



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

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

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

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

- (1) Interest is paid semiannually on May 15 and November 15.
- (2) Interest is paid monthly and is based on a variable rate. Aggregate interest requirement is calculated utilizing the rate of 3.60% in effect at the end of the fiscal year.
- (3) Series matures on May 15 of the final year.
- (4) Zero interest bond placed with Texas Water Development Board.

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

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

These bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest with proper notice and delivery to the corresponding remarketing agent. If the remarketing agent is unable to successfully remarket the bonds, the bonds will be purchased by the respective liquidity providers and become bank bonds with principal to be paid in equal semi-annual installments over a 5-year amortization period. Bank bonds bear an interest rate based on the bank rate which is the lesser of the base rate plus any applicable excess interest or the maximum rate. The remarketing agent takes the variable debt to auction on a weekly basis; the winning bid determines the weekly rate paid. The City currently has an Irrevocable Letter of Credit Reimbursement Agreement, which has provisions within the agreement that, in the event of a default, the bank has the ability to declare the principal and accrued interest immediately due and payable.

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

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

- (1) Gross revenue includes revenues from operations and interest income.
- (2) Excludes depreciation, other postemployment benefits and net pension liability accruals.
- (3) The coverage calculation presented considers all Water and Wastewater debt service obligations, regardless of type or designation. This methodology closely approximates but does not follow exactly the coverage calculation required by the master ordinance.

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

Fiscal Year Ended Sept. 30	Electric Revenue Bonds						Water and Wastewater Revenue Bonds					
	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	Utility Service Charges (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
				Principal	Interest					Principal	Interest	
2010	\$ 1,159,295	\$ 866,914	\$ 292,381	\$ 65,823	\$ 99,786	1.77	\$ 361,342	\$ 166,907	\$ 194,435	\$ 54,413	\$ 101,265	1.25
2011	1,258,871	912,651	346,220	75,084	97,547	2.01	448,467	171,833	276,634	50,660	105,221	1.77
2012	1,190,798	875,675	315,123	75,772	92,959	1.87	443,028	178,891	264,137	67,295	110,872	1.48
2013	1,295,116	927,294	367,822	105,091	71,052	2.09	477,013	209,890	267,123	75,186	113,826	1.41
2014	1,375,294	1,028,794	346,500	83,151	60,101	2.42	472,717	218,071	254,646	98,245	105,901	1.25
2015	1,359,097	978,283	380,814	47,904	59,017	3.56	517,253	208,307	308,946	97,176	124,134	1.40
2016	1,378,749	989,768	388,981	65,132	62,599	3.05	563,066	217,457	345,609	79,564	105,186	1.87
2017	1,373,020	1,018,604	354,416	44,278	60,692	3.38	601,928	233,592	368,336	85,927	141,455	1.62
2018	1,417,232	1,083,928	333,304	34,971	58,657	3.56	581,324	250,223	331,101	57,712	152,572	1.57
2019	1,471,267	1,105,466	365,801	37,007	54,364	4.00	560,168	261,004	299,164	33,888	129,707	1.83

  

Fiscal Year Ended Sept. 30	Airport Revenue Bonds						Convention Center Revenue Bonds						
	Service Charges (1)	Other Available Funds (5)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)	User Fees and Revenue Transfers (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage (4)
					Principal	Interest					Principal	Interest	
2010	\$ 85,156	\$ 3,673	\$ 57,773	\$ 31,056	\$ 7,168	\$ 7,522	2.11	\$ 51,226	\$ 30,520	\$ 20,706	\$ 8,215	\$ 9,238	1.19
2011	90,259	3,739	64,371	29,627	7,544	7,410	1.98	59,351	32,464	26,887	8,545	9,356	1.50
2012	96,344	3,594	65,689	34,249	7,473	6,902	2.38	63,345	35,640	27,705	9,450	8,423	1.55
2013	103,705	3,805	69,338	38,172	8,438	6,783	2.51	73,977	44,684	29,293	10,205	7,991	1.61
2014	109,263	3,620	73,822	39,061	8,520	5,960	2.70	82,971	41,142	41,829	10,750	7,278	2.32
2015	120,780	3,551	76,995	47,336	9,264	4,941	3.33	94,847	47,746	47,101	10,930	6,691	2.67
2016	137,826	3,700	82,330	59,196	9,616	5,184	4.00	106,037	45,306	60,731	11,740	6,352	3.36
2017	154,570	4,830	94,139	65,261	13,003	6,316	3.38	118,013	54,533	63,480	12,150	5,653	3.57
2018	176,235	5,469	108,045	73,659	15,906	5,969	3.37	115,934	60,807	55,127	12,955	4,713	3.12
2019	191,166	6,107	118,610	78,663	14,836	9,593	3.22	138,439	66,280	72,159	13,440	4,109	4.11

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Operating revenue, rental tax revenue, hotel tax revenue, and interest income.

(2) Operating expenses other than interest on debt, depreciation, amortization, and year-end unfunded other postemployment benefit and pension expenses.

(3) Debt service calculations are done on a cash basis rather than the accrual basis used in preparation of the financial statements. Airport excludes debt service amounts paid with passenger facility charge revenue and restricted bond proceeds applied to current interest payments.

(4) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest payments made during each fiscal year. Coverage includes prior, subordinate, and separate lien bonds only. For Austin Water, this methodology does not follow exactly the coverage calculation required by the master ordinance.

(5) Pursuant to bond ordinance, Airport is authorized to use "other available funds" in the calculation of revenue bond coverage to not exceed 25% of the debt service requirements.