES</b>								
Accounts payable	--	--	--	34,657	--	--	34,657	21,615
Due to other governments	106,671	--	--	1,003,525	33,531	--	1,143,727	1,332,666
Due to other funds	--	--	--	--	33,531	--	33,531	--
Escrow and other deposits	709,641	--	109,965	887,891	--	86,038,542	87,543,042	78,381,908
Other liabilities	--	--	--	--	--	--	--	2,288
<b>Total liabilities</b>	<b>\$ 816,312</b>	<b>--</b>	<b>109,965</b>	<b>1,926,076</b>	<b>67,062</b>	<b>86,038,542</b>	<b>88,957,957</b>	<b>79,738,477</b>

## TRUST AND AGENCY FUNDS

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended September 30, 1996

CITY OF AUSTIN, TEXAS

Exhibit H-7

	Assets			
	Balance September 30, 1995	Debits	Credits	Balance September 30, 1996
<b>Municipal utility districts</b>				
Pooled investments and cash	\$ 520,317	555,785	259,790	816,312
Total	520,317	555,785	259,790	816,312
<b>Water improvement districts</b>				
Pooled investments and cash	89,437	70,726	160,163	--
Accounts receivable	84,488	12,493	96,891	--
Total	173,925	83,219	257,144	--
<b>Neighborhood revitalization</b>				
Pooled investments and cash	106,100	291,062	287,197	109,965
Total	106,100	291,062	287,197	109,965
<b>Municipal courts</b>				
Pooled investments and cash	2,205,926	4,873,321	5,153,171	1,926,076
Total	2,205,926	4,873,321	5,153,171	1,926,076
<b>3CCP Permit Fund</b>				
Pooled investments and cash	--	67,062	--	67,062
Total	--	67,062	--	67,062
<b>Deferred compensation</b>				
Cash and investments held by trustee	76,732,209	9,306,333	--	86,038,542
Total	76,732,209	9,306,333	--	86,038,542
<b>Combined totals - all agency funds</b>				
Pooled investments and cash	2,921,780	5,857,956	5,860,321	2,919,415
Cash and investments held by trustee	76,732,209	9,306,333	--	86,038,542
Accounts receivable	84,488	12,493	96,961	--
Total	\$ 79,738,477	15,176,782	5,957,302	88,957,957

(continued)

TRUST AND AGENCY FUNDS  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 Year ended September 30, 1996

CITY OF AUSTIN, TEXAS  
 Exhibit H-7  
 (Continued)

	Liabilities		
	Balance		Balance
	September 30, 1995	Debits	September 30, 1996
<b>Municipal utility districts</b>			
Due to other governments	\$ 64,963	226,300	268,008
Escrow and other deposits	455,354	33,385	287,672
Total	520,317	259,685	555,680
<b>Water improvement districts</b>			
Due to other governments	171,240	171,240	--
Escrow and other deposits	397	397	--
Other liabilities	2,288	2,288	--
Total	173,925	173,925	--
<b>Neighborhood revitalization</b>			
Escrow and other deposits	106,100	544,207	548,072
Total	106,100	544,207	548,072
<b>Municipal courts</b>			
Accounts payable	21,615	207,562	220,604
Due to other governments	1,096,463	5,622,674	5,529,736
Escrow and other deposits	1,087,848	877,246	677,292
Total	2,205,926	6,707,482	6,427,632
<b>DCCP Permit Fund</b>			
Due to other governments	--	--	33,531
Due to other funds	--	--	33,531
Total	--	--	67,062
<b>Deferred compensation</b>			
Escrow and other deposits	76,732,209	--	9,306,333
Total	76,732,209	--	9,306,333
<b>Combined totals - all agency funds</b>			
Accounts payable	21,615	207,562	220,604
Due to other governments	1,332,666	6,020,214	5,831,275
Due to other funds	--	--	33,531
Escrow and other deposits	78,381,908	1,455,235	10,819,369
Other liabilities	2,288	2,288	--
Total	\$ 79,738,477	7,685,299	16,904,779



## ACCOUNT GROUPS

Account groups are self-balancing sets of accounts established to provide accounting control over certain fixed assets and long-term debt.

The General Fixed Asset Account Group is used to account for all fixed assets of the City other than those accounted for in the proprietary funds.

The General Long-Term Debt Account Group is used to account for all long-term debt of the City except for that accounted for in the proprietary funds.

1  
2  
3  
4

**GENERAL FIXED ASSETS**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**Year ended September 30, 1996**

**CITY OF AUSTIN, TEXAS**  
**Exhibit I-1**

	Balance September 30, 1995	Additions	Retirements	Completed Construction	Transfers from (to) Other Funds (1)	Balance September 30, 1996
<b>Property, plant and equipment in service:</b>						
Land and buildings:						
Land and easements	\$ 136,864,423	--	(144)	3,129,214	--	139,993,493
Buildings	88,128,526	--	--	13,596,926	--	101,725,452
	<u>224,992,949</u>	<u>--</u>	<u>(144)</u>	<u>16,726,140</u>	<u>--</u>	<u>241,718,945</u>
Improvements other than buildings:						
Grounds	2,033,686	--	--	147,451	--	2,181,137
Parks	16,226,962	--	--	5,316,153	--	21,543,115
Library book stock	60,661	--	--	--	--	60,661
Other	4,181,187	--	--	9,244	--	4,190,431
	<u>22,502,496</u>	<u>--</u>	<u>--</u>	<u>5,472,848</u>	<u>--</u>	<u>27,975,344</u>
<b>Machinery and equipment:</b>						
Machinery	35,304,087	--	(2,547,550)	4,685,709	(12,633)	37,429,613
Park equipment	1,139,864	--	(40,142)	--	--	1,099,722
Furniture and fixtures	2,212,922	--	(176,562)	174,285	--	2,210,645
Barges	105,451	--	(31,377)	--	14,368	88,442
Communication equipment	8,089,949	--	(217,537)	810,284	--	8,682,696
Computer equipment	7,364,663	--	(517,495)	1,972,858	--	8,820,036
	<u>54,216,936</u>	<u>--</u>	<u>(3,530,653)</u>	<u>7,643,136</u>	<u>1,735</u>	<u>58,331,154</u>
<b>Total property, plant and equipment in service</b>	<u>301,712,381</u>	<u>--</u>	<u>(3,530,797)</u>	<u>29,842,124</u>	<u>1,735</u>	<u>328,025,443</u>
<b>Construction in progress</b>	<u>124,650,926</u>	<u>28,725,743</u>	<u>(118,837)</u>	<u>(29,842,124)</u>	<u>2,649,969</u>	<u>126,065,677</u>
<b>Totals</b>	<u>\$ 426,363,307</u>	<u>28,725,743</u>	<u>(3,649,634)</u>	<u>--</u>	<u>2,651,704</u>	<u>454,091,120</u>

**General  
Fixed  
Assets**

(1) Transfers from (to) other funds:

Enterprise funds:	
Electric	\$ 32,769
Airport	16,900
Transportation	(30,940)
Parks and Recreation	(6,281)
Internal service funds:	
Fleet Maintenance	2,665,885
Support Services	(26,629)
<b>Total transfers</b>	<u>\$ 2,651,704</u>

GENERAL LONG-TERM DEBT  
SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT  
Year ended September 30, 1996

CITY OF AUSTIN, TEXAS  
Exhibit I-2

	Balance September 30, 1995	Increase (Decrease) In Other Long-Term Liabilities	Debt Issued During Year	Long-Term Debt Retired During Year	Increase (Decrease) In Long-Term Debt Due To Defeasance	Debt Service Fund Activity	Balance September 30, 1996
<b>AMOUNT AVAILABLE AND TO BE PROVIDED</b>							
Amount available in Debt Service Fund	\$ 8,934,818	--	--	--	--	(459,672)	8,475,146
Amount to be provided for accrued compensated absences	36,278,253	(3,098,526)	--	--	--	--	33,179,727
Amount to be provided for retirement of general long-term debt	436,867,901	--	35,005,000	(22,722,983)	(6,362,556)	459,672	443,247,034
<b>Total available and to be provided</b>	<b>482,080,972</b>	<b>(3,098,526)</b>	<b>35,005,000</b>	<b>(22,722,983)</b>	<b>(6,362,556)</b>	<b>--</b>	<b>484,901,907</b>

**GENERAL LONG-TERM DEBT PAYABLE**

Accrued compensated absences	36,278,253	(3,098,526)	--	--	--	--	33,179,727
General obligation bonds and other tax supported debt	445,802,719	--	35,005,000	(22,722,983)	(6,362,556)	--	451,722,180
<b>Total general long-term debt payable</b>	<b>\$ 482,080,972</b>	<b>(3,098,526)</b>	<b>35,005,000</b>	<b>(22,722,983)</b>	<b>(6,362,556)</b>	<b>--</b>	<b>484,901,907</b>



**SCHEDULE OF GENERAL OBLIGATION BONDS AUTHORIZED  
AND UNISSUED**  
Year ended September 30, 1996

**CITY OF AUSTIN, TEXAS**  
**Exhibit J-1**

03/04 10:59a

Date Authorized	Purpose	Original Authorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 1996
09-11-82	Parks and recreation	\$ 27,800,000	26,463,000	--	1,337,000
09-11-82	Library	3,100,000	3,000,000	--	100,000
10-22-83	Brackenridge 2000	50,000,000	40,785,000	--	9,215,000
09-08-84	Street improvements	200,070,000	176,287,000	1,058,000	22,725,000
09-08-84	Drainage and flood control	48,535,000	40,062,000	1,150,000	7,323,000
09-08-84	Parkland acquisition	7,225,000	6,890,000	335,000	--
09-08-84	Parks improvements	9,975,000	9,025,000	118,000	832,000
01-19-85	Cultural arts	20,285,000	14,890,000	--	5,395,000
08-10-92	Fire Stations	8,760,000	4,660,000	1,105,000	2,995,000
08-10-92	Police Substations	5,580,000	3,875,000	--	1,705,000
08-10-92	Asbestos Abatement, ADA Compliance & East Austin Health Clinic	18,800,000	5,632,000	1,598,000	11,570,000
08-10-92	Erosion Control	21,570,000	10,843,000	1,868,000	8,859,000
08-10-92	Street Construction & Traffic Signals	27,500,000	16,128,000	3,699,000	7,673,000
08-10-92	Neighborhood Sidewalks	500,000	120,000	--	380,000
08-10-92	Parks & Recreation Facilities	17,350,000	13,851,000	1,100,000	2,399,000
08-10-92	Libraries	16,395,000	9,174,000	2,529,000	4,692,000
08-10-92	Land for Barton Creek Greenway	20,000,000	4,310,000	15,690,000	--
		<u>\$ 503,445,000</u>	<u>385,995,000</u>	<u>30,250,000</u>	<u>87,200,000</u>

Source: Bond Sale Circular 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.

**SCHEDULE OF REVENUE BONDS AUTHORIZED,  
DEAUTHORIZED AND UNISSUED  
Year ended September 30, 1996**

**CITY OF AUSTIN, TEXAS  
Exhibit J-2**

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 1996
<b>ELECTRIC UTILITY</b>						
10-22-83	Hydrogeneration power plant and electric system	\$ 39,000,000	--	10,620,000	--	28,380,000
03-01-84	Electric system, South Texas Nuclear Project	505,000,000	--	315,232,000	--	289,768,000
09-08-84	Electric improvements (gas turbines)	32,775,000	--	31,237,000	--	1,538,000
09-08-84	Electric improvements (western coal plant)	47,725,000	--	31,199,000	--	16,526,000
09-08-84	Electric improvements (refuse-fueled plant)	80,000,000	64,669,000	15,331,000	--	--
09-08-84	Electric transmission and reliability improvements	39,945,000	--	20,040,000	--	19,905,000
12-14-85	Transmission lines and substations	175,130,000	--	96,017,000	--	79,113,000
12-14-85	Overhead and underground distribution	76,055,000	--	46,845,000	--	29,210,000
12-14-85	Miscellaneous	25,891,000	--	10,443,000	--	15,448,000
08-10-92	Electrical distribution and street lighting	82,500,000	--	--	--	82,500,000
		1,204,021,000	64,669,000	576,964,000	--	562,388,000
<b>WATER UTILITY</b>						
09-11-82	Green water treatment plant, water lines and reservoir	40,300,000	--	28,885,000	--	11,415,000
09-11-82	Ullrich water treatment plant, water lines and reservoir	49,100,000	--	42,210,000	--	6,890,000
09-11-82	Davis water treatment plant, water lines and reservoir	40,800,000	--	32,274,000	--	8,526,000
09-11-82	Waterworks system rehabilitation and improvements	12,800,000	--	9,164,000	--	3,636,000
09-08-84	Waterworks north central, northeast, and east service area	39,345,000	17,000,000	3,990,000	--	18,395,000
09-08-84	Waterworks northwest service area	14,970,000	--	11,430,000	--	3,540,000
09-08-84	Water improvements in north central and northwest service area	14,470,000	--	2,745,000	--	11,725,000
09-08-84	Waterworks system improvements	141,110,000	--	36,513,000	--	104,597,000
09-08-84	Ullrich water treatment plant improvements to South Austin	47,870,000	--	23,245,000	--	24,625,000
09-08-84	Water lines, reservoir improvements to south corridor area	12,570,000	--	6,585,000	--	5,985,000
09-08-84	Water lines, pump station improvements to North Austin area	7,945,000	--	7,765,000	--	180,000
09-08-84	Waterworks system rehabilitation and improvements	26,500,000	--	3,665,000	--	22,835,000
12-14-85	Northeast area improvements	37,950,000	10,000,000	7,493,000	--	20,457,000
12-14-85	South/southeast area improvements	42,090,000	3,000,000	6,035,000	--	33,055,000
12-14-85	Improvements/extensions	9,775,000	--	3,689,000	--	6,086,000
08-10-92	Improvements to meet EPA safe drinking water act	23,000,000	--	--	--	23,000,000
08-10-92	Improvements and replacement of deteriorated water system facilities	5,000,000	--	--	--	5,000,000
08-10-92	General utility relocation	2,000,000	--	--	--	2,000,000
		\$ 567,635,000	30,000,000	225,688,000	--	311,947,000

(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.

(continued)

**SCHEDULE OF REVENUE BONDS AUTHORIZED,  
DEAUTHORIZED AND UNISSUED  
Year ended September 30, 1996**

**CITY OF AUSTIN, TEXAS  
Exhibit J-2  
(Continued)**

Date Authorized	Purpose	Original Authorized	Deauthorized	Previously Issued (1)	Issued During Current Year	Unissued September 30, 1996
<b>WASTEWATER UTILITY</b>						
11-20-76	Sewer system improvements	\$ 46,920,000	--	38,920,000	--	8,000,000
09-11-82	Govalle sewage treatment plant, sewer lines and improvements to Canterbury lift station	28,300,000	--	24,658,000	--	3,642,000
09-11-82	Orion Creek sewage treatment plant and sewer lines	57,000,000	--	49,345,000	--	7,655,000
06-11-82	Sewer lines for north central and northwest Austin	20,700,000	--	17,975,000	--	2,725,000
09-11-82	Walnut Creek sewage treatment plant additions	20,400,000	--	17,971,000	--	2,429,000
09-11-82	Sewer system rehabilitation and improvements	4,800,000	--	3,930,000	--	870,000
09-08-84	Sewer system rehabilitation and improvements	43,515,000	--	36,950,000	--	6,565,000
09-08-84	Orion Creek and Walnut Creek sewage treatment plant improvements	41,795,000	--	42,284,000	--	2,511,000
09-08-84	Sewer system rehabilitation and improvements	46,230,000	--	14,925,000	--	31,305,000
05-06-85	Sewer system improvements	54,000,000	--	33,106,000	--	20,894,000
12-14-85	Advanced wastewater treatment	34,500,000	--	--	--	34,500,000
12-14-85	Northeast area improvements	47,035,000	14,000,000	1,857,000	--	31,178,000
12-14-85	Southeast area improvements	9,200,000	--	757,000	--	8,443,000
12-14-85	Improvements/extensions	24,725,000	--	12,621,000	--	12,104,000
12-14-85	Walnut Creek WWTP expansion	46,000,000	--	13,717,000	--	32,283,000
12-14-85	Bear Creek interceptor	1,840,000	--	265,000	--	1,575,000
08-10-92	Improvement to Hornsby Bend beneficial re-use program	11,000,000	--	--	--	11,000,000
08-10-92	Replacement and rehabilitation of deteriorated wastewater facilities	3,000,000	--	--	--	3,000,000
		543,960,000	14,000,000	309,281,000	--	220,679,000
Total Utility		2,315,616,000	108,669,000	1,111,933,000	--	1,095,014,000
<b>AIRPORT</b>						
11-03-87	Relocation/Construction of new airport	728,000,000	--	30,000,000	--	698,000,000
05-01-93	Construction of new municipal airport at Bergstrom AFB site	400,000,000	--	362,205,000	--	37,795,000
Total Airport		1,128,000,000	--	392,205,000	--	735,795,000
<b>CONVENTION CENTER</b>						
07-29-89	New convention center	69,000,000	--	68,240,000	--	760,000
Total revenue bonds		\$ 3,512,616,000	108,669,000	1,572,378,000	--	1,831,569,000

Source: Bond sale official statements





SUPPLEMENTAL SCHEDULES



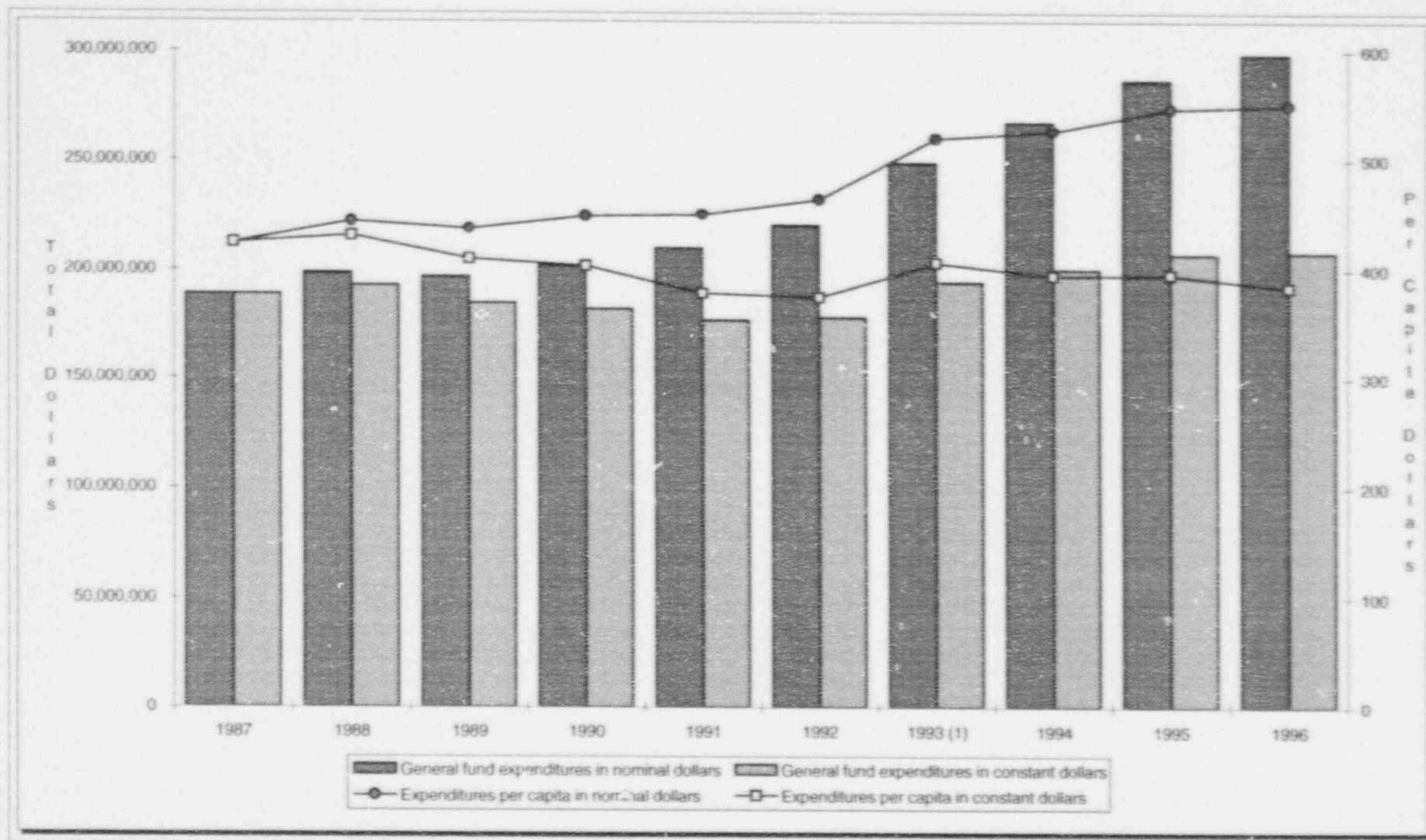
# GENERAL GOVERNMENT TOTAL EXPENDITURES AND EXPENDITURES PER CAPITA

1987-1996

In nominal and constant 1987 dollars

CITY OF AUSTIN, TEXAS

Exhibit 1

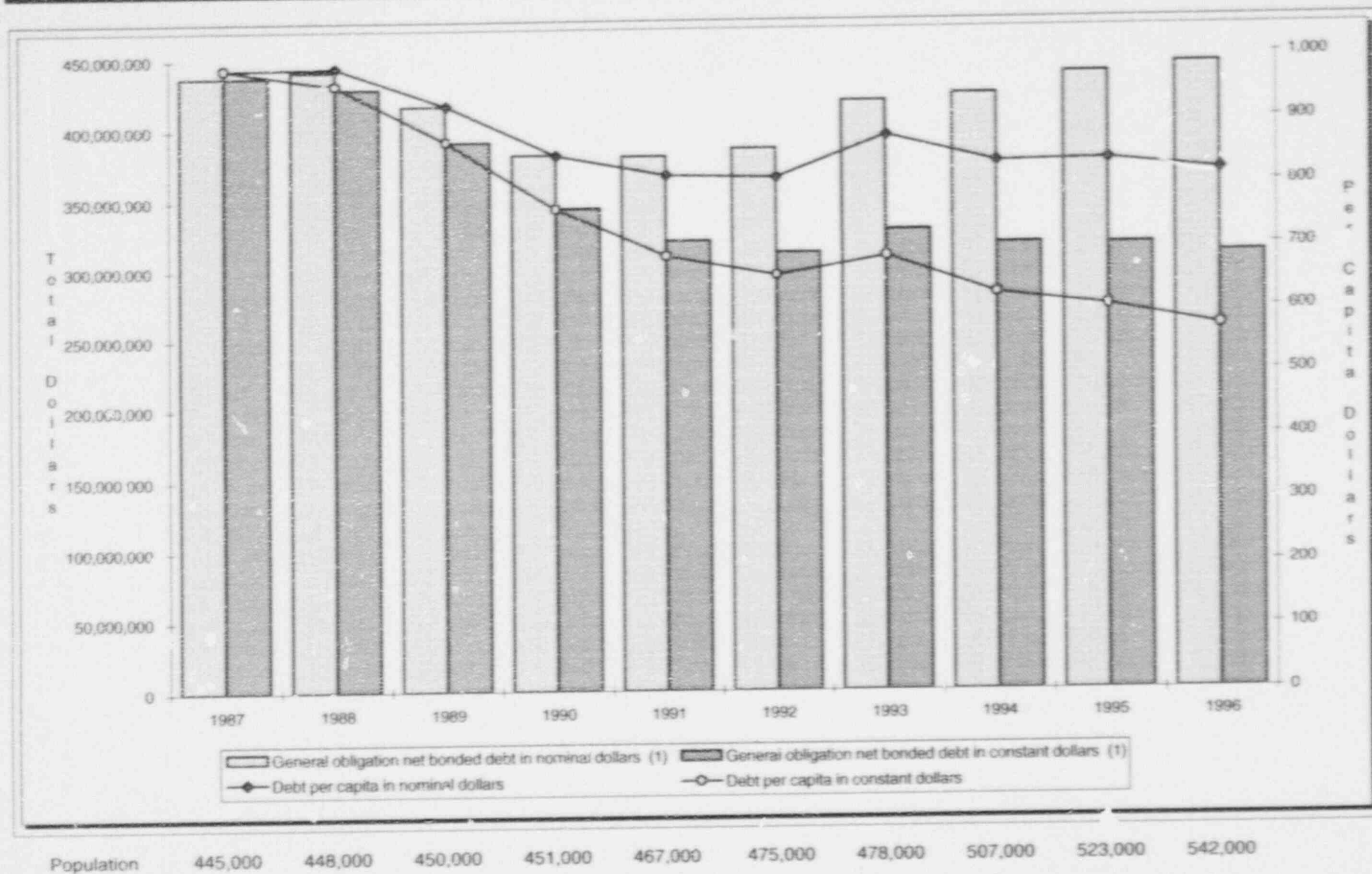


Population 445,000 448,000 450,000 451,000 467,000 475,000 478,000 507,000 523,000 542,000

(1) Certain expenditures shown in the General Fund prior to 1993 are now reported in internal service funds but are included in this exhibit for comparative purposes only. See Table 1 for more information.

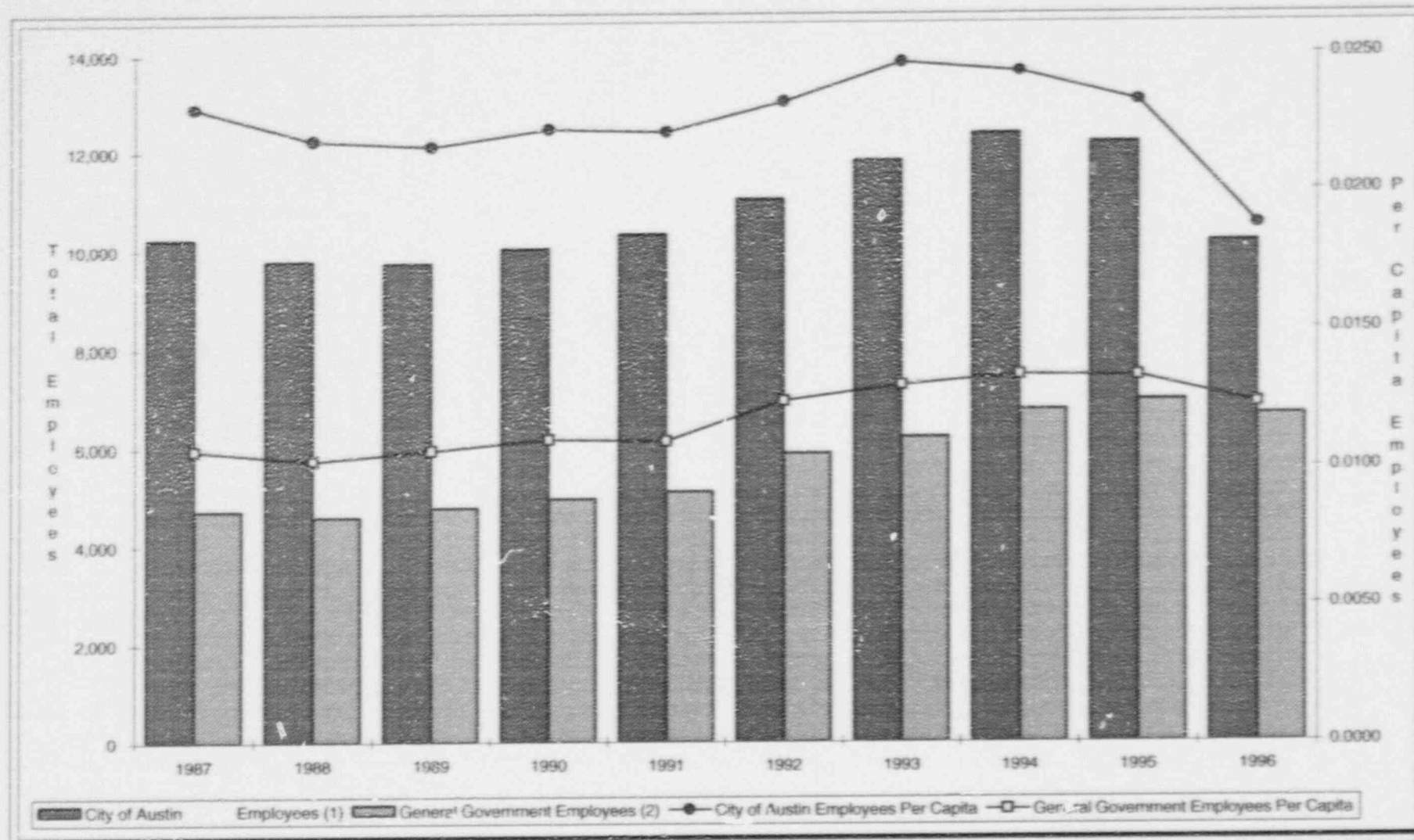
**GENERAL OBLIGATION NET DEBT AND NET DEBT PER CAPITA**  
**1987-1996**  
 In nominal and constant 1987 dollars

**CITY OF AUSTIN, TEXAS**  
**Exhibit 2**



(1) Beginning in 1991, net bonded debt is shown net of amounts supported by enterprise funds.





Population 445,000 448,000 450,000 451,000 467,000 475,000 478,000 507,000 523,000 542,000

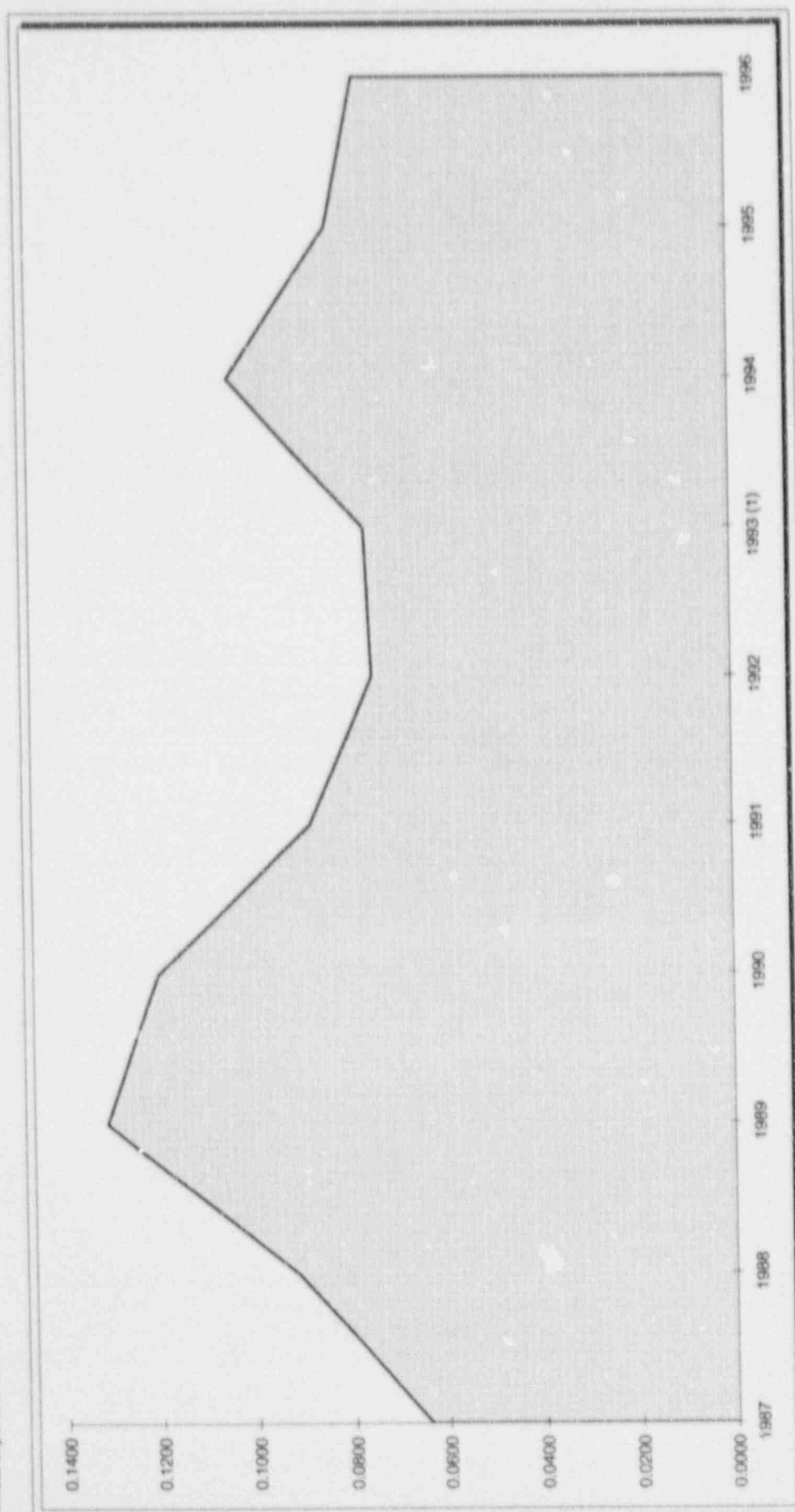
(1) Includes part-time employees

(2) Includes grant-funded employees and part-time employees

RATIO OF GENERAL FUND UNRESERVED ENDING BALANCE  
TO GENERAL GOVERNMENT ANNUAL EXPENDITURES

1987-1996

	1987	1988	1989	1990	1991	1992	1993 (1)	1994	1995	1996
Unreserved fund balance	\$ 12,054,044	\$ 18,187,943	\$ 25,819,081	\$ 24,253,513	\$ 18,479,639	\$ 16,505,238	\$ 18,952,547	\$ 27,902,916	\$ 23,928,888	\$ 23,082,628
Annual expenditures	\$ 188,885,510	\$ 196,676,512	\$ 196,796,206	\$ 202,191,862	\$ 209,905,019	\$ 220,426,372	\$ 248,704,122	\$ 267,435,219	\$ 286,526,640	\$ 298,415,863



(1) Certain expenditures shown in the General Fund prior to 1993 are now reported in internal service funds but are included in this exhibit for comparative purposes only. See Table 1 for more information.

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION  
1987-1996

CITY OF AUSTIN, TEXAS  
Table 1

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EXPENDITURES BY FUNCTION

Fiscal Year Ended Sept. 30	Total (1)	Administration	Fiscal Management	Public Safety	Public Services and Utilities	Public Health	Public Recreation and Culture	Social Services	Supportive Services	Urban Growth Management	Non Departmental
	\$	\$	\$	\$	\$	\$	Parks Libraries	Management	\$	\$	
1987	186,885,510	5,372,347	9,079,174	77,607,844	17,670,828	36,020,169	16,749,440	7,248,659	5,433,001	12,967,352	736,896
1988	198,676,512	5,034,869	9,088,523	85,669,015	17,927,678	37,579,116	17,182,879	7,095,979	5,399,612	12,883,722	815,121
1989	196,796,206	4,909,734	8,937,389	82,986,789	14,245,343	34,110,724	15,342,512	6,288,281	5,595,261	11,863,014	10,778,941 (2)
1990	202,191,862	6,147,227	7,421,498	88,483,349	14,684,845	36,747,269	16,010,550	6,475,481	4,973,095	10,354,266	8,290,282 (3)
1991	209,905,019	6,335,913	7,223,267	94,898,960	12,559,047	38,955,330	16,601,569	7,390,735	5,418,179	11,394,880	7,548,749
1992	220,426,372	7,159,457	7,381,795	106,094,779	16,636,362	34,492,079 (4)	17,117,196	7,870,136	5,707,872	8,992,090 (5)	8,079,538
1993	248,704,122 (7)	9,102,518	10,496,320	111,994,491	13,888,153	40,539,909	17,589,271	8,615,851	6,825,339	18,812,906	9,246,220
1994	267,435,219	10,013,499	13,117,145	122,433,078	14,087,484	39,454,664 (6)	18,796,265	9,974,592	7,152,981	21,944,081	10,860,524
1995	286,526,640	9,186,152	12,499,259	131,742,620	15,550,020	40,431,587	19,257,877	10,616,810	7,334,961	20,450,561	11,401,778
1996	298,415,663	10,530,309	15,419,557	141,140,753	11,903,772	43,647,282	19,411,112	10,881,059	7,285,563	21,356,793	10,567,446

(1) Total does not include transfers to other funds.

(2) Planning, Building Safety, and Environmental Protection converted to General Fund from Growth Services Enterprise Fund in fiscal year 1988-89.

(3) Environmental Protection converted to Enterprise Fund from General Fund in fiscal year 1989-90.

(4) Emergency Medical Services was combined under Public Safety in fiscal year 1991-92.

(5) Communications was combined under Administration in fiscal year 1991-92.

(6) In 1994, the Federally Qualified Health Center was created and certain expenditures shown previously in Public Health are now reported in another special revenue fund.

(7) Beginning in 1993, certain expenditures for support services are reported in internal service funds but have been included in this table for comparative purposes only.

(The reader should also note that support service amounts shown prior to 1993 are net of expenses refunds).

The table below shows by function internal service funds expenses that are included above in 1996.

Department	Administration	Fiscal Management	Supportive Services	Total
Mayor/Council	\$ 722,456			722,456
Management Services	2,008,835			2,008,835
City Clerk	1,499,950			1,499,950
Office of the City Auditor		1,174,202		1,174,202
Financial Services		14,245,355		14,245,355
Human Resources			6,433,773	6,433,773
Small and Minority Business Resources			981,532	981,532
City Attorney			6,165,819	6,165,819
Nondepartmental expenditures	10,000	12,000	81,000	103,000
Total Support Services Fund	4,241,241	15,431,557	13,682,124	33,354,922
Information Systems Fund			7,775,669	7,775,669
Total	\$ 4,241,241	15,431,557	21,437,793	41,110,591

(continued)

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION  
1987-1996

CITY OF AUSTIN, TEXAS

Table 1  
(Continued)

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EXPENDITURES BY FUNCTION AS A PERCENT OF TOTAL EXPENDITURES

Fiscal Year Ended Sept. 30	Total (1)	Administration	Fiscal Management	Public Safety	Public Services and Utilities	Public Health	Public Recreation and Culture		Social Services Management	Supportive Services	Urban Growth Management	Non Departmental
							Parks	Libraries				
	%	%	%	%	%	%	%	%	%	%	%	%
1987	100.00	2.84	4.81	41.09	9.35	19.07	8.67	3.84	2.88	6.86	0.39	--
1988	100.00	2.54	4.58	43.12	9.02	18.91	8.65	3.57	2.72	6.48	0.41	--
1989	100.00	2.49	4.54	42.17	7.24	17.33	7.80	3.20	2.84	6.03	5.48 (2)	0.88
1990	100.00	3.04	3.67	43.76	7.26	18.18	7.92	3.20	2.46	5.12	4.10 (3)	1.29
1991	100.00	3.02	3.44	45.21	5.98	18.56	7.91	3.52	2.58	5.43	3.79	0.56
1992	100.00	3.25	3.35	48.13	7.55	15.65	7.76	3.57	2.59	4.08	3.67	0.40
1993	100.00	(7)	3.66	45.03	5.59	16.30	7.07	3.46	2.74	7.56	3.72	0.65
1994	100.00	3.74	4.90	45.78	5.28	14.75	7.04	3.73	2.67	8.21	4.06	-0.15
1995	100.00	3.21	4.36	45.96	5.43	14.11	6.72	3.70	2.56	7.14	3.98	2.81
1996	100.00	3.53	5.17	47.30	3.99	14.63	6.50	3.58	2.44	7.16	3.54	2.17

(1) Total does not include transfers to other funds.

(2) Planning, Building Safety, and Environmental Protection converted to General Fund from Growth Services Enterprise Fund in fiscal year 1988-89.

(3) Environmental Protection converted to Enterprise Fund from General Fund in fiscal year 1989-90.

(4) Emergency Medical Services was combined under Public Safety in fiscal year 1991-92.

(5) Communications was combined under Administration in fiscal year 1991-92.

(6) In 1994, the Federally Qualified Health Center was created and certain expenditures shown previously in Public Health are now reported in another special revenue fund.

(7) Beginning in 1993, certain expenditures for support services are reported in internal service funds but have been included in this table for comparative purposes only.

(The reader should also note that support service amounts shown prior to 1993 are net of expenses refunds).

The table on the facing page shows by function internal service funds expenses that are included above in 1996.



**GENERAL GOVERNMENT EXPENDITURES BY FUNCTION**  
**1987-1996**  
**in constant 1987 dollars**

**CITY OF AUSTIN, TEXAS**  
**Table 2**

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Administration	\$ 5,372,347	4,889,389	4,607,502	5,537,138	5,332,992	5,783,330	7,124,207	7,510,124	6,847,266	7,342,112
Fiscal management	9,079,174	8,825,915	8,367,223	6,684,942	6,079,886	5,962,932	8,215,085	9,837,859	9,044,690	10,751,073
Public safety	77,607,844	83,193,654	77,878,306	79,701,710	79,877,265	85,702,190	87,653,980	91,824,909	95,331,343	98,408,447
Public services and utilities	17,670,828	17,409,665	13,368,431	13,227,429	10,571,057	13,441,093	10,869,748	10,565,613	11,252,276	8,299,741
Public health	36,020,169	36,493,287	32,010,943	33,100,241	32,799,034	27,862,320 (4)	31,729,147	29,590,998 (6)	29,257,035	30,432,464
Parks	16,749,440	16,696,389	14,398,061	14,421,563	13,973,674	13,827,082	13,750,824	14,097,199	13,935,348	13,534,130
Libraries	7,248,659	6,890,944	5,901,188	5,832,814	6,220,845	6,357,409	6,743,154	7,480,944	7,682,516	7,447,221
Social services management	5,433,001	5,243,593	5,250,829	4,479,534	4,560,528	4,610,756	5,341,942	5,364,661	5,307,638	5,079,758
Support services	12,967,352	12,511,454	11,132,753	9,326,644	9,591,168	7,263,711 (5)	14,724,171	16,458,061	14,798,396	14,890,729
Urban growth management	736,696	791,569	10,115,413 (2)	7,467,503 (3)	6,690,530	6,526,561	7,236,677	8,145,393	8,250,533	7,368,006
Nondepartmental	--	--	1,631,217	2,345,563	991,869	720,603	1,262,658	(299,246)	5,828,820	4,512,517
Total (1)	\$188,885,510	192,935,859	184,681,866	182,125,081	176,678,848	178,057,987	194,651,593 (7)	200,576,415	207,335,861	208,066,198

- (1) Total does not include transfers to other funds.  
(2) Planning, Building Safety, and Environmental Protection converted to General Fund from Growth Services Enterprise Fund in fiscal year 1988-89.  
(3) Environmental Protection converted to Enterprise Fund from General Fund in fiscal year 1989-90.  
(4) Emergency Medical Services was combined under Public Safety in fiscal year 1991-92.  
(5) Communications was combined under Administration in fiscal year 1991-92.  
(6) In 1994, the Federally Qualified Health Center was created and certain expenditures shown previously in Public Health are now reported in another special revenue fund.  
(7) Beginning in 1993, certain expenditures for support services are reported in internal service funds but have been included in this table for comparative purposes only.  
(The reader should also note that support service amounts shown prior to 1993 are net of expenses refunds).

The table below shows by function internal service funds expenses that are included above in 1996.

	Administration	Fiscal Management	Supportive Services	Total
<b>Department:</b>				
Mayor/Council	\$ 503,722			503,722
Management Services	1,400,634			1,400,634
City Clerk	1,045,819			1,045,819
Office of the City Auditor		818,696		818,696
Financial Services		9,932,377		9,932,377
Human Resources			4,485,859	4,485,859
Racial and Minority Business Resources			684,360	684,360
City Attorney			4,299,032	4,299,032
Nondepartmental expenditures	6,972	8,367	56,476	71,815
Total Support Services Fund	2,957,147	10,759,440	9,525,727	23,242,314
Information Systems Fund			5,421,478	5,421,478
Total	\$ 2,957,147	10,759,440	14,947,205	28,663,792

Note: Numbers are actual expenditures adjusted by a Consumer Price Index (CPI) based on the U.S. CPI and adjusted for Austin.

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY SOURCE  
1987-1996

CITY OF AUSTIN, TEXAS  
Table 3

REVENUES AND OTHER FINANCING SOURCES

Fiscal Year Ended Sept. '90	Total	Operating Transfers In											
		Utility System Funds	Other Funds	Subtotal	Property Tax	1% City Sales Tax	Mixed Drink Tax	Franchise Fees and Gross Receipts Tax	Fines and Forfeitures	Licenses and Permits	Charges for Services/ Goods	Intergov- ernmental	Miscella- neous
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1987	206,630,498	60,203,227	19,305,682	127,121,589	51,888,822	39,888,228	1,379,584	9,726,928	8,064,369	2,390,779	10,227,310	3,440	3,552,129
1988	218,854,640	63,740,768	11,608,042	143,505,830	63,540,778	42,924,913	1,303,269	8,493,295	8,653,727	2,444,074	11,338,298	(2,371)	4,809,947
1989	210,303,132	64,459,956	9,750,483	136,092,693	48,827,708	47,172,111	1,329,005	7,781,282	7,057,143	6,225,239	(1)	490	5,891,590
1990	220,402,149	63,665,887	3,883,415	152,852,847	54,701,835	51,540,272	1,373,893	7,872,807	8,124,047	5,935,001	11,830,625	--	11,374,367
1991	217,244,562	63,054,576	2,488,632	151,701,354	51,617,232	55,400,628	1,555,304	7,569,452	7,140,162	6,486,418	7,626,280	--	12,305,878
1992	232,688,738	73,237,718	2,147,248	157,303,772	55,243,842	58,255,348	1,636,097	11,008,628	7,459,760	7,891,542	8,045,410	--	7,753,145
1993	239,998,196	68,581,808	--	171,416,328	58,755,948	67,054,207	1,724,069	11,241,961	9,501,047	10,306,752	7,238,465	--	5,593,879
1994	256,510,874	67,914,376	25,000	188,571,498	63,567,361	75,780,061	1,809,240	12,187,668	9,754,482	12,850,578	6,518,502	--	8,093,626
1995	270,534,111	71,110,681	203,248	199,220,182	66,252,760	80,474,693	1,927,844	12,416,705	10,966,311	13,074,490	8,021,247	--	6,085,132
1996	288,329,168	73,582,839	342,401	214,403,928	74,441,453	83,661,314	2,041,643	13,578,705	12,159,358	14,311,481	8,174,721	--	6,915,253

REVENUES AND OTHER FINANCING SOURCES  
AS A PERCENT OF TOTAL REVENUES AND SOURCES

Fiscal Year Ended Sept. '90	Total	Operating Transfers In											
	%	Utility System Funds	Other Funds	Subtotal	Property Tax	1% City Sales Tax	Mixed Drink Tax	Franchise Fees and Gross Receipts Tax	Fines and Forfeitures	Licenses and Permits	Charges for Services/ Goods	Intergov- ernmental	Miscella- neous
	%	%	%	%	%	%	%	%	%	%	%	%	%
1987	100.00	29.14	9.34	61.52	25.11	19.30	0.67	4.71	3.90	1.16	4.95	--	1.72
1988	100.00	29.12	5.31	65.57	29.03	19.61	0.60	3.88	3.95	1.12	5.18	--	2.20
1989	100.00	30.65	4.64	64.71	23.22	22.43	0.63	3.70	3.36	2.90	5.61	--	2.80
1990	100.00	28.89	1.76	69.35	24.82	23.38	0.62	3.62	3.69	2.69	5.37	--	5.16
1991	100.00	29.02	1.15	69.83	23.76	25.50	0.72	4.40	3.29	2.99	3.51	--	5.66
1992	100.00	31.47	0.92	67.61	23.74	25.04	0.70	4.73	3.21	3.39	3.46	--	3.34
1993	100.00	28.58	--	71.42	24.48	27.94	0.72	4.68	3.96	4.29	3.07	--	2.33
1994	100.00	26.48	0.01	73.51	24.78	29.54	0.70	4.75	3.81	5.01	2.54	--	2.38
1995	100.00	26.29	0.08	73.63	24.49	29.75	0.71	4.59	4.05	4.83	2.96	--	2.25
1996	100.00	25.52	0.12	74.36	25.82	29.02	0.71	4.71	4.22	4.96	2.83	--	2.09

(1) Planning, Building Safety, and Environmental Protection converted to General Fund in fiscal year 1988-89.

ASSESSED VALUATION, ESTIMATED MARKET VALUE, TAX RATES,  
TAX LEVIES, AND TAX COLLECTIONS  
1987-1997

CITY OF AUSTIN, TEXAS  
Table 4

Fiscal Year Ended Sept. 30	Valuation Date (January 1)	Ratio of Assessed Value to Market Value	Assessed Valuation	Estimated Market Value	Percent of Growth in Market Value	Tax Rate (per \$100 Valuation)		
						General Fund	Debt Service Fund	Total
						\$	\$	\$
1987	1986	100	23,453,566,705	23,453,566,705	38.7	0.2226	0.1847	0.4073
1988	1987	100	21,289,060,006	21,289,060,006	(9.2)	0.2964	0.2353	0.5317
1989	1988	100	19,167,564,379	19,167,564,379	(10.0)	0.2521	0.2779	0.5300
1990	1989	100	17,764,618,446	17,764,618,446	(7.3)	0.3069	0.2681	0.5750
1991	1990	100	17,189,792,203	17,189,792,203	(3.2)	0.2984	0.2711	0.5395
1992	1991	100	16,926,074,265	16,926,074,265	(1.5)	0.3265	0.2762	0.6027
1993	1992	100	16,977,306,423	16,977,306,423	0.3	0.3460	0.2950	0.6410
1994	1993	100	18,237,532,094	18,237,532,094	7.4	0.3462	0.2763	0.6225
1995	1994	100	20,958,589,300	20,958,589,300	14.9	0.3132	0.2493	0.5625
1996	1995	100	23,303,015,047	23,303,015,047	11.2	0.3177	0.2269	0.5446
1997 (1)	1996	100	25,908,211,198	25,908,211,198	11.2	0.3117	0.2134	0.5251

Fiscal Year Ended Sept. 30	Valuation Date (January 1)	Total Tax Levy (October 1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
		\$	\$	%	\$	\$	%	\$	%
1987	1986	95,526,377	91,786,519	96.08	907,109	92,693,628	97.03	2,074,738	2.17
1988	1987	113,193,932	108,926,060	96.23	2,468,420	111,394,480	98.41	3,164,877	2.80
1989	1988	101,588,021	98,560,815	97.02	2,546,885	101,107,700	99.53	4,708,651	4.64
1990	1989	102,146,556	99,448,384	97.36	2,142,423	101,590,807	99.46	5,443,306	5.33
1991	1990	97,895,866	95,259,049	97.31	1,941,302	97,208,851	99.30	5,827,042	5.95
1992	1991	102,013,450	99,780,652	97.81	1,830,230	101,610,912	99.60	6,419,300	6.29
1993	1992	108,824,534	106,677,219	98.03	1,594,988	108,272,207	99.49	6,795,751	6.22
1994	1993	113,528,637	112,118,783	98.76	1,491,539	113,610,322	100.07	6,680,770	5.87
1995	1994	117,633,065	116,714,522	99.00	1,292,960	118,007,482	100.10	6,554,774	5.56
1996	1995	126,908,220	125,670,964	99.03	1,124,436	126,795,400	99.91	6,497,489	5.12
1997 (1)	1996	136,044,017	**	**	**	**	**	**	**

\*\* Information not yet available for tax year 1996.

(1) Assessed valuation for tax year 1996 is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.

PRINCIPAL TAXPAYERS  
September 30, 1996

CITY OF AUSTIN, TEXAS  
Table 5

Taxpayer	Type of Property	January 1, 1995 Assessed Valuation	Percent of Total Assessed Valuation of \$23,303,015,047
		\$	%
Motorola, Inc.	Manufacturing	1,017,862,315	4.37
IBM Corporation	Manufacturing	665,372,374	2.86
Advanced Micro Devices, Inc.	Manufacturing	540,098,426	2.32
Southwestern Bell Telephone Company	Telephone Utility	252,874,252	1.09
Dell Computer Corporation	Manufacturing	169,575,562	0.73
3 M	Manufacturing	167,106,940	0.72
Applied Material Inc.	Commercial	139,802,662	0.60
ZML	Commercial	113,656,465	0.49
Texas Instruments	Manufacturing	107,487,097	0.46
Security Capital Pacific Trust	Commercial	82,061,474	0.35
		3,255,897,567	13.99

Source: Travis Central Appraisal District



**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
1987-1996**

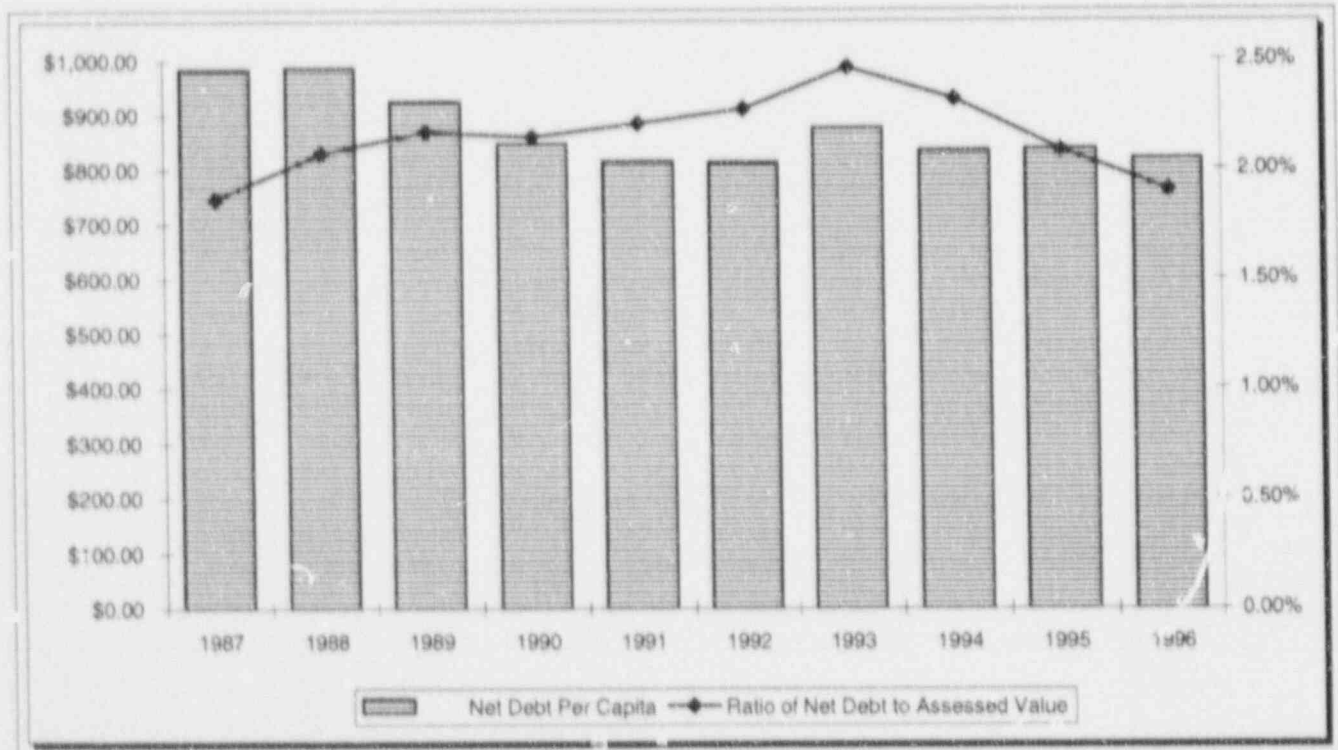
**CITY OF AUSTIN, TEXAS  
Table 6**

Fiscal Year Ended Sept. 30	Population Estimate	Assessed Value	Gross Bonded Debt	Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to		Net Debt Per Capita
		\$	\$	\$	\$	Assessed Value	Market Value	\$
						%	%	
1987	444,684	23,453,566,705	443,648,455 (1)	6,200,963	437,447,492	1.87	1.87	983.73
1988	447,582	21,289,060,006	447,208,455 (1)	6,086,980	441,121,475	2.07	2.07	985.56
1989	450,107	19,167,564,379	424,741,455 (1)	8,645,716	416,097,739	2.17	2.17	924.44
1990	450,830 (2)	17,704,618,446	389,476,509 (3)	8,069,923	381,406,586	2.15	2.15	846.01
1991	466,530	17,189,792,203	387,208,567 (3)	7,298,835	379,909,732	2.21	2.21	814.33
1992	474,715	16,926,074,265	391,025,600 (3)	5,996,676	385,028,924	2.27	2.27	811.07
1993	478,254	16,977,306,423	424,686,831 (3)	6,453,738	418,233,093	2.46	2.46	874.50
1994	507,468	18,237,532,094	429,260,808 (3)	6,522,820	422,737,988	2.32	2.32	833.03
1995	523,352	20,958,589,300	445,802,719 (3)	8,934,818	436,867,901	2.08	2.08	834.75
1996	541,889	23,303,015,047	451,722,180 (3)	8,475,146	443,247,034	1.90	1.90	817.97

(1) Includes general obligation bonds for enterprise funds. Excludes revenue bonds.

(2) Estimate based on U.S. Census Bureau data modified for full-purpose area.

(3) Excludes general obligation bonds, public property finance contractual obligations, and certificates of obligation issued for enterprise funds. Excludes revenue bonds.



**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES  
1987-1996**

**CITY OF AUSTIN, TEXAS**

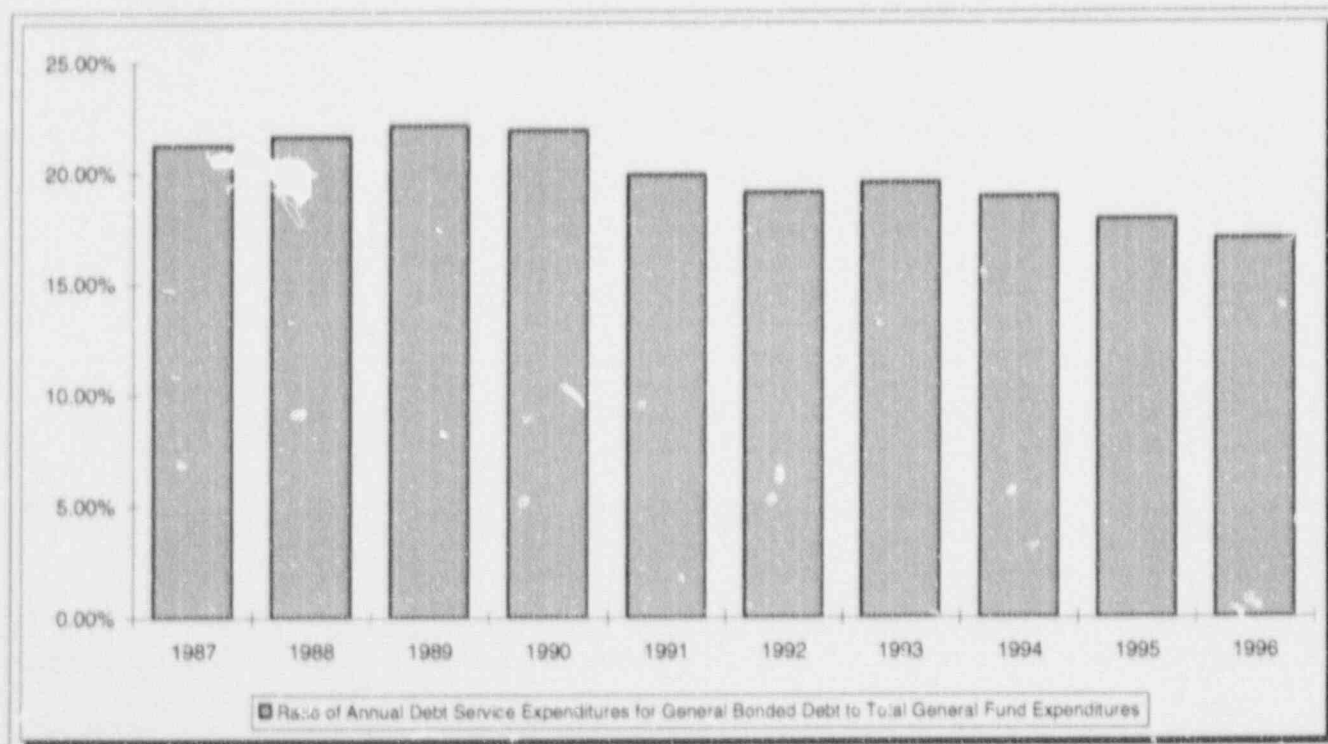
**Table 7**

Fiscal Year Ended Sept. 30	Principal (2)	Interest and Paying Agents' Commissions (2)	Total Debt Service	Total General Fund Expenditures (3)	Total Debt Service plus Total General Fund Expenditures	Ratio of Debt Service to Total (1)
	\$	\$	\$	\$	\$	%
1987	19,250,000	31,760,018	51,010,018	188,885,510	239,895,528	21.26
1988	21,300,000	33,599,343	54,899,343	198,676,512	253,575,855	21.65
1989	22,465,000	33,507,356	55,972,356	196,796,206	252,768,562	22.14
1990	24,210,000	32,494,854	56,704,854	202,191,862	258,896,716	21.90
1991	21,607,902	30,491,982	52,099,924	209,905,019	262,004,943	19.89
1992	22,412,341	29,645,676	52,058,017	220,426,372	272,484,389	19.10
1993	26,479,680	25,676,027	52,155,707	215,064,378	267,220,085	19.52
1994	28,329,565	24,604,771	52,934,336	227,410,704	280,345,040	18.88
1995	22,023,089	32,214,134	54,237,223	249,615,058	303,852,281	17.85
1996	22,722,983	35,038,577	57,761,560	280,773,007	340,534,567	16.96

(1) Ratio of total debt service to total debt service plus total General Fund.

(2) Prior to 1991, includes payments for enterprise fund general obligation debt. Subsequent to 1990, excludes such payments.

(3) Amounts shown prior to 1993 include certain expenditures now shown in internal service funds. See Table 1 for more information.



COMPUTATION OF LEGAL DEBT MARGIN  
September 30, 1996

CITY OF AUSTIN, TEXAS  
Table 8

Assessed value (100% of estimated market value) as of January 1, 1995		\$ 23,303,015,047
Debt limit		\$ 3,260,293,081
Amount of debt applicable to debt limit:		
Total general obligation bonds, contractual obligations, and certificates of obligation excluding enterprise fund balances of \$35,877,240	\$ 451,722,180	
Less: Amount available in Debt Service Fund	<u>8,475,148</u>	
Debt applicable to debt limit		<u>443,247,034</u>
Legal debt margin		<u>\$ 2,817,046,047</u>

Note - Ad valorem tax limitations:

The City is permitted by Article II, 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 of assessed valuation. A practical limitation on taxes levied for debt service of \$1.50 per \$100 of assessed valuation is established by referring to the State Statute and City Charter limitations.

Assuming the maximum tax rate for debt service of \$1.50 on January 1, 1995 and assessed valuation of \$23,303,015,147 at 95% collection, tax revenues of \$322,067,964 would be produced. This revenue could service the debt on \$3,260,293,081 issued as 8% - 20 year serial bonds with level debt service payments.

COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
September 30, 1996

CITY OF AUSTIN, TEXAS  
Table 9

Name of Governmental Unit	Total Debt Outstanding as of September 30, 1996 \$	Percent Applicable to City of Austin (1) %	Amount Applicable to City of Austin \$
City of Austin	443,247,034	100.00	443,247,034
Austin Independent School District	341,032,033	82.70	282,033,491
Travis County	249,755,417	79.00	197,306,779
Round Rock Independent School District	222,836,167	24.53	54,661,712
Leander Independent School District	94,090,936	8.77	8,251,775
Pflugerville Independent School District	75,009,357	1.57	1,402,675
Eanes Independent School District	54,108,129	2.71	1,466,330
Austin Community College	32,395,000	93.80	30,386,510
North Austin MUD #1	28,770,000	1.18	339,486
Manor Independent School District	20,697,234	1.17	242,158
Williamson County	13,340,000	6.26	835,084
Northwest Travis County RD #3	7,535,000	100.00	7,535,000
Del Valle Independent School District	7,325,000	63.20	4,629,400
Northwest Austin MUD #1	4,700,000	99.90	4,695,300
Anderson Mill MUD #1	3,090,000	1.49	46,041
Austin MUD #2	1,865,000	100.00	1,865,000
Total direct and overlapping debt			<u>1,038,943,775</u>

Ratio of total direct and overlapping debt to  
assessed valuation (2)

4.46 %

Per capita overlapping debt (3)

\$ 1,917.26

(1) Source: Taxing jurisdictions

(2) Based on assessed valuation of \$23,303,015,047

(3) Based on 1996 estimated population of 541,889



PROPERTY TAX RATES AND TAX LEVIES

FOR DIRECT AND OVERLAPPING GOVERNMENTS WITH APPLICABLE PERCENTAGES OVER 10%  
1987-1996

CITY OF AUSTIN, TEXAS

Table 10

Tax Rates (Per \$100 of Assessed Value)

Fiscal Year Ended Sept. 30	City of Austin	Austin I.S.D.	Travis County (1)	Round Rock I.S.D.	Austin Community College	NW Travis County RD #3	Del Valle I.S.D.	NW Austin MUD #1	Austin MUD #2
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1987	0.4073	0.7490	0.1913	1.0400	--	--	0.6000	--	--
1988	0.5317	0.9520	0.2789	1.1100	0.0475	--	0.8000	--	--
1989	0.5300	1.0723	0.3862	1.2200	0.0475	--	0.8700	0.4000	--
1990	0.5750	1.1935	0.3862	1.4133	0.0500	0.8230	0.9653	0.4300	--
1991	0.5695	1.2660	0.4030	1.5550	0.0500	1.0217	1.1100	0.4300	0.8980
1992	0.6027	1.4696	0.5132	1.7981	0.0500	2.0695	1.2500	0.4300	0.7700
1993	0.6410	1.5508	0.5762	0.8981	0.0482	1.7562	1.3208	0.4000	0.7900
1994	0.6225	1.4623	0.5966	1.5738	0.0482	2.7500	1.4411	0.3800	0.7700
1995	0.5625	1.3450	0.5550	1.4326	0.0466	0.4500	1.4928	0.4000	0.9400
1996	0.5446	1.2832	0.5186	1.6209	0.0482	0.3541	1.4900	0.3925	0.9400

Tax Levies

Fiscal Year Ended Sept. 30	City of Austin	Austin I.S.D.	Travis County (1)	Round Rock I.S.D.	Austin Community College	NW Travis County RD #3	Del Valle I.S.D.	NW Austin MUD #1	Austin MUD #2
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1987	95,526,377	169,738,196	56,630,048	41,708,745	--	--	5,715,848	--	--
1988	113,193,932	194,064,513	74,296,499	43,754,994	10,432,520	--	7,345,408	--	--
1989	101,588,091	197,246,556	87,076,637	46,408,672	9,224,134	--	7,387,472	39,224	--
1990	102,146,556	199,062,522	88,310,400	48,168,410	8,753,590	459,002	9,301,791	65,436	--
1991	97,895,866	211,411,187	89,173,677	49,443,940	8,510,148	229,041	9,464,343	102,380	124,734
1992	102,013,450	225,211,608	104,443,223	51,910,286	8,510,157	739,443	9,056,989	157,384	130,969
1993	108,824,534	239,317,335	121,693,526	28,183,827	7,824,416	741,724	9,266,941	198,469	127,482
1994	113,528,637	251,813,206	135,026,733	57,627,799	8,640,553	342,622	10,082,906	322,716	217,110
1995	117,892,065	272,094,412	143,659,154	64,136,896	9,457,674	388,340	11,836,035	434,431	347,006
1996	126,908,220	277,255,726	149,800,934	86,487,509	11,950,865	427,730	14,546,373	509,269	348,004

Note: Initial tax levies were as follows: Austin Community College - 1988, Northwest Travis County RD#3 - 1990, Northwest Austin MUD #1 - 1989 and Austin MUD #2 - 1991.

(1) Includes taxes and levies for Travis County and Farm to Market Roads.

Source: Travis Central Appraisal District and taxing entity.

**CITY SALES TAX**  
**TAX LEVIED EFFECTIVE JANUARY 1, 1968**  
**1968-1996**

**CITY OF AUSTIN, TEXAS**  
**TABLE 11**

Fiscal Year Ended Sept. 30	1st Quarter Oct. - Dec.	2nd Quarter Jan. - Mar.	3rd Quarter Apr. - Jun.	4th Quarter Jul. - Sept.	Total	Percent Base Year	Annual Percent Increase (Decrease)	Percent of Tax Levy	Equivalent Tax Rate
\$	\$	\$	\$	\$	\$	%	%	%	¢
1968 (1)	--	--	--	1,457,957	1,457,957	100.00	0.00	14.58	19.54
1969	875,858	906,029	851,768	917,593	3,551,248	243.58	143.58	31.07	43.96
1970	973,702	1,088,570	951,522	1,041,129	4,054,923	278.12	14.18	35.06	45.25
1971	1,128,941	1,245,226	1,137,359	1,234,512	4,746,038	325.33	17.04	34.41	44.39
1972	1,308,930	1,464,787	1,339,538	1,414,787	5,528,042	379.16	16.48	35.50	45.80
1973	1,569,320	1,715,523	1,591,553	1,691,794	6,568,190	450.51	18.82	38.37	48.73
1974	1,730,025	1,946,199	1,695,216	1,887,840	7,259,280	497.11	10.52	38.45	48.82
1975	1,961,267	1,972,355	2,327,542	1,644,231	7,905,395	542.22	8.90	36.05	42.89
1976	2,241,741	2,318,177	2,045,637	2,560,088	9,165,643	628.66	15.94	36.17	45.94
1977	1,797,941	3,173,023	2,653,062	3,867,237	11,491,263	788.18	25.37	35.92	45.62
1978	3,022,385	3,500,951	3,154,677	3,852,911	13,530,924	928.07	17.75	40.00	49.60
1979	3,815,525	3,908,796	3,486,853	4,066,500	15,277,674	1047.88	12.91	45.75	49.92
1980	3,792,600	4,269,264	3,721,919	6,000,029	17,783,812	1219.78	16.40	49.42	47.44
1981	3,792,138	5,652,320	5,033,516	7,102,891	21,580,905	1480.22	21.35	56.20	32.03
1982	4,483,423	6,283,622	5,625,486	8,024,660	24,417,191	1674.75	13.14	53.86	33.39
1983	5,170,854	7,089,595	6,784,754	9,051,752	28,096,955	1927.15	15.07	53.02	29.81
1984	6,331,036	8,823,690	8,962,819	12,755,753	36,873,298	2629.11	31.24	57.00	37.05
1985	7,916,721	11,289,037	10,921,876	14,506,719	44,634,353	3061.43	21.05	61.53	28.98
1986	8,378,407	11,393,785	10,435,305	13,741,340	43,948,837	3014.41	-1.54	49.24	26.00
1987	7,668,943	10,352,615	9,677,073	12,189,597	39,888,228	2735.90	-9.24	35.23	17.01
1988	7,317,701	10,596,174	10,651,574	14,359,464	42,924,913	2944.18	7.61	37.92	20.16
1989	8,038,526	9,426,849	14,140,172	15,566,564	47,172,111	3235.49	9.89	46.43	24.61
1990	12,381,190	13,276,731	8,918,588	16,963,763	51,540,272	3535.10	9.26	50.46	29.01
1991	12,762,277	10,538,818	13,577,375	18,522,158	55,400,628	3799.88	7.49	56.59	32.23
1992	9,303,794	14,712,861	14,231,541	20,007,152	58,255,348	3995.68	5.15	57.11	34.42
1993	10,868,639	17,392,838	15,971,215	22,821,515	67,054,207	4599.19	15.10	61.62	39.50
1994	11,896,613	19,225,170	18,072,107	26,586,171	75,780,061	5197.69	13.01	66.75	41.55
1995	13,198,475	21,627,680	18,836,109	26,812,429	80,474,693	5519.69	6.20	68.26	38.40
1996	5,643,150	22,055,837	20,293,859	35,688,474	83,681,314	5739.63	3.98	65.94	35.91

(1) 1968 City sales tax levied effective January 1, 1968. This tax is collected and remitted to the City by the State Comptroller.

**ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
MISCELLANEOUS STATISTICS  
September 30, 1996**

**CITY OF AUSTIN, TEXAS  
Table 12**

**ELECTRIC FUND**

Plant capacity -- 2 plants with a combined capacity of 1,450 net MW and two joint venture power plants with a capacity of 370 net MW at 100% power factor.

Service area peak demand -- maximum 1,611

Distribution -- 5,477 miles overhead distribution lines (12KV)  
2,814 miles underground distribution lines (12KV)  
55 miles transmission lines (Fayette Power Project 345KV)  
61 miles transmission lines (Fayette Power Project 345KV)  
(50% ownership with LCRA)  
94 miles transmission lines (South Texas Power Project 345KV)  
300 miles transmission lines (69KV and 138KV)

**WATER AND WASTEWATER FUND**

Source of supply -- 150 mile long network of lakes created along the Colorado River by six dams with a combined storage capacity in excess of 3,300,000 acre-feet of water.

Water treatment plants		
Rated peak daily capacity	215,000,000	gallons
Average daily consumption	113,219,153	gallons
Average daily consumption per capita	194	gallons (based on 1995 population)
Water distribution --	3,050	miles of mains
	25	booster pump stations
Water connections --	153,357	metered services
	19,267	fire hydrants
	4	
Wastewater treatment plants		
Combined daily capacity	120,000,000	gallons
Average daily volume	76,884,385	gallons
Collection: Sanitary sewer mains	2,260	miles
Connections	140,278	
Lift stations	78	

**ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
FIVE-YEAR COMPARATIVE OPERATING STATEMENT  
1992-1996**

**CITY OF AUSTIN, TEXAS  
Table 13**

	Fiscal Year Ended September 30				
	1996	1995	1994	1993	1992
	\$	\$	\$	\$	\$
<b>REVENUE</b>					
<b>Electric</b>					
Domestic and rural residential	227,156,977	207,675,076	194,393,328	191,032,872	161,387,519
Commercial general	301,859,452	281,744,433	267,759,691	264,992,435	234,463,453
City utility departments	11,865,185	10,962,725	10,906,744	9,762,405	8,444,235
Public street lighting	4,460,674	4,274,329	4,361,900	4,371,264	4,358,334
City general government departments	3,856,689	3,847,215	3,902,358	4,068,812	3,261,744
Sales to other utilities (including capacity contract)	35,603,644	6,746,380	6,868,747	7,323,624	6,424,205
Rent from electric property	580,053	838,786	220,277	235,110	239,329
Customers' forfeited discounts and penalties	3,880,369	3,421,037	3,543,024	3,423,835	3,123,235
Miscellaneous	24,385,379	3,141,133	3,654,194	3,634,117	4,368,395
Total electric	613,648,422	522,751,114	495,610,273	489,844,474	426,070,449
<b>Water</b>					
Urban	79,983,878	70,647,422	70,222,144	66,789,866	62,726,778
Rural	6,440,999	5,180,951	9,192,290	6,702,559	6,111,573
City utility departments	322,100	380,833	631,773	529,933	523,257
City general government departments	1,286,521	917,740	1,004,193	1,071,625	937,644
Sales to other water utilities	8,435,906	6,061,370	6,489,951	5,962,207	6,147,122
Water connections	270,584	255,349	287,179	272,882	295,203
Customers' forfeited discounts and penalties	636,517	568,874	617,625	584,784	566,911
Miscellaneous	1,246,025	664,393	613,342	545,208	241,426
Total water	98,622,530	84,676,932	89,058,497	82,459,054	77,549,914
<b>Wastewater</b>					
Urban	76,258,100	73,231,305	67,922,637	64,347,563	65,038,093
Rural	1,989,925	1,885,000	2,524,495	2,812,407	2,719,489
City utility departments	664,106	508,948	49,019	49,110	45,203
City general government departments	48,714	45,497	296,653	381,179	421,397
Sales to other sewer utilities	3,191,700	3,221,366	2,938,854	2,067,325	2,481,548
Sewer connections	251,256	237,110	266,666	262,384	274,117
Customers' forfeited discounts and penalties	548,926	529,122	527,489	517,839	549,748
Miscellaneous	4,853,869	3,745,480	3,611,971	3,333,658	3,126,325
Total wastewater	87,806,596	83,403,828	78,137,784	73,771,465	74,655,920
Interest	31,293,078	26,399,616	21,753,329	25,202,489	31,727,063
Total operating and interest revenues	831,370,626	717,231,490	684,559,883	670,277,492	610,003,346

(continued)



**ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
FIVE-YEAR COMPARATIVE OPERATING STATEMENT  
1992-1996**

**CITY OF AUSTIN, TEXAS  
Table 13  
(Continue)**

	Fiscal Year Ended September 30				
	1996	1995	1994	1993	1992
	\$	\$	\$	\$	\$
<b>EXPENSE</b>					
<b>Electric (1)</b>					
Production, excluding joint facilities	106,264,915	67,277,286	102,973,982	106,313,842	50,157,544
Joint facilities production	127,827,485	132,500,524	125,816,894	123,882,600	113,584,693
System control	4,723,237	5,005,167	5,390,464	4,730,721	4,380,384
Transmission and distribution	27,932,260	27,346,986	23,104,220	21,231,748	19,460,847
Jobbing and contract work	84,577	178,327	361,567	4,442	15,883
Interdepartmental services	--	--	700,000	700,000	700,000
Customer accounting and collection	14,074,658	13,956,115	13,090,641	12,456,931	11,357,826
Customer services	1,499,284	16,237,044	13,545,000	11,137,740	3,816,929
Administrative and general	21,151,178	16,073,327	12,887,902	9,961,818	8,305,789
Total electric	303,557,594	273,574,769	297,878,770	290,417,842	211,779,895
<b>Water</b>					
Purification	12,431,682	11,377,660	11,470,681	9,663,141	9,167,925
Distribution	14,349,046	13,803,750	13,952,863	13,107,860	12,816,603
Customer accounting and collection	3,489,300	5,892,612	5,629,303	5,428,541	5,247,294
Jobbing and contract work	30,877	(35,263)	98,994	(131,410)	(56,032)
Design engineering	1,041,740	856,405	750,820	1,398,699	1,600,287
Administrative and general	9,898,132	10,563,975	9,716,688	6,635,824	5,090,376
Total water	41,240,777	42,459,139	41,619,349	36,102,655	33,866,453
<b>Wastewater</b>					
Sewer lines	7,022,371	7,580,057	7,075,877	7,254,420	7,734,044
Sewage treatment plant	14,769,358	14,771,860	14,530,522	13,934,414	12,092,846
Customer accounting and collection	2,438,384	3,658,869	3,469,234	3,285,101	3,268,692
Jobbing and contract work	15,927	6,073	119,996	(22,017)	20,321
Design engineering	2,344,178	2,281,847	2,277,044	1,317,556	1,117,129
Administrative and general	5,018,513	7,670,025	6,023,989	5,989,948	4,869,827
Total wastewater	35,608,731	35,968,731	33,496,662	31,759,422	29,102,879
<b>Total expenses (2)</b>	<b>380,407,102</b>	<b>352,002,639</b>	<b>372,994,631</b>	<b>358,279,919</b>	<b>274,749,207</b>
<b>Net revenue available for debt service</b>	<b>450,963,524</b>	<b>365,228,851</b>	<b>311,565,202</b>	<b>311,997,573</b>	<b>335,254,139</b>

(1) Electric operating expenses were reallocated to different categories in September 1995.

(2) Interest expense, depreciation, amortization and other nonoperating items are not included in total expense.

**ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
PLANT COST AND EQUITY IN UTILITY SYSTEMS  
1992-1996**

**CITY OF AUSTIN, TEXAS**

**Table 14**

	Fiscal Year Ended September 30				
	1996	1995	1994	1993	1992
	\$	\$	\$	\$	\$
<b>PLANT COST</b>					
Utility systems					
Electric	2,486,095,321	2,412,069,533	2,328,409,045	2,243,467,689	2,174,902,238
Water	776,444,397	751,582,994	731,965,029	708,564,910	681,187,337
Wastewater	842,267,292	808,005,591	777,812,345	758,983,390	736,870,563
Total cost	4,104,807,010	3,971,658,118	3,838,186,419	3,711,015,989	3,592,960,138
Allowance for depreciation:					
Electric	745,058,632	680,744,173	616,810,266	556,085,187	490,858,341
Water	165,534,650	150,767,689	137,501,864	124,765,045	113,235,229
Wastewater	209,687,758	189,861,891	171,052,554	152,073,540	134,231,054
Total depreciation	1,120,281,040	1,021,373,753	925,364,684	832,923,772	746,324,624
Cost after depreciation	2,984,525,970	2,950,284,365	2,912,821,735	2,878,092,217	2,846,635,514
<b>EQUITY IN UTILITY SYSTEMS</b>					
Utility systems	4,104,807,010	3,971,658,118	3,838,186,419	3,711,015,989	3,592,960,138
Plus:					
Inventories, materials and supplies (1)	31,374,457	31,758,310	30,745,970	28,058,508	28,014,756
Net construction assets and unamortized bond issue cost (2)	113,231,834	103,174,715	85,627,761	91,163,044	158,949,362
	4,249,413,301	4,106,591,143	3,954,560,150	3,830,237,541	3,779,924,256
Less:					
Allowance for depreciation	1,120,281,040	1,021,373,753	925,364,684	832,923,772	746,324,624
Construction contracts payable	3,272,515	3,442,474	4,578,337	5,786,407	6,390,299
	1,123,553,555	1,024,816,227	929,943,021	838,710,179	752,714,923
Utility systems, net	3,125,859,746	3,081,774,916	3,024,617,129	2,991,527,362	3,027,209,333
Revenue bonds and other debt outstanding (3)	2,743,087,222	2,717,960,775	2,629,709,310	2,577,223,424	2,515,661,233
Less:					
Bond retirement and reserve funds (4)	160,900,333	161,593,286	166,319,664	170,555,973	171,068,602
Net debt	2,582,186,889	2,556,367,489	2,463,389,646	2,406,667,451	2,344,592,631
Equity in utility systems	543,672,857	525,407,427	561,227,483	584,859,911	682,616,702
Percentage of equity in utility systems	17.39%	17.05%	18.56%	19.55%	22.55%

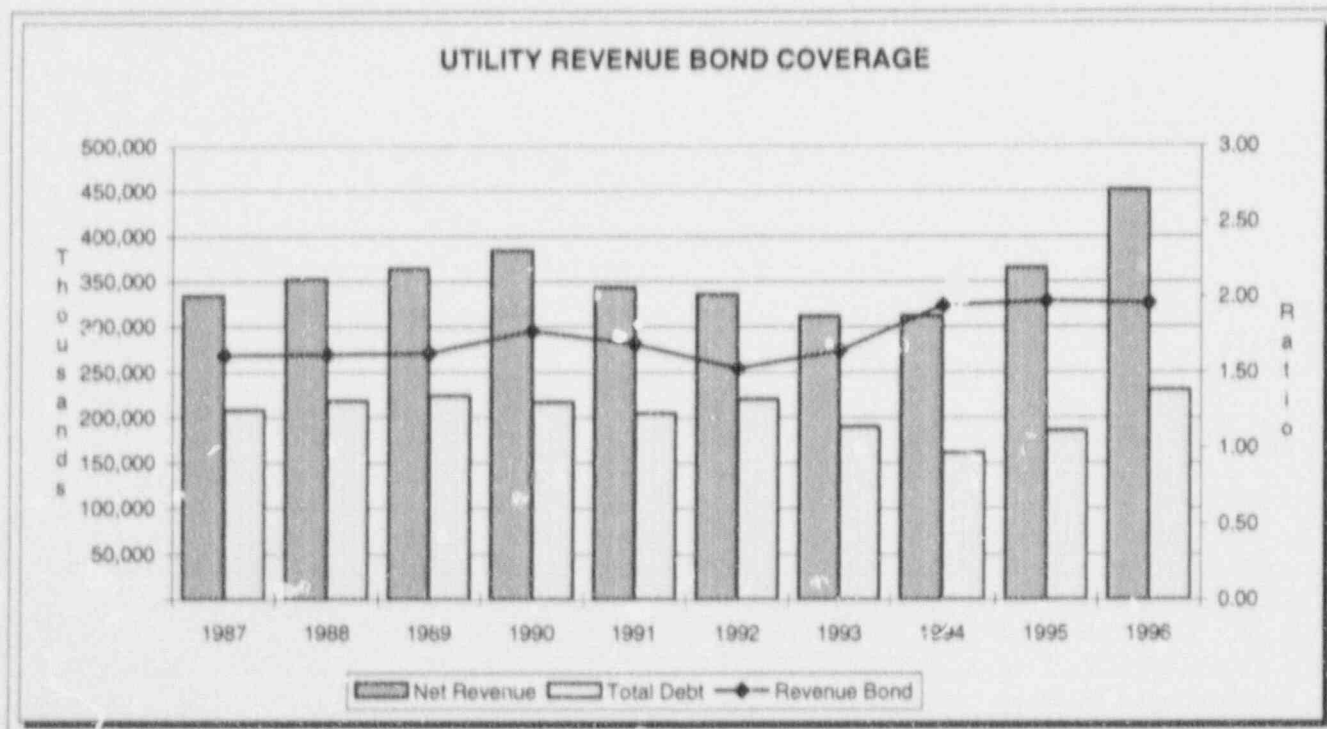
- (1) Does not include fuel oil or coal inventories of approximately \$18,202,392 at September 30, 1996. Consists primarily of spare parts inventory at Fayette Plant and South Texas Project.
- (2) Includes investment in municipal utility districts of \$19,612,403.
- (3) Includes Revenue Bonds and Tax and Revenue Bonds of \$2,457,415,132 (net of discounts and inclusive of premiums); Contract Revenue Bonds of \$116,840,000; Capital Lease Obligations of \$26,881,162; Water District Bonds of \$735,000; Commercial Paper of \$132,918,000; General Obligation Bonds of \$2,949,242; and Contractual Obligation Bonds of \$5,348,686.
- (4) Includes MUD Reserves of \$340,564 that are not included elsewhere in the financial statements.

**SCHEDULE OF COMBINED UTILITY SYSTEMS  
REVENUE BOND COVERAGE  
1987-1996**

**CITY OF AUSTIN, TEXAS  
Table 15**

Fiscal Year Ended Sept. 30	Net Revenue Available for Debt Service			Debt Service Requirements (3)			Revenue Bond Coverage (4)
	Total Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total Debt Service	
	\$	\$	\$	\$	\$	\$	\$
1987	581,487,123	247,139,094	334,348,029	18,555,000	189,270,374	207,825,374	1.61
1988	599,228,991	247,019,686	352,209,305	23,560,000	194,635,962	218,195,962	1.61
1989	592,746,498	229,429,411	363,317,087	32,780,000	191,114,545	223,894,545	1.62
1990	638,931,733	255,122,157	383,809,576	33,650,000	183,148,383	216,798,383	1.77
1991	614,691,145	271,461,552	343,229,593	22,020,000	181,868,568	203,888,568	1.68
1992	610,003,346	274,749,207	335,254,139	29,005,000	190,946,822	219,951,822	1.52
1993	670,277,492	358,279,919	311,997,573	19,810,000	170,224,959	190,034,959	1.64
1994	684,559,883	372,994,681	311,565,202	14,885,000	145,844,823	160,729,823	1.94
1995	717,231,490	352,002,639	365,228,851	34,547,200	150,951,667	185,498,867	1.97
1996	831,370,626	380,407,102	450,963,524	75,520,330	154,727,958	230,248,288	1.96

- (1) Operating revenue and interest income.  
 (2) Operating expenses other than interest on debt, depreciation and amortization.  
 (3) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements.  
 (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 and subordinate lien bonds only.



TRANSFERS FROM ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
TO GENERAL FUND  
1977-1996

CITY OF AUSTIN, TEXAS  
Table 16

Fiscal Year	Operating Revenue	Other Revenue	Total Revenue	Transfers to General F.	Percentage of Total Revenue
	\$	\$	\$	\$	%
1977	147,978,441	4,231,356	152,209,797	16,400,000	10.77
1978	180,995,700	6,671,451	187,667,151	20,188,190	10.76
1979	176,240,453	27,117,853	203,358,306	17,330,000	8.52
1980	242,003,693	16,252,350	258,986,043	25,426,000	9.82
1981	322,290,425	11,504,342	333,794,767	30,293,933	9.08
1982	388,676,515	17,855,612	406,532,127	37,082,911	9.12
1983	364,544,307	24,715,181	389,259,488	40,836,300	10.49
1984	451,145,965	31,330,815	482,476,780	46,057,000	9.55
1985	447,699,467	42,189,950	489,889,437	50,524,900	10.31
1986	516,724,133	51,724,247	568,448,380	56,099,577	9.87
1987	525,349,519	56,137,604	581,487,123	60,203,227	10.35
1988	556,355,820	42,873,171	599,228,991	63,740,768	10.64
1989	542,515,706	50,230,792	592,746,498	64,459,956	10.87
1990	585,184,149	53,747,584	638,931,733	63,665,867	9.96
1991	571,816,378	42,874,767	614,691,145	63,054,576	10.26
1992	578,276,283	31,038,077	609,314,360	73,237,718	12.02
1993	645,075,002	25,202,489	670,277,492	68,581,868	10.23
1994	662,806,554	21,753,329	684,559,883	67,914,376	9.92
1995	690,831,874	26,399,616	717,231,490	71,110,681	9.91
1996	800,077,548	31,293,078	831,370,626	73,582,839	8.85



**ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
STATISTICAL DATA**

**CITY OF AUSTIN, TEXAS**

**Table 17**

**Year ended September 30, 1996**

**With comparative totals for year ended September 30, 1995**

	Electric Sales (KWH)		Number of Metered Customers	
	1996	1995	1996	1995
<b>Electric:</b>				
Residential - multi-fuel	1,903,879,410	1,917,680,047	188,311	186,310
Residential - single-fuel	1,011,316,738	876,644,754	97,486	88,231
General service	4,844,572,456	4,528,846,758	32,977	31,413
Public street lighting	28,318,801	27,719,684	7	5
Other public authorities	65,762,462	65,094,681	489	480
Interdepartmental	195,929,066	179,725,515	218	211
Sales to other utilities	1,312,273,000	305,219,000	30	20
	<u>9,461,771,933</u>	<u>7,900,930,439</u>	<u>319,518</u>	<u>306,670</u>

	1996		1995	
	Average Customers	Thousand Gallons	Average Customers	Thousand Gallons
<b>Water and Wastewater:</b>				
Thousand gallons pumped		45,835,430		39,541,897
Less: Sales to other utilities		<u>4,397,220</u>		<u>3,458,003</u>
Thousand gallons to system		<u>41,438,210</u>		<u>36,083,894</u>
<b>Water sales:</b>				
Urban	140,110	32,597,081	137,435	29,292,003
Rural	11,180	2,157,102	10,957	1,709,970
	<u>151,290</u>	<u>34,754,183</u>	<u>148,392</u>	<u>31,001,973</u>
City departments	467	734,304	466	561,096
	<u>151,757</u>	<u>35,488,487</u>	<u>148,858</u>	<u>31,563,069</u>
Used by utility		1,404,264		1,335,535
Loss and unaccounted for		<u>4,545,460</u>		<u>3,185,290</u>
Thousand gallons to system		<u>41,438,211</u>		<u>36,083,894</u>
<b>Max daily use</b>		205,170		191,305

**ELECTRIC FUND AND  
WATER AND WASTEWATER FUND  
LARGE CUSTOMERS  
FIVE-YEAR COMPARATIVE DATA (1992-1996)**

CITY OF AUSTIN, TEXAS

Table 18

03/05 10:34a

	Fiscal Year Ended September 30 (dollars in thousands)									
	1996		1995		1994		1993		1992	
	MWh	Revenue	MWh	Revenue	MWh	Revenue	MWh	Revenue	MWh	Revenue
		\$		\$		\$		\$		\$
<b>LARGE ELECTRIC CUSTOMERS</b>										
Motorola, Inc. (Ed Bluestein) (1)	217,535	9,847	133,836	8,691	178,276	8,986	163,120	8,497	152,968	7,168
Motorola, Inc. (U. S. 290) (2)	127,162	5,009	131,825	5,507	108,466	4,629	86,579	3,847	76,463	2,978
Advanced Micro Devices (4) (5)	111,077	5,210	82,176	3,487	—	—	—	—	—	—
Motorola, Inc. (Ed Bluestein) (1) (5)	113,481	4,922	41,870	1,956	—	—	—	—	—	—
Advanced Micro Devices (4)	112,181	5,081	113,801	5,027	119,011	5,945	95,679	5,059	115,947	4,978
IBM Corporation (South) (3)	105,949	3,265	109,990	5,340	113,953	6,089	116,233	6,420	116,130	5,829
Motorola, Inc. (U. S. 290) (2)	88,544	1,134	59,646	2,708	56,598	2,879	49,071	2,589	37,891	1,824
UT - Sematech	54,615	2,345	62,033	2,526	63,629	2,783	64,413	2,689	69,187	2,719
IBM Corporation (North) (3)	50,533	2,443	52,073	2,455	64,227	3,386	71,934	3,842	74,727	3,657
Texas Instruments	49,691	2,415	46,543	2,262	47,368	2,569	41,194	2,336	39,505	2,071
	1,032,772	46,671	893,793	39,959	751,528	37,266	688,223	35,479	673,818	31,224

(1) Both Motorola facilities are at the same location but are billed separately.

(2) Both Motorola facilities are at the same location but are billed separately.

(3) Both IBM facilities are at the same location but are billed separately.

(4) Both Advanced Micro Devices facilities are at the same location but are billed separately.

(5) Facilities that have no comparative data prior to 1995.

	Fiscal Year Ended September 30 (dollars in thousands)									
	1996		1995		1994		1993		1992	
	Gallons	Revenue	Gallons	Revenue	Gallons	Revenue	Gallons	Revenue	Gallons	Revenue
		\$		\$		\$		\$		\$
<b>LARGE WATER CUSTOMERS</b>										
Motorola, Inc. (1)	1,887,195	4,036,279	1,640,673	3,645,501	1,308,501	2,933,260	1,135,068	2,569,435	1,111,937	2,548,158
Advanced Micro Devices	1,114,446	2,384,586	904,760	2,010,875	594,090	1,339,156	580,203	1,243,059	599,333	1,355,554
University of Texas (2)	909,263	2,002,578	738,460	1,656,721	870,750	1,980,947	914,068	2,071,911	700,987	1,631,692
Travis County Water Control and Improvement District #10	754,505	1,380,467	537,982	901,136	573,626	935,208	501,427	958,996	479,982	1,087,998
Anderson Mill Municipal Utility District	485,628	802,936	509,011	804,454	495,216	771,336	515,607	902,308	452,572	1,027,090
Wells Branch Municipal Utility District	482,172	827,891	372,745	598,785	380,218	601,487	312,624	569,888	305,762	688,720
IBM Corporation	377,662	773,817	365,338	860,295	406,809	922,996	393,151	899,373	449,705	1,025,451
Circle C Municipal Utility District	333,323	699,517	223,593	422,596	212,727	400,309	155,414	326,460	95,242	244,317
Lost Creek Municipal Utility District	321,987	659,613	252,385	485,030	277,899	569,185	245,808	474,910	231,481	524,603
Abbott Laboratories	237,650	509,407	255,607	568,680	279,251	581,714	238,765	541,071	227,832	516,356
	6,383,837	14,076,967	5,820,554	11,954,043	5,379,177	11,035,598	4,992,139	10,556,004	4,654,833	10,649,939

(1) Totals for Motorola, Inc. include their east Austin plant site and their west Austin plant site.

(2) Totals for The University of Texas at Austin are citywide for 1996. Previous years include the central area campus only.

CITY OF AUSTIN  
SCHEDULE OF INSURANCE IN FORCE  
September 30, 1996

CITY OF AUSTIN, TEXAS  
Table 19

Department	Policy	Expires	Annual Premium	Insurer	Limits of Coverage	Coverage Overview
City Wide	All-Risk Property	10/01/96	\$1,478,063	Arkwright	\$2,284,722,000	Provides replacement cost coverage for loss or damage to city buildings, contents due to fire, wind storm, hail, or other perils. Subject to a \$100,000 per occurrence deductible. Provides coverage for fine arts owned or on loan subject to \$1,000 deductible per claim. Covers Cable TV equipment with \$1,000 deductible.
City Wide	Boiler and Machinery	10/01/96	\$536,096	Arkwright	Up to \$2,284,772,000 based on location/equipment; maximum \$40,000,000 per loss	Covers damages from boiler and fired pressure vessel accidents, and electrical apparatus and equipment used to generate, transmit, or use electrical power (electric utility). Subject to a \$100,000 deductible at power plants. Air conditioners and other machines at all other locations have a \$10,000 deductible.
City Wide	Commercial Crime	10/20/96	\$21,301	Westchester Fire Company	\$5,000,000	Covers loss of funds through public employee dishonesty. Subject to \$5,000 deductible.
				Westchester Fire Company	\$1,000,000	Covers loss of funds through forgery or alteration of, on, or in any covered instrument. Subject to \$5,000 deductible.
Aviation	Airport Liability	03/24/97	\$99,318	American Eagle	\$100,000,000 per occurrence	Provides liability protection for operations at the airport. \$100,000 aggregate deductible. Personal injury limits of \$25,000,000.
Finance	Fidelity Bond	05/06/97	\$500	Colonial American Casualty & Surety	\$100,000	Covers loss of funds through employee dishonesty. No deductible applicable.
Police	Airplane Liability	08/21/97	\$650	Signal Aviation Underwriters, Inc.	\$100,000 per person, \$1,000,000 per occurrence	Aircraft physical damage; liability to others; medical expense.

(continued)

**CITY OF AUSTIN**  
**SCHEDULE OF INSURANCE IN FORCE**  
**September 30, 1996**

**CITY OF AUSTIN, TEXAS**  
**Table 19**  
**(Continued)**

Department	Policy	Expires	Annual Premium	Insurer	Limits of Coverage	Coverage Overview
City Wide Selected Capital Improvement Projects	Hired and Nonowned Auto	12/31/96	\$1,000 Premium is for a 4 year term	St. Paul Insurance	\$1,000,000 per occurrence	Provides bodily injury and property damage coverage to the City and contractors signed up in the Rolling Owner Controller Insurance Program (ROCIP). Coverage is provided for nonowned and hired vehicles and is intended to be excess over primary auto coverage.
City Wide Selected Capital Improvement Projects	Commercial General Liability	12/31/96	\$1,064,172 Premium is for a 4 year term. Premium may vary based on experience.	St. Paul Insurance	\$250,000 per occurrence; \$2,000,000 aggregate	Provides bodily injury, property damage, and completed operations coverage to the City and contractors signed up in the ROCIP program. Coverage is provided only at specified Capital Improvement project sites participating in the program.
City Wide Selected Capital Improvement Projects	Workers Compensation and Employers Liability	12/31/96	\$3,472,733 Premium is for a 4 year term. Premium may vary based on experience.	St. Paul Insurance	Workers' compensation: Statutory Employers' Liability: \$1,000,000 each accident \$1,000,000 policy limit \$1,000,000 each employee	Provides Workers' Compensation and Employers' Liability coverage to all contractors working on specified Capital improvement project sites participating in the ROCIP program.
City Wide Selected Capital Improvement Projects	Excess Liability	12/31/96	\$556,560 Premium is for a 4 year term.	St. Paul Insurance	\$20,750,000	Provides excess coverage over the primary auto, employers' liability, and general liability coverage. Self-insured retention is \$25,000.
Health and Human Services Department (HHSD)	Medical Malpractice	5/20/97	\$86,427	Texas Medical Liability Trust	\$200,000 per occurrence; \$600,000 aggregate	Provides medical malpractice coverage for physicians. Coverage is on a claims made basis and is offered as a benefit for physicians employed by the City in the HHSD clinics.



HOTEL-MOTEL OCCUPANCY TAX  
TAX LEVIED EFFECTIVE JANUARY 1, 1971  
1971-1996

CITY OF AUSTIN, TEXAS  
TABLE 20

Fiscal Year Ended Sept. 30	1st Quarter Oct. - Dec.	2nd Quarter Jan. - Mar.	3rd Quarter Apr. - Jun.	4th Quarter Jul. - Sept.	Total	Percent Base Year	Annual Increase (Decrease)
	\$	\$	\$	\$	\$	%	%
1971 (1)	--	--	69,071	73,184	142,255	100.00	--
1972	76,984	66,993	72,548	79,457	295,982	208.06	108.06
1973	81,045	72,409	86,576	92,679	332,709	233.88	12.41
1974	93,177	80,532	86,948	99,453	360,110	253.14	8.24
1975	99,215	94,190	96,739	113,131	403,275	283.49	11.99
1976	117,374	102,840	123,474	148,508	492,196	346.00	22.05
1977 (2)	151,665	136,046	185,907	138,515	612,133	430.31	24.37
1978	184,781	214,007	237,216	293,196	929,200	653.19	51.80
1979	288,919	272,772	307,652	353,143	1,222,486	859.36	31.56
1980	341,993	321,153	361,385	401,138	1,425,669	1,002.19	16.62
1981	409,762	362,559	443,138	481,192	1,696,651	1,192.68	19.01
1982	548,825	435,653	507,105	602,974	2,094,557	1,472.40	23.45
1983	630,232	519,503	648,948	699,246	2,497,929	1,755.95	19.26
1984 (3)	689,264	641,817	767,887	917,109	3,016,077	2,120.19	20.74
1985	941,893	1,491,967	1,557,235	1,923,513	5,914,608	4,157.75	96.10
1986	1,705,665	1,438,165	1,597,429	1,554,359	6,295,618	4,425.59	6.44
1987	1,674,558	1,223,621	1,631,665	1,569,008	6,148,852	4,322.42	(2.33)
1988	1,379,099	1,329,160	1,522,765	1,709,054	5,940,078	4,175.65	(3.40)
1989	1,674,823	1,683,558	1,907,258	2,126,998	7,392,637	5,196.75	24.45
1990	1,878,569	1,620,368	1,918,927	2,151,947	7,569,811	5,321.30	2.40
1991	1,942,450	1,860,253	2,154,340	2,350,986	8,308,029	5,840.24	9.75
1992	2,224,053	1,957,134	2,317,423	2,622,315	9,120,925	6,411.67	9.78
1993	2,463,470	2,260,375	2,778,975	3,011,457	10,514,277	7,391.15	15.28
1994	2,727,486	2,408,591	2,896,697	3,443,893	11,476,667	8,067.67	9.15
1995	3,115,451	2,869,919	3,500,988	3,653,908	13,140,266	9,237.12	14.50
1996	3,494,394	3,202,865	3,762,935	3,799,614	14,259,808	10,024.12	8.52

(1) 3% tax levied effective January 1, 1971. Section 32-32(a) of Article V of Chapter 32 of the 1967 Code of the City of Austin.

(2) Tax levy increased to 4% effective October 1, 1977. Ordinance No. 770901-1 amended Section 32-32(a) of Article V of Chapter 32 of the 1967 Code of the City of Austin.

(3) Tax levy increased to 7% effective October 1, 1984. Ordinance No. 840712-U amended Section 5-3-2(a) of Chapter 5-3 of Title V of the 1981 Code of the City of Austin.

# MISCELLANEOUS STATISTICAL DATA

# CITY OF AUSTIN, TEXAS

Table 21

Date of Incorporation:	December 27, 1839	Police protection:	
Date first Charter adopted:	December 27, 1839	Number of employees	1,505
Date present Charter adopted:	January 31, 1953	Number of law offenses	100,903
Form of Government:	Council - Manager	Number of arrests (3)	37,876
Number of Employees:	10,160	Vehicle patrol units	241
		Number of employees per 1,000 population (1)	2.8614
Elections:		Library:	
Number of registered voters, November 15, 1996	459,414 Travis County	Central and branch libraries	20
		Volumes in collection	1,450,046
Number of votes cast in: Last general election, November 5, 1996	247,874	Materials circulated	2,284,449
		Registered borrowers	355,282
Last bond election, October 7, 1995	49,111	Recreation:	
Last municipal election, June 1, 1996	46,364	District parks	12
		Metropolitan parks	9
Percentage of registered voters voting in: Last general election, November 5, 1996	53.95%	Natural preserves	10
Last bond election, October 7, 1995	16.07%	Greenbelts	23
Last municipal election, June 1, 1996	12.26%	Neighborhood parks	70
		Special parks (museums and miscellaneous)	22
Fire protection:		Golf courses	5
Number of stations	35	Swimming pools	54
Number of employees	860	Recreation centers	15
Number of alarms answered	32,746	Senior activity sites	20
Number of employees per 1,000 population (1)	1.6432	Athletic fields	84
		Tennis courts	106
		Open fields	88
		Senior activity centers	3

## POPULATION ANALYSIS

Year	Austin (1)		Travis County (1)		Texas (2)		United States (2)	
	Population	Percentage Change %	Population	Percentage Change %	Population	Percentage Change %	Population	Percentage Change %
1940	87,830	--	111,053	--	6,414,824	--	132,165,000	--
1950	147,459	50.64	160,980	44.96	7,711,194	20.21	151,326,000	14.50
1960	186,545	40.83	212,136	31.78	9,579,677	24.23	179,323,000	18.50
1970	253,539	35.91	295,516	39.30	11,198,655	16.90	203,302,000	13.37
1980	345,496	36.27	419,573	41.98	11,228,383	27.05	222,110,000	9.25
1983	375,000	8.54	486,847	16.03	15,345,000	7.85	234,545,000	5.60
1984	403,723	7.66	511,588	5.08	15,989,000	4.20	237,457,000	1.24
1985	406,584	0.71	527,120	3.04	16,370,000	2.38	238,740,000	0.54
1986	431,851	6.21	551,101	4.55	16,685,000	1.92	241,078,000	0.98
1987	444,184	2.97	563,787	2.30	16,790,000	0.63	243,249,000	0.90
1988	447,582	0.65	569,700	1.05	16,841,000	0.30	247,031,000	1.55
1989	450,107	0.56	573,805	0.72	17,451,000	3.62	247,732,000	0.28
1990	450,830	0.16	576,407	0.45	16,986,510	(2.66)	248,312,692	0.77
1991	466,530	3.48	585,731	1.62	17,349,000	2.13	252,177,000	1.02
1992	474,715	1.75	594,360	1.51	17,615,745	1.54	255,020,000	1.13
1993	478,254	0.75	600,427	0.99	17,805,566	1.08	257,592,000	1.01
1994	507,468	6.11	636,991	6.09	18,291,000	2.73	261,212,000	1.41
1995	523,352	3.13	656,979	3.14	18,724,000	2.37	262,755,000	0.59
1996	541,889	3.54	681,654	3.76	19,128,000	2.16	265,410,000	1.01

- (1) All years are estimates from the City's Department of Planning based on full purpose area as of December 31. Census years are modified to conform to U.S. Bureau of the Census data. Estimates for 1985 through 1989 were revised in 1990 based on the 1990 census.
- (2) U.S. Bureau of the Census estimates as of July 31, except for census years.
- (3) Number shown is for fiscal year 1995; 1996 data not available.

MISCELLANEOUS STATISTICAL DATA  
ECONOMIC AND GROWTH INDICATORS  
1987-1996

CITY OF AUSTIN, TEXAS  
Table 22

Year	Area of Incorporation (Sq. Miles)	Population (1)	Utility Connection (2)			Effective Buying Income (EBI) (3)	
			Electric	Water	Gas	Median	Per
						Household EBI	Capita EBI
						\$	\$
1987	183.35	444,684	254,840	133,738	122,212	22,958	13,342
1988	188.52	447,582	255,470	133,471	121,041	24,869	13,167
1989	185.29	450,107	257,525	136,233	109,366	22,977	12,118
1990	186.44	450,830	275,840	137,936	111,114	22,711	13,917
1991	189.98	466,530	281,926	142,721	131,713	24,809	14,585
1992	190.12	474,715	286,413	141,210	139,529	28,679	15,475
1993	193.15	478,254	291,896	146,396	143,088	29,662	16,965
1994	192.16	507,466	298,662	142,148	142,373	32,062	17,487
1995	196.68	523,352	306,670	149,867	147,023	33,981	18,490
1996	195.74	541,889	319,518	151,757	148,124	29,803	16,685
1987-1996 Change	6.76%	21.86%	25.38%	13.47%	21.20%	29.82%	25.06%

Year	Building Permits			Retail Sales (Austin) (4)	Austin Area Home Sales (5)	
	Federal, State and Municipal	Taxable	Total		Average Sale Price	Number of Homes Sold
	\$	\$	\$	\$	\$	
1987	33,243,846	401,020,594	434,264,440	3,945,195,503	101,826	5,430
1988	26,174,678	352,811,070	378,985,748	4,115,834,592	90,587	5,914
1989	12,516,321	361,440,727	373,957,048	4,682,139,494	85,562	6,746
1990	48,312,493	309,999,799	358,312,292	4,804,199,274	84,744	7,672
1991	33,619,419	327,777,503	361,396,922	5,063,115,033	89,263	8,336
1992	5,162,800	435,053,697	440,216,497	5,644,034,689	106,265	8,914
1993	70,976,449	607,717,144	678,693,593	6,253,828,689	114,908	11,104
1994	19,643,501	840,043,119	859,686,620	6,784,452,526	120,161	10,833
1995	11,067,831	870,446,315	881,534,146	7,286,274,112	126,726	8,436
1996	89,945,847	1,246,232,619	1,336,178,466	7,932,937,305	132,699	9,773
1987-1996 Change	170.56%	210.77%	207.69%	101.08%	30.32%	79.98%

Note: All numbers are as of fiscal year ended September 30, except where noted.

(1) Figures represent full purpose population as of December 31.

(2) Figures 1991 through 1996 are as of September 30.

(3) Source: 1996 Survey of Buying Power, Sales and Marketing Management.

(4) Source: State of Texas Comptroller's Office. Amount is an estimate based on State of Texas Comptroller's Office data.

(5) Source: Austin Board of Realtors.

**MISCELLANEOUS STATISTICAL DATA**  
**EMPLOYMENT CHARACTERISTICS**

**CITY OF AUSTIN, TEXAS**  
**Table 23**

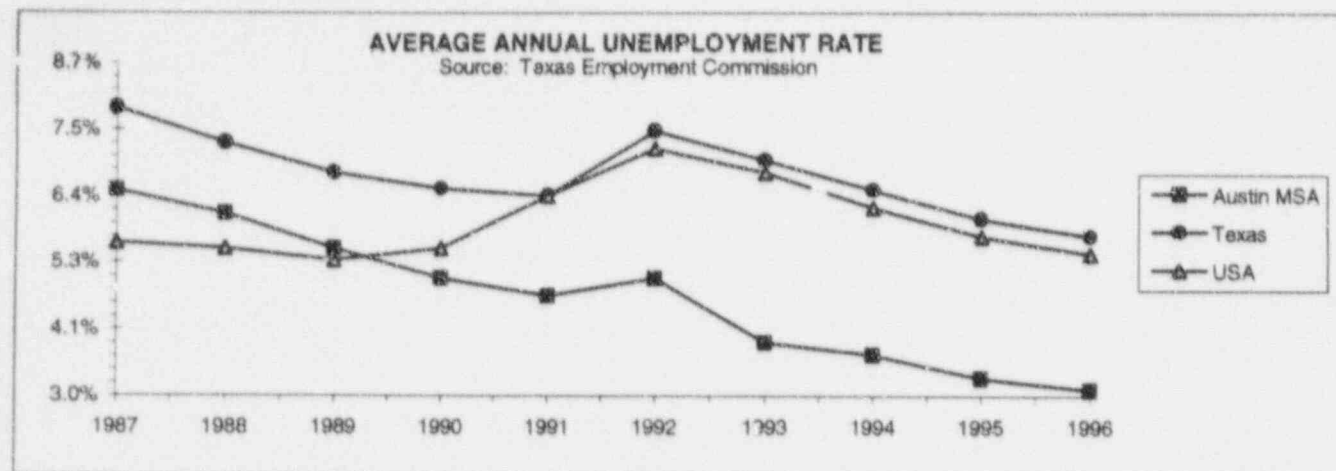
**EMPLOYMENT BY INDUSTRY IN THE AUSTIN  
METROPOLITAN STATISTICAL AREA (1)**

Industrial Classification	1970		1994		1995		1996	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Manufacturing	13,300	10.3	62,900	13.1	68,300	12.9	71,500	13.1
Government	51,150	39.5	128,100	26.1	133,700	25.3	130,400	23.8
Trade	26,100	20.2	101,500	21.0	112,900	21.3	122,700	22.4
Services and miscellaneous	19,600	15.1	125,500	26.0	140,100	26.5	148,600	27.1
Finance, insurance and real estate	6,150	4.7	27,100	5.6	29,600	5.6	29,100	5.3
Contract construction	8,750	6.8	21,700	4.5	26,900	5.1	26,800	4.9
Transportation and utilities	4,000	3.1	15,000	3.1	16,200	3.1	17,500	3.2
Mining	450	0.3	900	0.2	1,000	0.2	1,100	0.2
Totals	129,500	100.0	482,700	100.0	528,700	100.0	547,700	100.0

Source: Texas Employment Commission

(1) Austin MSA includes Travis, Bastrop, Caldwell, Hays, and Williamson Counties.

Numbers for 1996 are an estimate based on TEC and Bureau of Labor Statistics, U.S. Department of Labor data as of December 31, 1996.



**TEN LARGEST EMPLOYERS**  
September 30, 1996

Employer	Product or Service	Number of Employees	% of Total (2)
			%
University of Texas	Education and research	19,000	3.5
Motorola, Inc.	Electronic components	11,000	2.0
City of Austin	City government	10,160	1.9
Austin Independent School District	Education	8,920	1.6
Dell Computer Corporation	Computers	8,300	1.5
IBM Corporation	Office machines	7,000	1.3
Texas Department of Health	State government	5,634	1.0
Internal Revenue Service	Federal agency	4,200	0.8
U.S. Postal Service	Federal agency	3,879	0.7
Texas Attorney General's Office	State government	3,585	0.7
		<b>81,678</b>	<b>15.0</b>

Source: Austin Chamber of Commerce

(2) Total refers to total work force of 547,700 as stated in the 'Employment by Industry' Table, above.



