



City of Austin, Texas
Austin Water

Financial Status Report
For the Period Ending May 31, 2016

Status Report Based on Unaudited Financial Information



MEMORANDUM

TO: Greg Meszaros, Director
Austin Water

FROM: David Anders, Assistant Director, Financial Services
Austin Water

DATE: June 24, 2016

SUBJECT: Unaudited Financial Status Report for the Period Ended May 31, 2016

Attached is Austin Water's Financial Status Report. The combined fund balance at the end of May was \$120.05 million, or \$25.32 million more than projected, as detailed in the Executive Summary. The beginning balances were \$4.08 million more than projected, year-to-date requirements were \$13.55 million above allotments, and revenues and transfers in were \$34.79 million above projections.

Significant rainfall in the fall of 2015 improved the lake levels in Travis and Buchanan, and these levels have been further improved by recent rains. The lake system was at 107 percent full at the end of May. With this improvement, the City has been moved into Conservation Stage watering restrictions from Stage II. Water service revenues are significantly above projections and wastewater service revenues are slightly above projections this fiscal year through May. The Executive Summary includes more discussion of revenue highlights.

Actual spending for operating requirements was below budget allotments by \$2.91 million, and spending for other requirements was below budget allotments by \$0.80 million. Payments for debt service requirements were above allotments by \$17.57 million due to the bond defeasance, and transfers out were below allotments by \$0.31 million. The extent of these variances by program is discussed in the Executive Summary and detail pages.

In addition to the Executive Summary and Fund Summary, this report provides detailed analysis of Revenues, Customer Demand Characteristics, Operating Requirements, Outstanding Debt and Debt Service Requirements, Other Requirements, CIP Expenditures, and Cash Balances.

Please feel free to contact me should you have any questions.

David Anders
Assistant Director
Austin Water

Attachments

cc: Robert Goode, Assistant City Manager
Elaine Hart, CFO, Financial and Administrative Services
Assistant Directors, Austin Water
Division Managers, Austin Water

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City of Austin, Texas

Austin Water

Executive Summary

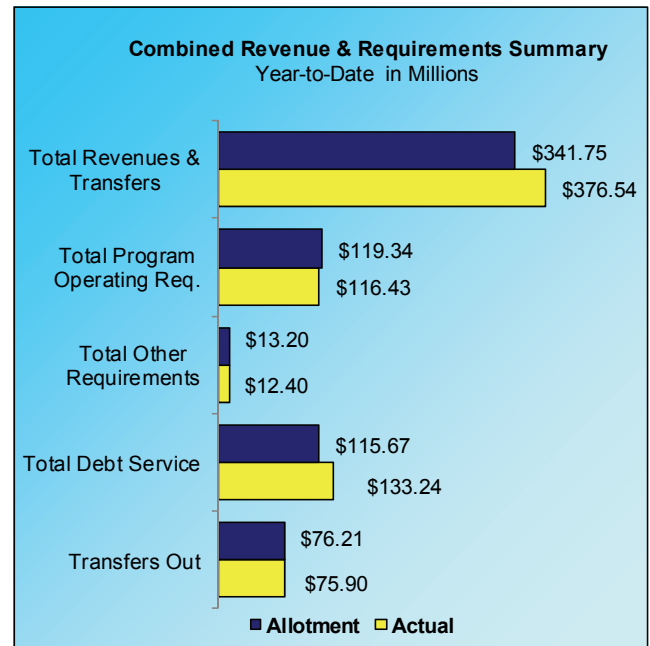


Financial Status Report

Period Ending May 31, 2016

The Combined Water, Reclaimed Water, and Wastewater Operating Fund balance as of May 31, 2016, was \$120.05 million. The combined balance was \$25.32 million more than projected for this date, as shown below:

	Allotment	Actual	Difference
Beginning Balance	\$ 77.41	\$ 81.48	\$ 4.08
Water Services	\$ 164.04	\$ 178.54	\$ 14.50
Wastewater Services	165.16	166.84	1.68
Reclaimed Services	1.04	0.81	(0.22)
Reserve Fund Surcharge	4.24	4.50	0.26
Other Revenues	4.72	5.16	0.44
Transfers In	2.55	20.70	18.14
Total Revenues & Transfers	\$ 341.75	\$ 376.54	\$ 34.79
Total Program Operating Req.	\$ 119.34	\$ 116.43	\$ 2.91
Total Other Requirements	13.20	12.40	0.80
Total Debt Service	115.67	133.24	(17.57)
Transfers Out	76.21	75.90	0.31
Total Revenue Requirements	\$ 324.42	\$ 337.97	\$ (13.55)
Ending balance	\$ 94.74	\$ 120.05	\$ 25.32

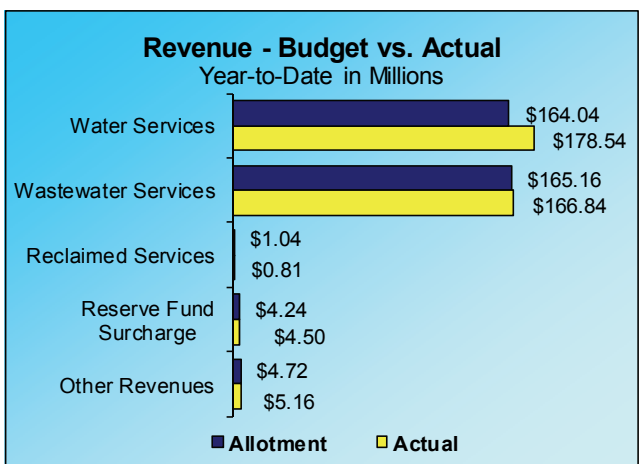


Debt Service Coverage 1.74 1.66

Revenue Highlights

Total revenues for the fiscal year through May were \$376.54 million. This is \$34.79 million or 10.2% more than projected.

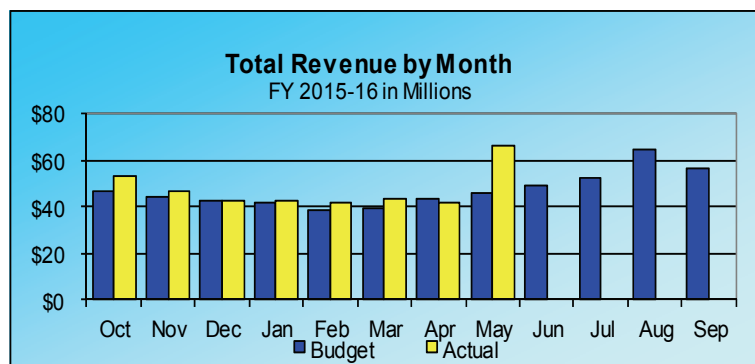
- Water services were \$178.54 million, or 8.8% above projections.
- Wastewater services were \$166.84 million, or 1.0% above projections.
- Reclaimed services were \$0.81 million, or 21.7% below projections.
- Reserve fund surcharge was \$4.50 million, or 6.1% above projections.
- Other revenues, including miscellaneous and interest income totaled \$5.16 million, or 9.2% more than projected.
- Transfers In through May were \$18.14 million above projections because of transfers related to the bond defeasance.



Year-to-date Water Services revenues were above projections in all five customer classes.

Wastewater Services were above projections in three customer classes and the industrial waste surcharge to offset revenues below projections in the Residential and Wholesale classes.

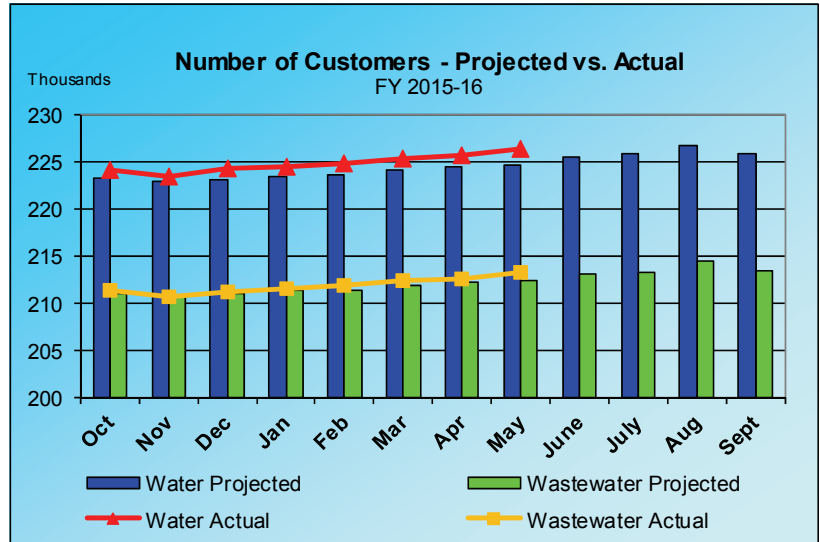
Revenues and Transfers In for May were \$65.87 million, \$19.88 million or 43.2% above the projection, because of transfers in related to debt defeasance.



User Characteristics

	Projected	Actual
Water Customers	224,622	226,343
Wastewater Customers	212,416	213,305
Monthly Pumpage	3.68	3.45
YTD Pumpage	26.33	27.44
Monthly Billed Use	3.16	2.90
YTD Billed Use	23.55	24.80
Monthly Influent Flow	3.13	4.11
YTD Influent Flow	24.39	28.14
Monthly Billed Flow	2.33	2.25
YTD Billed Flow	17.51	17.76
(Above in Billions of Gallons)		

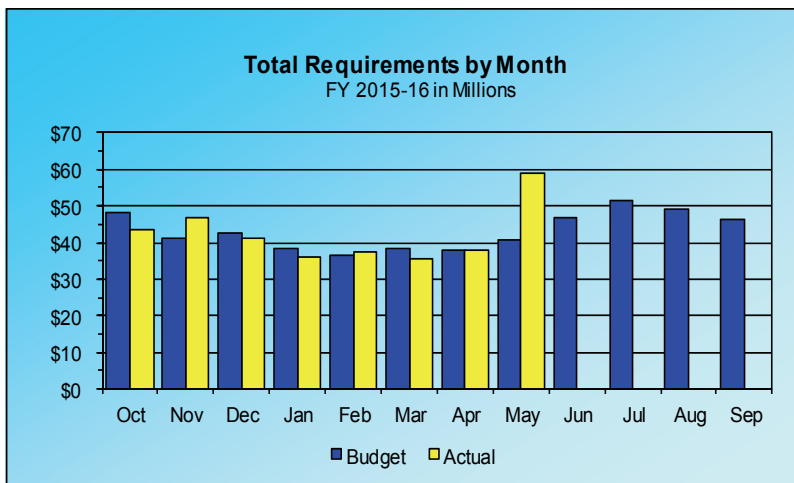
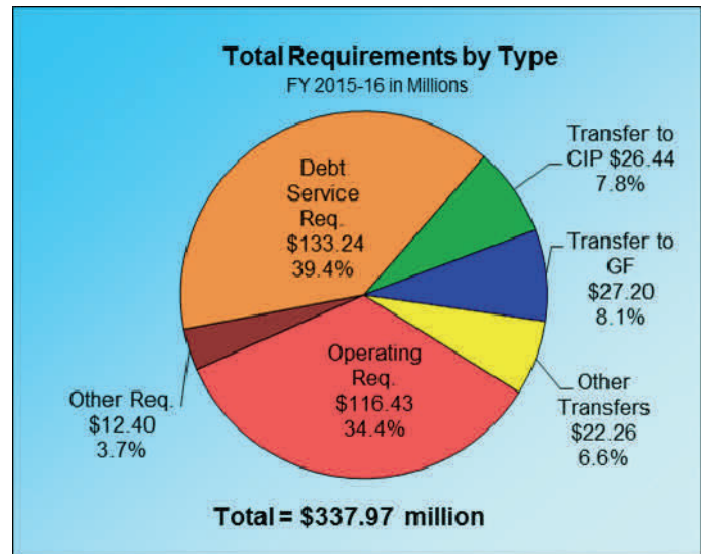
Avg. Residential Use (gal)	5,700	4,629
Avg. Residential Flow (gal)	4,230	3,834



Requirement Highlights

Total requirements for the fiscal year through May were \$337.97 million. This is \$13.55 million, or 4.2%, more than the budget allotments. The graph at the right shows the proportions of these requirements to the whole.

- Total program operating requirements were \$116.43 million, or 2.4% less than budgeted.
- Total other requirements were \$12.40 million, or 6.1% less than budgeted.
- Debt service requirements were \$133.24 million, or 15.2% more than budgeted.
- Transfers out consists of transfers to Capital Improvement Projects, General Fund, and Other Transfers. These total \$75.90 million, or 0.4% less than budgeted.



Two of the nine program areas (Engineering Services and Support Services,) had higher expenditures than projected. These variances were more than offset by lower than projected expenditures in the other program areas.

Pages 28 and 29 provide details on variances in spending by program area and object code.

Total Requirements were \$58.94 million for the month, or \$18.29 million (45.0%) more than the budget allotment for the month. This large variance is due to the bond defeasance.

City of Austin, Texas
Austin Water Utility
FUND SUMMARY - COMBINED
As of May 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	77,405,715	77,405,715	77,405,715	81,483,019	4,077,304	5.3%
REVENUE						
Water Services	277,632,006	277,632,006	164,039,855	178,538,762	14,498,907	8.8%
Wastewater Services	255,115,283	255,115,283	165,158,636	166,842,177	1,683,541	1.0%
Reserve Fund Surcharge	7,204,421	7,204,421	4,238,867	4,496,263	257,396	6.1%
Other Revenue	5,746,424	5,746,424	3,830,952	3,399,033	(431,919)	-11.3%
Reclaimed Water Services	1,770,107	1,770,107	1,035,303	810,572	(224,731)	-21.7%
Public Health Licenses, Permits, Inspections	600,500	600,500	400,332	426,981	26,649	-1.2%
Miscellaneous Franchise Fees	232,000	232,000	154,668	26,771	(127,897)	-82.7%
Interest	181,874	181,874	121,240	611,874	490,634	404.7%
Building Rental/Lease	144,800	144,800	96,536	61,535	(35,001)	-36.3%
Land & Infrastructure Rental/Lease	75,800	75,800	50,532	33,000	(17,532)	-34.7%
Property Sales	55,200	55,200	36,800	0	(36,800)	-100.0%
Scrap Sales	48,800	48,800	32,532	17,917	(14,615)	-44.9%
Development Fees	0	0	0	2,240	2,240	N/A
Other Fines	0	0	0	579,900	579,900	N/A
Total Revenue	548,807,215	548,807,215	339,196,253	355,847,025	16,650,772	4.9%
TRANSFERS IN						
CIP	10,300,000	10,300,000	0	18,200,000	18,200,000	N/A
Austin Water Utility	3,400,000	3,400,000	2,266,672	2,266,680	8	0.0%
Support Services/Infrastructure Funds	300,582	300,582	200,384	225,382	24,998	12.5%
Austin Resource Recovery	130,431	130,431	86,952	0	(86,952)	-100.0%
Total Transfers In	14,131,013	14,131,013	2,554,008	20,692,062	18,138,054	710.2%
TOTAL AVAILABLE FUNDS	562,938,228	562,938,228	341,750,261	376,539,087	34,788,826	10.2%
PROGRAM REQUIREMENTS						
Treatment	77,840,734	77,840,734	49,161,861	47,996,778	1,165,083	2.4%
Pipeline Operations	41,201,279	41,201,279	27,166,843	26,328,307	838,536	3.1%
Support Services	22,592,094	22,592,094	14,807,811	15,816,820	(1,009,009)	-6.8%
Environmental Affairs & Conservation	11,848,732	11,848,732	8,424,166	7,445,643	978,523	11.6%
Other Utility Program Requirements	11,494,210	11,494,210	7,770,260	5,936,723	1,833,537	23.6%
Engineering Services	8,504,005	8,504,005	5,794,897	7,109,337	(1,314,440)	-22.7%
Water Resources Management	8,275,601	8,275,601	5,534,111	5,156,593	377,518	6.8%
One Stop Shop	653,101	653,101	429,197	389,338	39,859	9.3%
Reclaimed Water Services	388,355	388,355	251,086	249,765	1,321	0.5%
Total Program Requirements	182,798,111	182,798,111	119,340,232	116,429,304	2,910,928	2.4%
OTHER REQUIREMENTS						
Utility Billing System Support	18,317,220	18,317,220	12,433,507	12,211,481	222,026	1.8%
Accrued Payroll	745,854	745,854	497,235	0	497,235	100.0%
Interdepartmental Charges	166,242	166,242	110,828	110,802	26	0.0%
Market Study Adjustment	133,117	133,117	88,744	0	88,744	100.0%
Services-PID contract expense	75,000	75,000	70,833	75,000	(4,167)	-5.9%
Total Other Requirements	19,437,433	19,437,433	13,201,147	12,397,283	803,864	6.1%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	180,655,096	180,655,096	100,252,787	114,416,642	(14,163,855)	-14.1%
Tfr to Utility D/S Sub Lien	11,345,846	11,345,846	10,849,846	10,850,212	(366)	0.0%
Trf to GO Debt Service	4,010,080	4,010,080	3,007,559	3,001,140	6,419	0.2%
Tfr to Utility D/S Prior Lien	2,700,906	2,700,906	899,906	4,516,246	(3,616,340)	-401.9%
Tfr to Util D/S Tax/Rev Bonds	727,005	727,005	367,824	367,824	0	0.0%
Commercial paper interest	439,862	439,862	293,241	91,234	202,007	68.9%
Total Debt Service Requirements	199,878,795	199,878,795	115,671,163	133,243,298	(17,572,135)	-15.2%

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
TRANSFERS OUT						
Trf to General Fund	40,793,280	40,793,280	27,195,420	27,195,420	0	0.0%
Trf to Wastewater CIP Fund	23,250,000	23,250,000	15,051,000	15,051,000	0	0.0%
Trf to Water CIP Fund	17,300,000	17,300,000	10,220,000	10,220,000	0	0.0%
Trf to Support Services Fund	12,384,793	12,384,793	8,256,529	8,256,529	0	0.0%
Trf to Water Revenue Stab Rsv	9,204,421	9,204,421	6,802,944	6,492,198	310,746	4.6%
CTM Support	3,871,271	3,871,271	2,580,871	2,580,871	0	0.0%
Trf to Reclaimed Water Fund	3,400,000	3,400,000	2,266,680	2,266,680	0	0.0%
Trf to Economic Development	2,011,254	2,011,254	1,342,274	1,342,274	0	0.0%
Trf to Reclaimed Water CIP Fund	2,000,000	2,000,000	1,170,000	1,170,000	0	0.0%
Workers' Compensation	1,286,209	1,286,209	857,481	857,481	0	0.0%
Liability Reserve	400,000	400,000	266,680	266,680	0	0.0%
Trf to Wireless Communication	283,472	283,472	188,992	188,992	0	0.0%
Trf to CTECC Fund	9,925	9,925	9,925	9,925	0	0.0%
Total Transfers Out	116,194,625	116,194,625	76,208,796	75,898,050	310,746	0.4%
TOTAL REQUIREMENTS	518,308,964	518,308,964	324,421,338	337,967,935	(13,546,597)	-4.2%
EXCESS (DEFICIENCY)	44,629,264	44,629,264	17,328,923	38,571,152	21,242,229	122.6%
ENDING BALANCE	122,034,979	122,034,979	94,734,638	120,054,171	25,319,533	26.7%
DEBT SERVICE COVERAGE RATIO		1.69	1.74	1.66		

Note: Numbers may not add due to rounding.

City of Austin, Texas

Austin Water Utility

FUND SUMMARY - WATER

As of May 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	29,748,765	29,748,765	29,748,765	30,432,529	683,764	2.3%
REVENUE						
Water Revenue	277,632,006	277,632,006	164,039,855	178,538,762	14,498,907	8.8%
Reserve Fund Surcharge	7,204,421	7,204,421	4,238,867	4,496,263	257,396	6.1%
Other Revenue	2,791,136	2,791,136	1,860,760	1,586,494	(274,266)	-14.7%
Miscellaneous Franchise Fees	160,600	160,600	107,068	26,771	(80,297)	-75.0%
Building Rental/Lease	84,400	84,400	56,268	31,368	(24,900)	-44.3%
Interest	76,400	76,400	50,928	253,918	202,990	398.6%
Land & Infrastructure Rental/Lease	75,800	75,800	50,532	33,000	(17,532)	-34.7%
Scrap Sales	27,300	27,300	18,200	8,959	(9,241)	-50.8%
Property Sales	26,900	26,900	17,932	0	(17,932)	-100.0%
Other Fines	0	0	0	579,900	579,900	N/A
Public Health Licenses, Permits, Inspections	0	0	0	31,165	31,165	N/A
Total Revenue	288,078,963	288,078,963	170,440,410	185,586,599	15,146,189	8.9%
TRANSFERS IN						
CIP	7,100,000	7,100,000	0	10,921,349	10,921,349	N/A
Support Services/Infrastructure Funds	150,291	150,291	100,192	112,691	12,499	12.5%
Total Transfers In	7,250,291	7,250,291	100,192	11,034,040	10,933,848	10912.9%
TOTAL AVAILABLE FUNDS	295,329,254	295,329,254	170,540,602	196,620,639	26,080,037	15.3%
PROGRAM REQUIREMENTS						
Treatment	38,251,428	38,251,428	24,415,271	24,038,510	376,761	1.5%
Pipeline Operations	23,792,976	23,792,976	15,666,273	15,458,147	208,126	1.3%
Support Services	11,374,646	11,374,646	7,427,620	7,877,823	(450,203)	-6.1%
Environmental Affairs & Conservation	8,967,318	8,967,318	6,547,864	5,581,185	966,679	14.8%
Other Utility Program Requirements	6,885,199	6,885,199	4,392,156	2,554,538	1,837,618	41.8%
Water Resources Management	3,935,790	3,935,790	2,627,167	2,472,800	154,367	5.9%
Engineering Services	3,082,919	3,082,919	1,626,222	2,890,563	(1,264,341)	-77.7%
One Stop Shop	242,953	242,953	159,596	157,042	2,554	1.6%
Total Program Requirements	96,533,229	96,533,229	62,862,169	61,030,608	1,831,561	2.9%
OTHER REQUIREMENTS						
Utility Billing System Support	13,466,330	13,466,330	9,140,782	8,977,554	163,228	1.8%
Accrued Payroll	377,669	377,669	251,779	0	251,779	100.0%
Interdepartmental Charges	83,121	83,121	55,414	55,401	13	0.0%
Market Study Adjustment	80,249	80,249	53,499	0	53,499	100.0%
Services-PID contract expense	37,500	37,500	33,333	37,500	(4,167)	-12.5%
Total Other Requirements	14,044,869	14,044,869	9,534,807	9,070,455	464,352	4.9%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	94,142,706	94,142,706	52,849,896	61,090,765	(8,240,869)	-15.6%
Trf to Utility D/S Sub Lien	6,154,137	6,154,137	5,914,137	5,914,390	(253)	0.0%
Trf to GO Debt Service	1,923,523	1,923,523	1,442,601	1,439,418	3,183	0.2%
Trf to Utility D/S Prior Lien	608,244	608,244	202,244	2,372,192	(2,169,948)	-1072.9%
Commercial paper interest	368,621	368,621	245,747	77,438	168,309	68.5%
Trf to Util D/S Tax/Rev Bonds	269,021	269,021	136,110	136,110	0	0.0%
Total Debt Service Requirements	103,466,252	103,466,252	60,790,735	71,030,313	(10,239,578)	-16.8%

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
TRANSFERS OUT						
Trf to General Fund	21,157,159	21,157,159	14,104,759	14,104,759	0	0.0%
Trf to Water CIP Fund	17,300,000	17,300,000	10,220,000	10,220,000	0	0.0%
Trf to Water Revenue Stab Rsv	9,204,421	9,204,421	6,802,944	6,492,198	310,746	4.6%
Trf to Administrative Support Fund	7,369,386	7,369,386	4,912,922	4,912,922	0	0.0%
CTM Support	1,935,635	1,935,635	1,290,435	1,290,435	0	0.0%
Trf to Reclaimed Water Fund	1,700,000	1,700,000	1,133,340	1,133,340	0	0.0%
Trf to Economic Development	1,087,301	1,087,301	724,901	724,901	0	0.0%
Workers' Compensation	643,105	643,105	428,737	428,737	0	0.0%
Trf to Wireless Communication	283,472	283,472	188,992	188,992	0	0.0%
Liability Reserve	200,000	200,000	133,340	133,340	0	0.0%
Trf to CTECC Fund	4,962	4,962	4,962	4,962	0	0.0%
Total Transfers Out	60,885,441	60,885,441	39,945,332	39,634,586	310,746	0.8%
TOTAL REQUIREMENTS	274,929,791	274,929,791	173,133,043	180,765,962	(7,632,919)	-4.4%
EXCESS (DEFICIENCY)	20,399,463	20,399,463	(2,592,441)	15,854,677	18,447,118	-711.6%
ENDING BALANCE	50,148,228	50,148,228	27,156,324	46,287,206	19,130,882	70.4%
DEBT SERVICE COVERAGE RATIO		1.66	1.55	1.56		

Note: Numbers may not add due to rounding.

City of Austin, Texas
Austin Water Utility
FUND SUMMARY - RECLAIMED WATER
As of May 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	561,984	561,984	561,984	534,298	(27,686)	-4.9%
REVENUE						
Reclaimed Water Services	1,770,107	1,770,107	1,035,303	810,572	(224,731)	-21.7%
Interest	1,374	1,374	912	4,709	3,797	416.3%
Total Revenue	1,771,481	1,771,481	1,036,215	815,281	(220,934)	-21.3%
TRANSFERS IN						
Austin Water Utility	3,400,000	3,400,000	2,266,672	2,266,680	8	0.0%
Total Transfers In	3,400,000	3,400,000	2,266,672	2,266,680	8	0.0%
TOTAL AVAILABLE FUNDS	5,171,481	5,171,481	3,302,887	3,081,961	(220,926)	-6.7%
PROGRAM REQUIREMENTS						
Reclaimed Water Services	388,355	388,355	251,086	249,765	1,321	0.5%
Other Utility Program Requirements	21,567	21,567	14,103	10,511	3,592	25.5%
Total Program Requirements	409,922	409,922	265,189	260,276	4,913	1.9%
OTHER REQUIREMENTS						
Accrued Payroll	2,729	2,729	1,819	0	1,819	100.0%
Market Study Adjustment	1,584	1,584	1,056	0	1,056	100.0%
Total Other Requirements	4,313	4,313	2,875	0	2,875	100.0%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	2,757,871	2,757,871	1,386,643	1,307,638	79,005	5.7%
Commercial paper interest	4,224	4,224	2,816	2,426	390	13.8%
Total Debt Service Requirements	2,762,095	2,762,095	1,389,459	1,310,064	79,395	5.7%
TRANSFERS OUT						
Trf to Reclaimed Water CIP Fnd	2,000,000	2,000,000	1,170,000	1,170,000	0	0.0%
Trf to General Fund	75,184	75,184	50,124	50,124	0	0.0%
Trf to Economic Development	4,204	4,204	4,204	4,204	0	0.0%
Total Transfers Out	2,079,388	2,079,388	1,224,328	1,224,328	0	0.0%
TOTAL REQUIREMENTS	5,255,718	5,255,718	2,881,851	2,794,668	87,183	3.0%
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(84,237)	(84,237)	421,036	287,293	(133,743)	-31.8%
ENDING BALANCE	477,747	477,747	983,020	821,591	(161,429)	-16.4%
DEBT SERVICE COVERAGE RATIO		0.49	0.55	0.42		

Note: Numbers may not add due to rounding.

City of Austin, Texas
Austin Water Utility
FUND SUMMARY - WASTEWATER
As of May 2016

	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
BEGINNING BALANCE	47,094,966	47,094,966	47,094,966	50,516,192	3,421,226	7.3%
REVENUE						
Wastewater Revenue	255,115,283	255,115,283	165,158,636	166,842,177	1,683,541	1.0%
Other Revenue	2,955,288	2,955,288	1,970,192	1,812,539	(157,653)	-8.0%
Public Health Licenses, Permits, Inspections	600,500	600,500	400,332	395,816	(4,517)	-1.2%
Interest	104,100	104,100	69,400	353,247	283,847	409.0%
Miscellaneous Franchise Fees	71,400	71,400	47,600	0	(47,600)	-100.0%
Building Rental/Lease	60,400	60,400	40,268	30,168	(10,100)	-25.1%
Property Sales	28,300	28,300	18,868	0	(18,868)	-100.0%
Scrap Sales	21,500	21,500	14,332	8,959	(5,373)	-37.5%
Development Fees	0	0	0	2,240	2,240	N/A
Total Revenue	258,956,771	258,956,771	167,719,628	169,445,145	1,725,517	1.0%
TRANSFERS IN						
CIP	3,200,000	3,200,000	0	7,278,651	7,278,651	N/A
Support Services/Infrastructure Funds	150,291	150,291	100,192	112,691	12,499	12.5%
Austin Resource Recovery Fund	130,431	130,431	86,952	0	(86,952)	-100.0%
Total Transfers In	3,480,722	3,480,722	187,144	7,391,342	7,204,198	3849.5%
TOTAL AVAILABLE FUNDS	262,437,493	262,437,493	167,906,772	176,836,487	8,929,715	5.3%
PROGRAM REQUIREMENTS						
Treatment	39,589,306	39,589,306	24,746,590	23,958,268	788,322	3.2%
Pipeline Operations	17,408,303	17,408,303	11,500,570	10,870,160	630,410	5.5%
Support Services	11,217,448	11,217,448	7,380,191	7,938,997	(558,806)	-7.6%
Engineering Services	5,421,086	5,421,086	4,168,675	4,218,774	(50,099)	-1.2%
Other Utility Program Requirements	4,587,444	4,587,444	3,364,001	3,371,674	(7,673)	-0.2%
Water Resources Management	4,339,811	4,339,811	2,906,944	2,683,793	223,151	7.7%
Environmental Affairs & Conservation	2,881,414	2,881,414	1,876,302	1,864,458	11,844	0.6%
One Stop Shop	410,148	410,148	269,601	232,296	37,305	13.8%
Total Program Requirements	85,854,960	85,854,960	56,212,874	55,138,420	1,074,454	1.9%
OTHER REQUIREMENTS						
Utility Billing System Support	4,850,890	4,850,890	3,292,725	3,233,927	58,798	1.8%
Accrued Payroll	365,456	365,456	243,637	0	243,637	100.0%
Interdepartmental Charges	83,121	83,121	55,414	55,401	13	0.0%
Market Study Adjustment	51,284	51,284	34,189	0	34,189	100.0%
Services-PID contract expense	37,500	37,500	37,500	37,500	0	0.0%
Total Other Requirements	5,388,251	5,388,251	3,663,465	3,326,828	336,637	9.2%
DEBT SERVICE REQUIREMENTS						
Trf to Util D/S Separate Lien	83,754,519	83,754,519	46,016,248	52,018,239	(6,001,991)	-13.0%
Tfr to Utility D/S Sub Lien	5,191,709	5,191,709	4,935,709	4,935,822	(113)	0.0%
Trf to GO Debt Service	2,086,557	2,086,557	1,564,958	1,561,722	3,236	0.2%
Tfr to Utility D/S Prior Lien	2,092,662	2,092,662	697,662	2,144,054	(1,446,392)	-207.3%
Commercial paper interest	67,017	67,017	44,678	11,370	33,308	74.6%
Tfr to Util D/S Tax/Rev Bonds	457,984	457,984	231,714	231,714	0	0.0%
Total Debt Service Requirements	93,650,448	93,650,448	53,490,969	60,902,921	(7,411,952)	-13.9%

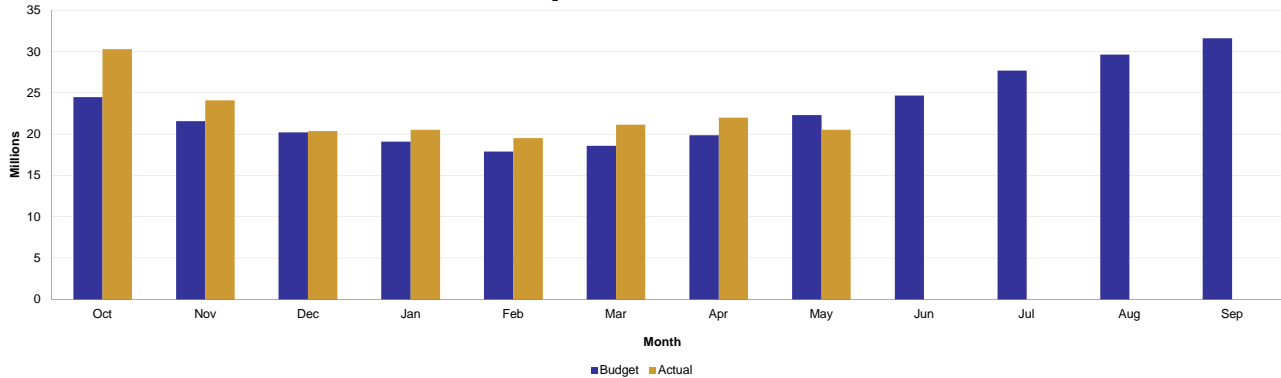
	2015-16 Approved	2015-16 Amended	Budget Allotment	Actual	Variance	% Variance
TRANSFERS OUT						
Trf to Wastewater CIP Fund	23,250,000	23,250,000	15,051,000	15,051,000	0	0.0%
Trf to General Fund	19,560,937	19,560,937	13,040,537	13,040,537	0	0.0%
Trf to Support Services Fund	5,015,407	5,015,407	3,343,607	3,343,607	0	0.0%
CTM Support	1,935,636	1,935,636	1,290,436	1,290,436	0	0.0%
Trf to Reclaimed Water Fund	1,700,000	1,700,000	1,133,340	1,133,340	0	0.0%
Trf to Economic Development	919,749	919,749	613,169	613,169	0	0.0%
Workers' Compensation	643,104	643,104	428,744	428,744	0	0.0%
Liability Reserve	200,000	200,000	133,340	133,340	0	0.0%
Trf to CTECC Fund	4,963	4,963	4,963	4,963	0	0.0%
Total Transfers Out	53,229,796	53,229,796	35,039,136	35,039,136	0	0.0%
TOTAL REQUIREMENTS	238,123,455	238,123,455	148,406,444	154,407,305	(6,000,861)	-4.0%
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	24,314,038	24,314,038	19,500,328	22,429,182	2,928,854	15.0%
ENDING BALANCE	71,409,004	71,409,004	66,595,294	72,945,374	6,350,080	9.5%
DEBT SERVICE COVERAGE RATIO		1.76	1.99	1.79		

Note: Numbers may not add due to rounding.

REVENUES

Water Services Revenues by Month

Budget vs. Actual FY 2015 -2016

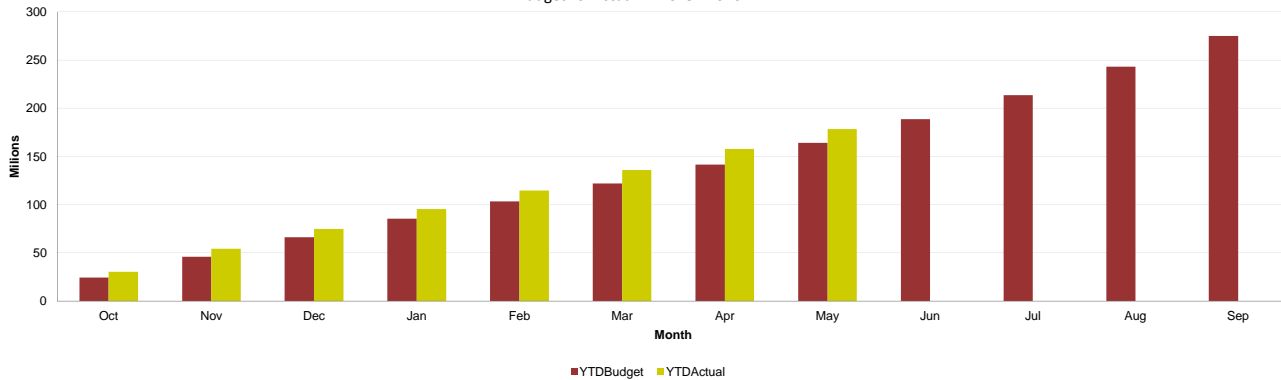


FY 2015 - 2016 Water Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	24.48	21.57	20.23	19.10	17.90	18.59	19.87	22.30	24.66	27.70	29.63	31.61
Actual	30.31	24.10	20.36	20.55	19.53	21.15	22.00	20.55				
Variance \$	5.83	2.53	0.13	1.45	1.62	2.56	2.13	(1.75)				
Variance %	23.8%	11.7%	0.6%	7.6%	9.1%	13.8%	10.7%	-7.8%				

Water Services Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Water Service Revenues by Year-to-Date With Variances (Millions)

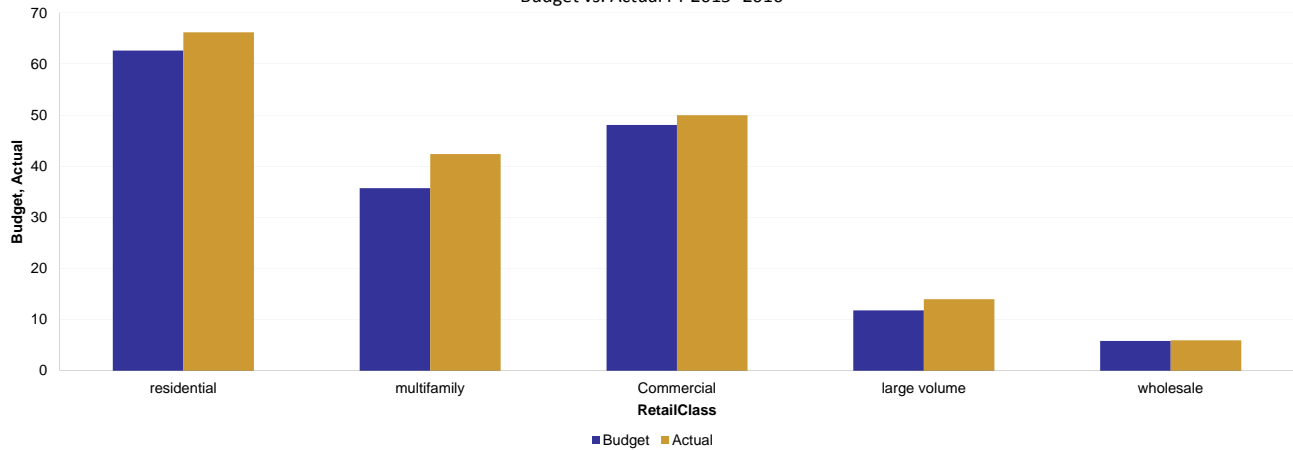
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	24.48	46.05	66.28	85.38	103.28	121.87	141.74	164.04	188.70	213.75	243.38	275.00
YTD Actual	30.31	54.41	74.76	95.31	114.84	135.99	157.99	178.54				
Variance \$	5.83	8.36	8.48	9.93	11.55	14.12	16.25	14.50				
Variance %	23.8%	18.2%	12.8%	11.6%	11.2%	11.6%	11.5%	8.8%				

Water service revenues for May 2016 totaled \$20.55 million. This is \$1.75 million, or 7.8%, less than the budget allotment for the month. For the fiscal year, water service revenues totaled \$178.54 million, which is \$14.50 million, or 8.8%, less than the budget allotment.

Billed water consumption for May 2016 totaled 2.90 billion gallons (BG). This was 0.26 BG, or 8.2%, less than projected for the month. For the fiscal year, billed water consumption totaled 24.80 BG. This was 1.25 BG, or 5.3%, more than projected.

Year-to-Date Water Service Revenues by Customer Class

Budget vs. Actual FY 2015 -2016



FY 2015 - 2016 Year-to-Date Water Service Revenues by Customer Class With Variances (Millions)

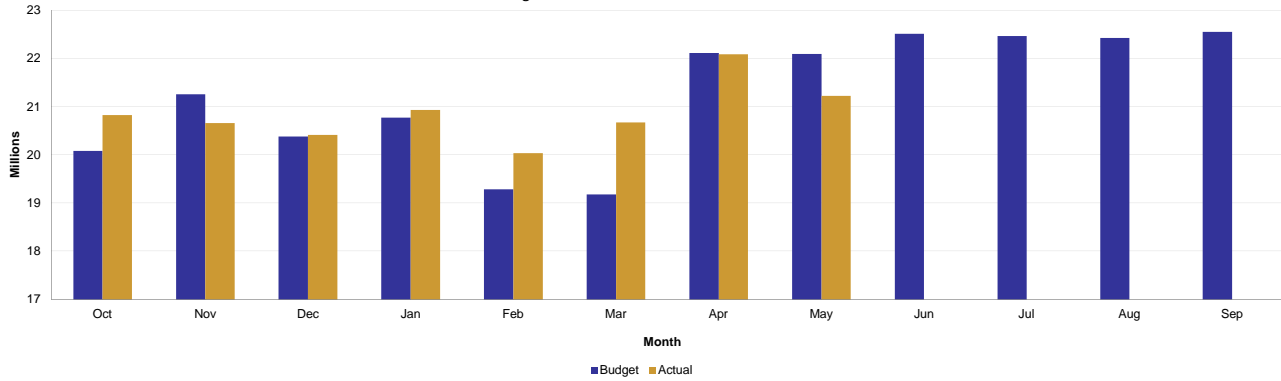
	residential	multifamily	Commercial	large volume	wholesale	Total
Budget	62.63	35.71	48.07	11.81	5.83	164.04
Actual	66.21	42.39	50.00	14.00	5.95	178.54
Variance \$	3.58	6.68	1.93	2.19	0.12	14.50
Variance %	5.7%	18.7%	4.0%	18.6%	2.0%	8.8%

Water service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume and Wholesale. The graph above compares the budgeted and actual water service revenues and the revenue stability fee by those classes through May, before any accounts receivable adjustments.

All five customer classes are above projections. Overall, water revenues are 8.8% higher than projected.

WasteWater Services Revenues by Month

Budget vs. Actual FY 2015 - 2016

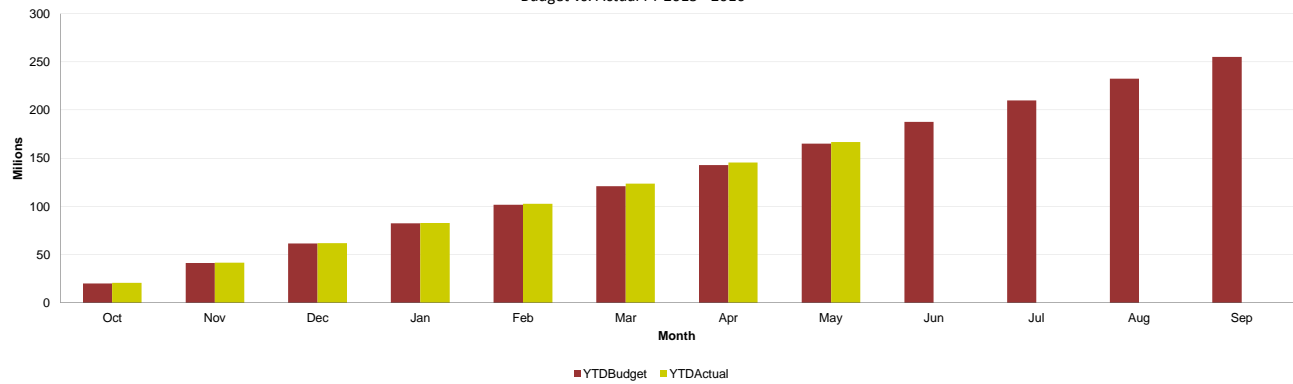


FY 2015 - 2016 Wastewater Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	20.08	21.26	20.38	20.77	19.28	19.18	22.11	22.10	22.51	22.46	22.43	22.55
Actual	20.83	20.66	20.42	20.93	20.04	20.67	22.09	21.23				
Variance \$	0.74	(0.60)	0.04	0.16	0.75	1.49	(0.03)	(0.87)				
Variance %	3.7%	-2.8%	0.2%	0.8%	3.9%	7.8%	-0.1%	-3.9%				

WasteWater Services Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 Wastewater Service Revenues by Year-to-Date With Variances (Millions)

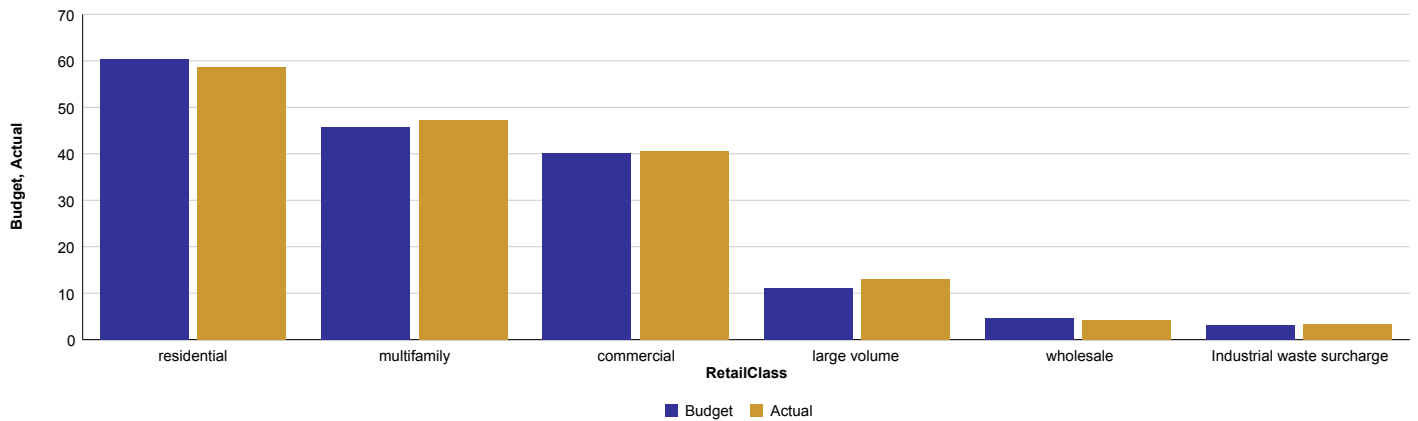
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	20.08	41.34	61.72	82.49	101.77	120.95	143.06	165.16	187.67	210.14	232.56	255.12
YTD Actual	20.83	41.49	61.90	82.83	102.87	123.53	145.62	166.84				
Variance \$	0.74	0.15	0.18	0.34	1.09	2.58	2.55	1.68				
Variance %	3.7%	0.4%	0.3%	0.4%	1.1%	2.1%	1.8%	1.0%				

Wastewater service revenues for May 2016 totaled \$21.23 million. This is \$0.87 million or 3.9% less than the budget allotment for the month. For the fiscal year, wastewater service revenues totaled \$166.84 million. This is \$1.68 million, or 1.0%, more than the budget allotment.

Wastewater bills are determined by each customer's actual water consumption for the month or wastewater winter average, whichever is lower, except for customers who have installed wastewater measuring devices.

Year-to-Date WasteWater Service Revenues by Customer Class

Budget vs. Actual FY 2015 - 2016



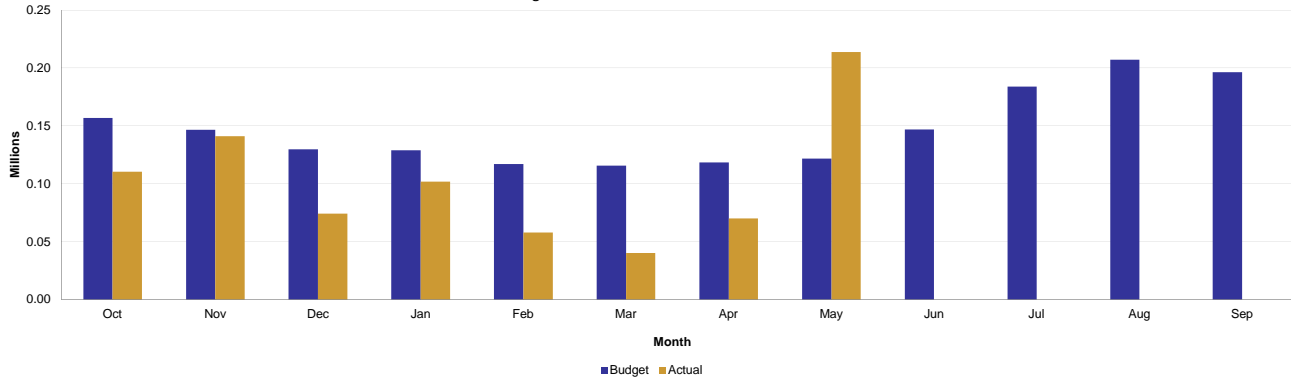
FY 2015 - 2016 Year-to-Date WasteWater Service Revenues by Customer Class With Variances (Millions)

	residential	multifamily	commercial	large volume	wholesale	Industrial waste surcharge	Total
Budget	60.39	45.82	40.23	11.08	4.57	3.06	165.16
Actual	58.58	47.30	40.54	13.05	4.14	3.24	166.84
Variance \$	(1.82)	1.48	0.31	1.97	(0.43)	0.18	1.68
Variance %	-3.0%	3.2%	0.8%	17.8%	-9.4%	5.9%	1.0%

Wastewater service revenues are collected from a variety of customer classes including Residential, Multifamily, Commercial, Large Volume, and Wholesale. This graph compares the budgeted and actual wastewater service revenues by those classes for the fiscal year to date, before any accounts receivable adjustments. Residential and Wholesale classes are below projections by 3.0% and 9.4%, respectively. These negative variances are more than offset by the positive variances in the other classes, with Large Volume revenues' positive variance the greatest at 17.8%. Overall, wastewater revenues are 1.0% above projections.

Reclaimed Services Revenues by Month

Budget vs. Actual FY 2015 - 2016

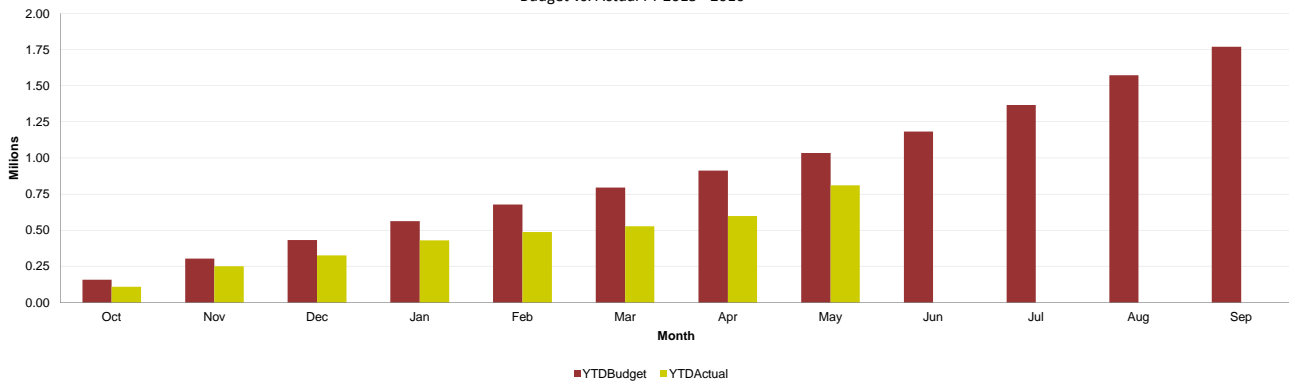


FY 2015 - 2016 Reclaimed Service Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.16	0.15	0.13	0.13	0.12	0.12	0.12	0.12	0.15	0.18	0.21	0.20
Actual	0.11	0.14	0.07	0.10	0.06	0.04	0.07	0.21				
Variance \$	(0.05)	(0.01)	(0.06)	(0.03)	(0.06)	(0.07)	(0.05)	0.09				
Variance %	-29.6%	-3.9%	-42.9%	-20.9%	-50.6%	-62.6%	-42.4%	75.7%				

Reclaimed Services Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016



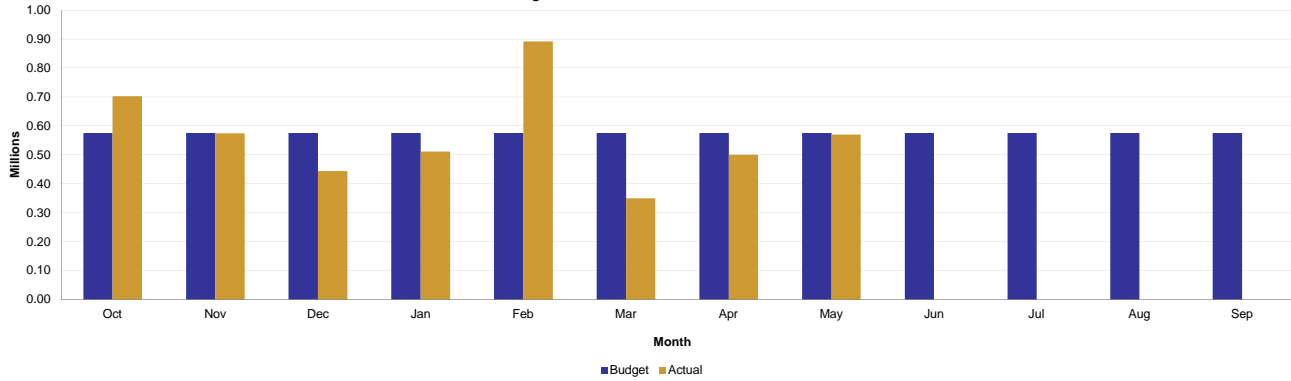
FY 2015 - 2016 Reclaimed Service Revenues by Year-to-Date With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.16	0.30	0.43	0.56	0.68	0.80	0.91	1.04	1.18	1.37	1.57	1.77
YTD Actual	0.11	0.25	0.33	0.43	0.49	0.53	0.60	0.81				
Variance \$	(0.05)	(0.05)	(0.10)	(0.13)	(0.19)	(0.27)	(0.32)	(0.22)				
Variance %	-29.6%	-17.2%	-24.9%	-24.0%	-28.3%	-33.5%	-34.7%	-21.7%				

Reclaimed Water service revenues for May 2016 totaled \$0.21 million. This is \$0.09 million or 75.7% more than the budget allotment for the month. For the fiscal year, reclaimed water service revenues totaled \$0.81 million. This is \$0.22 million or 21.7% less than the budget allotment.

Miscellaneous Revenues by Month

Budget vs. Actual FY 2015 - 2016

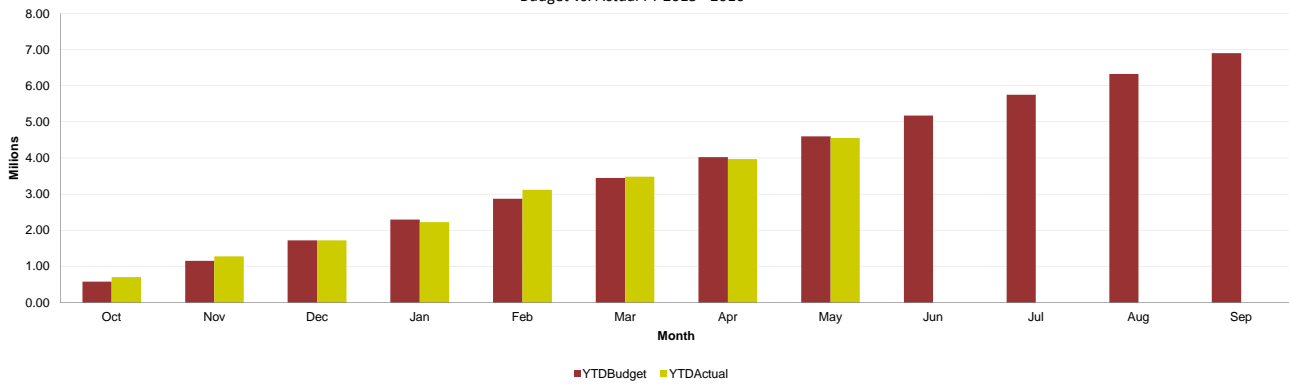


FY 2015 - 2016 Miscellaneous Revenues by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Actual	0.70	0.57	0.44	0.51	0.89	0.35	0.50	0.57				
Variance \$	0.13	(0.00)	(0.13)	(0.06)	0.32	(0.22)	(0.08)	0.00				
Variance %	22.2%	-0.1%	-22.8%	-11.1%	55.0%	-38.4%	-13.7%	-0.5%				

Miscellaneous Revenues by Year-to-Date

Budget vs. Actual FY 2015 - 2016

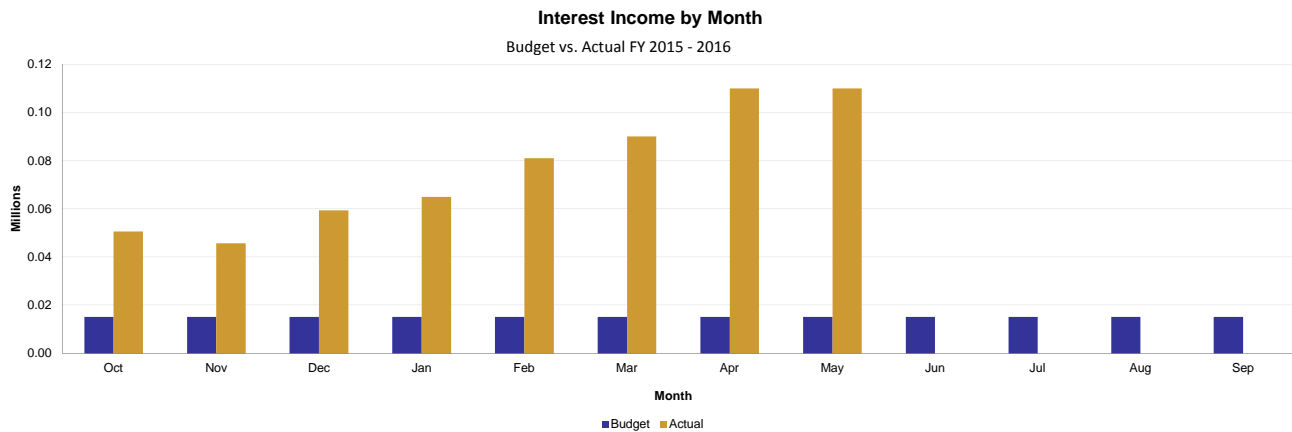


FY 2015 - 2016 Miscellaneous Revenues by Year-to-Date With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.58	1.15	1.73	2.30	2.88	3.45	4.03	4.60	5.18	5.75	6.33	6.90
YTD Actual	0.70	1.28	1.72	2.23	3.12	3.48	3.97	4.55				
Variance \$	0.13	0.13	(0.01)	(0.07)	0.24	0.03	(0.06)	(0.05)				
Variance %	22.2%	11.0%	-0.3%	-3.0%	8.2%	0.8%	-1.3%	-1.2%				

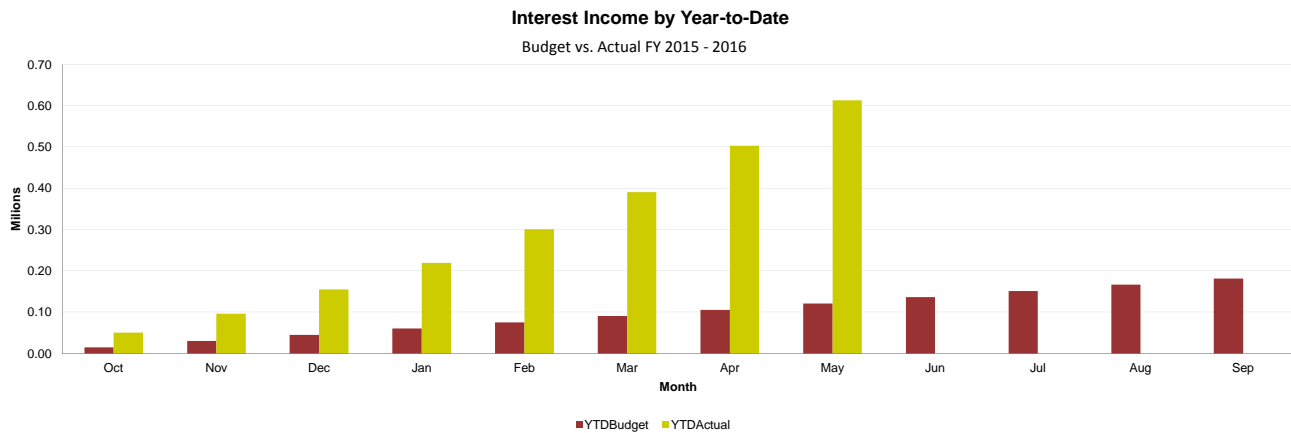
Miscellaneous revenues include revenue from sources other than water and wastewater services, such as late fees, fines and special billings. Miscellaneous revenues for May 2016 totaled \$0.57 million. This is within 0.5% less than the budget allotment for the month.

The combined miscellaneous revenues for the fiscal year totaled \$4.55 million. This is \$0.05 million, or 1.2%, less than the budget allotment.



FY 2015 - 2016 Interest Income by Month With Variances (Millions)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Budget	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Actual	0.05	0.05	0.06	0.06	0.08	0.09	0.11	0.11				
Variance \$	0.04	0.03	0.04	0.05	0.07	0.08	0.09	0.09				
Variance %	234.0%	201.0%	292.1%	328.4%	434.5%	508.5%	621.7%	617.3%				



FY 2015 - 2016 Interest Income by Year-to-Date With Variances (Millions)

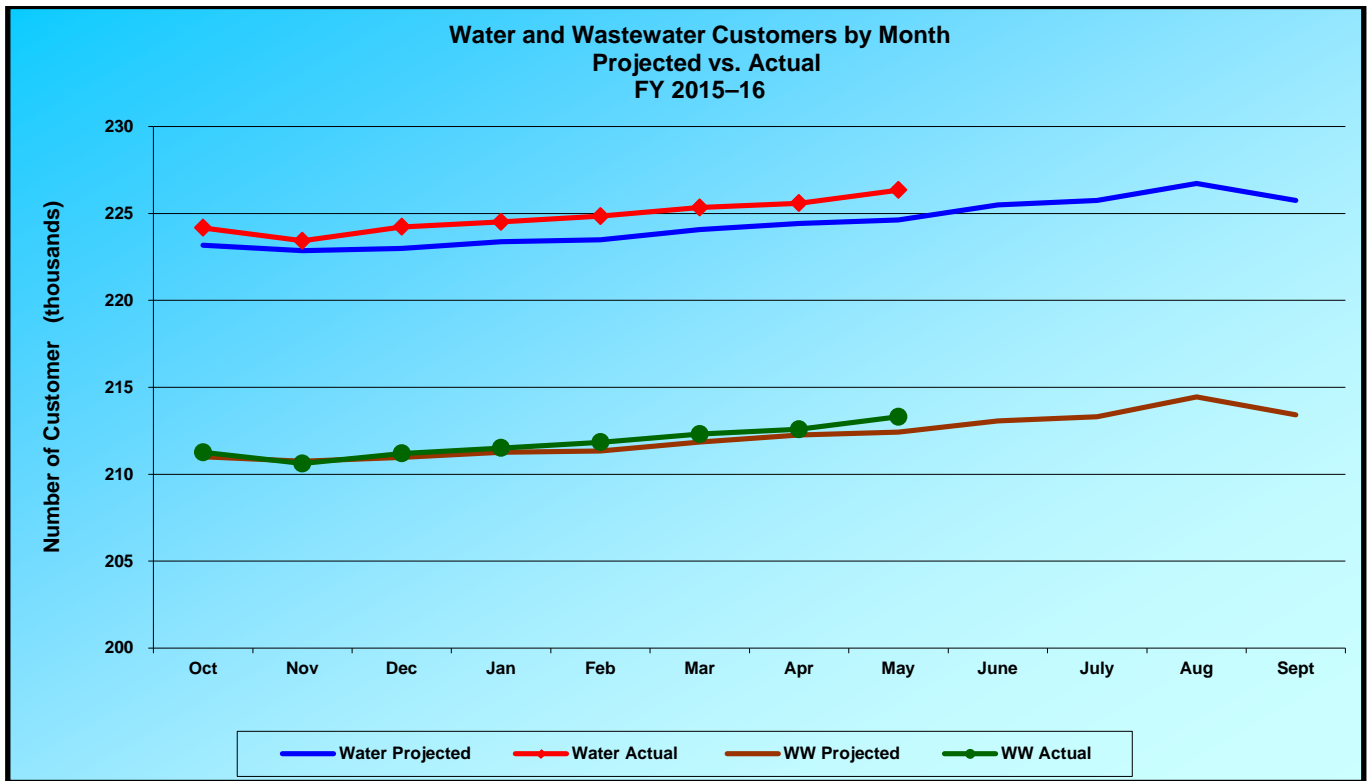
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
YTD Budget	0.02	0.03	0.05	0.06	0.08	0.09	0.11	0.12	0.14	0.15	0.17	0.18
YTD Actual	0.05	0.10	0.16	0.22	0.30	0.39	0.50	0.61				
Variance \$	0.04	0.07	0.11	0.16	0.22	0.30	0.40	0.49				
Variance %	234.0%	217.5%	242.4%	263.9%	284.0%	330.1%	374.3%	404.7%				

Interest income includes interest allocated from the City's Investment Pool, the Debt Service Fund, and the CIP funds. Combined interest income for May 2016 totaled \$108,705. This is \$0.09 million more than the budget allotment for the month.

Interest income for the fiscal year totaled \$0.61 million. This total is significantly more than the budget allotment because of market conditions which have resulted in improved interest earnings.

CUSTOMER DEMAND CHARACTERISTICS

Number of Customers



FY 2015–16 Number of Water and Wastewater Customers Compared to Projections

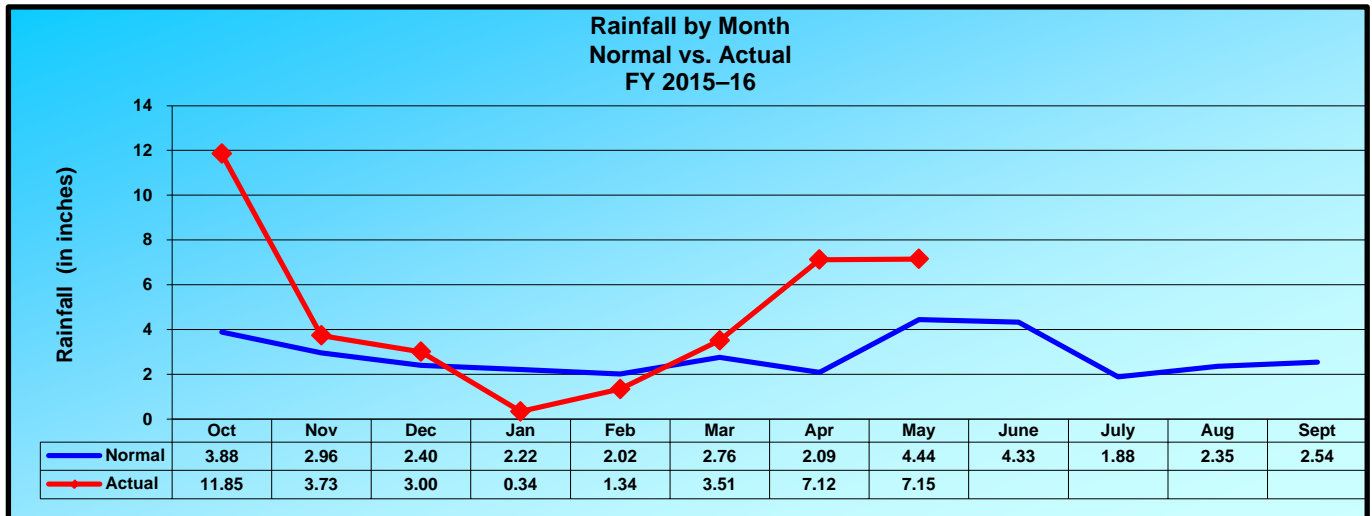
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Water												
Projected	223,166	222,857	222,987	223,383	223,495	224,079	224,419	224,622	225,490	225,757	226,723	225,747
Actual	224,171	223,430	224,231	224,513	224,841	225,345	225,594	226,343				
Variance	1,005	573	1,244	1,130	1,346	1,266	1,175	1,721				
Monthly Change	7,137	(741)	801	282	328	504	249	749				
Wastewater												
Projected	210,997	210,741	210,969	211,269	211,333	211,849	212,262	212,416	213,072	213,308	214,441	213,411
Actual	211,253	210,615	211,194	211,507	211,835	212,310	212,583	213,305				
Variance	256	(126)	225	238	502	461	321	889				
Monthly Change	6771	(638)	579	313	328	475	273	722				

The actual number of water customers as of May 31, 2016, was 226,343. This was 749 more customers than last month, and 1,721 more customers than projected for this date. There were 223,162 water customers as of September 30, 2015.

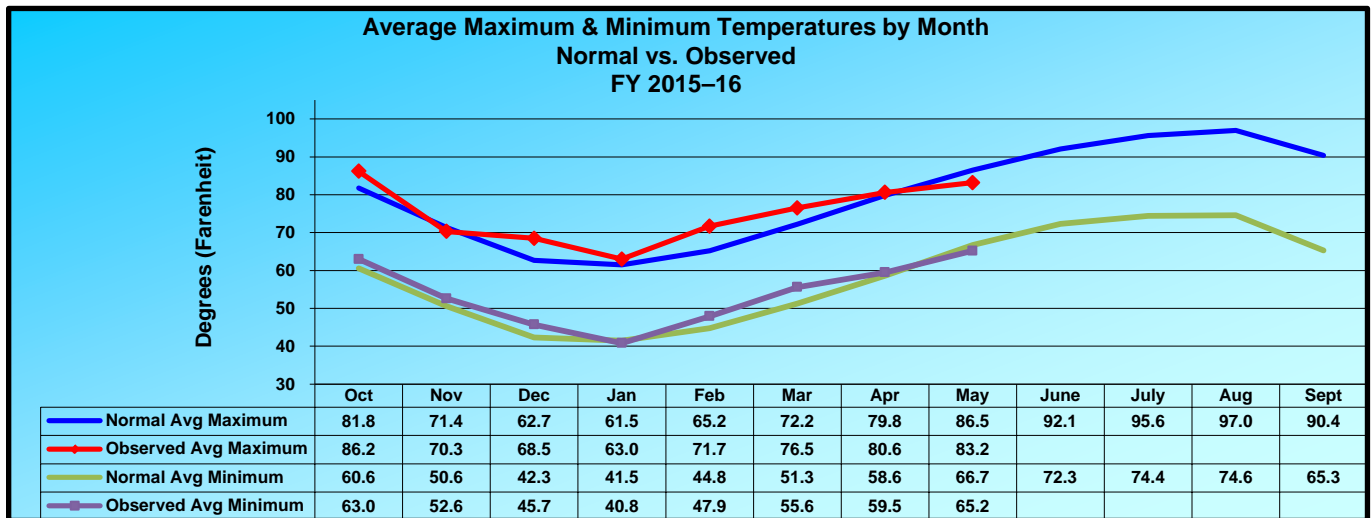
The actual number of wastewater customers as of May 31, 2016, was 213,305. This was 722 more customers than last month, and 889 more customers than projected for this date. There were 212,260 wastewater customers as of September 30, 2015.

The projected number of customers for fiscal year 2015–16 was determined in May 2015 using an historical monthly growth rate in accounts. Monthly negative or positive trend fluctuations are due to factors such as housing starts, the rental home market, unanticipated utility system acquisitions, and other factors.

Rainfall and Average Maximum & Minimum Temperatures by Month



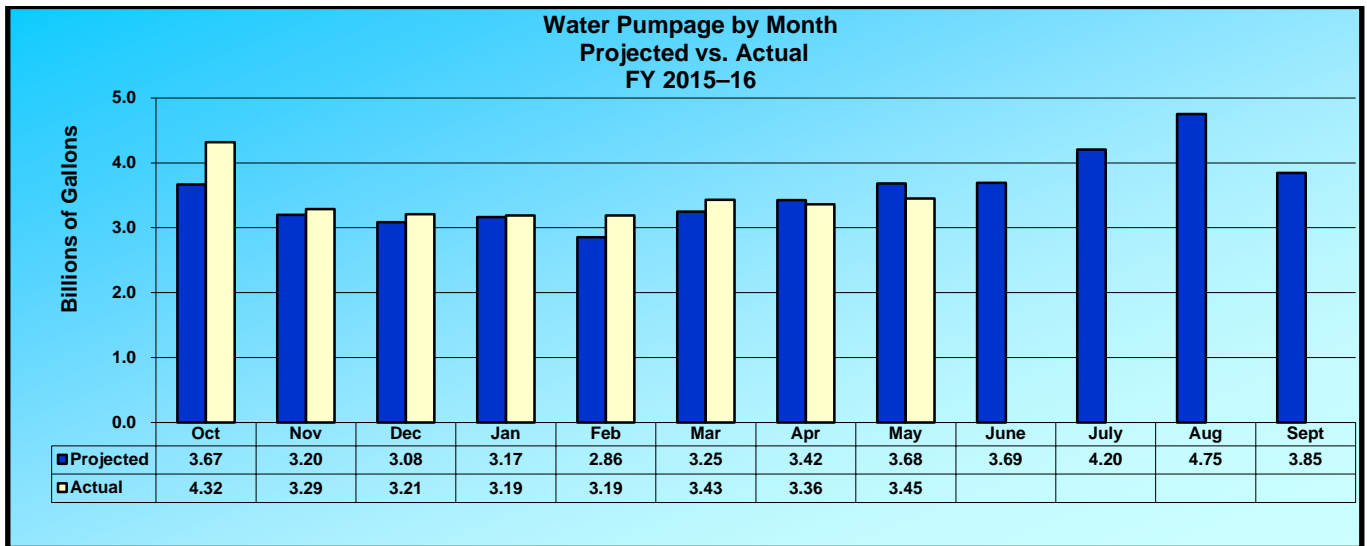
Monthly normal rainfall is based on a 30-year history as reported by the National Weather Service for Austin-Camp Mabry. Last fiscal year the total rainfall was 51.83 inches, 53% more than the normal amount of 33.88 inches. In May, there was 7.15 inches of rain, 2.71 inches above normal for the month. For the fiscal year to date, rainfall has totaled 38.04 inches, 67.1% more than the normal amount of 22.77 inches. This overage largely results from the Halloween 2015 flooding in Central Texas and from the continued rains in April and May. Generally, as rainfall increases significantly, water pumpage decreases and wastewater effluent increases due to inflow and infiltration. Conversely, as rainfall decreases significantly, water pumpage increases and wastewater effluent decreases.



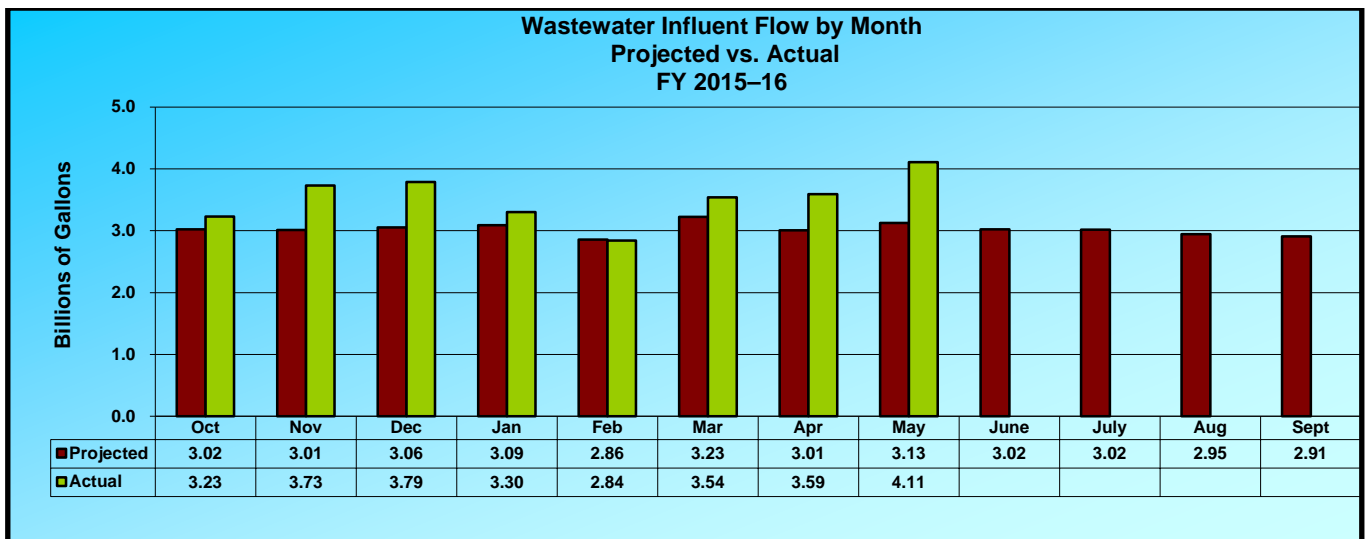
Monthly average maximum and minimum temperatures are reported by the National Weather Service for Austin-Camp Mabry. On average, last fiscal year's temperatures were consistent with historical norms. This fiscal year temperatures have been warmer than historic norms through March and dropping below in May.

The combined storage capacity in the Highland Lakes' two water storage reservoirs, Travis and Buchanan, is at 107% as of May 2016.

Water Pumpage and Wastewater Influent Flow by Month

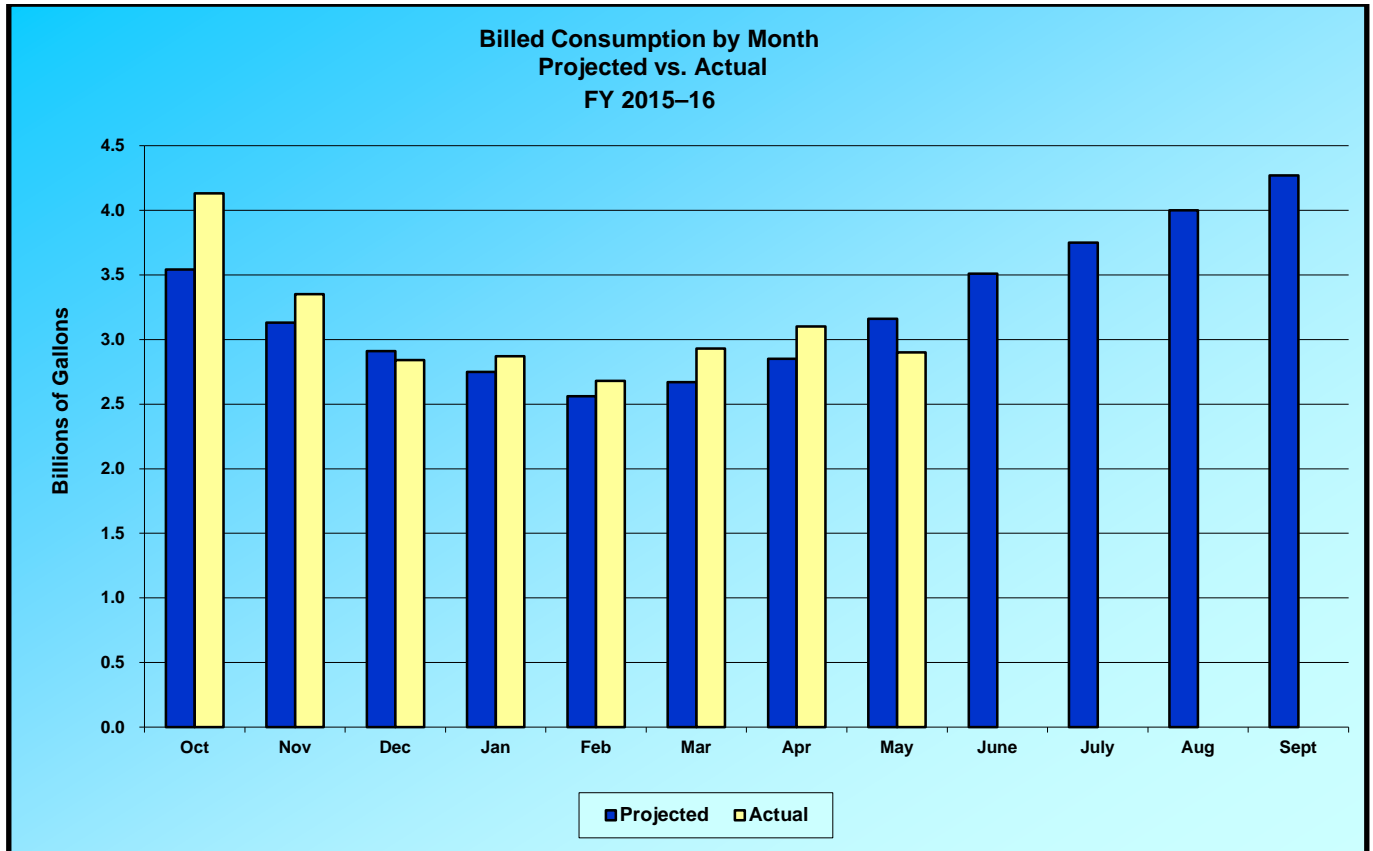


Pumpage during May 2016 averaged 111.28 MGD for a total of 3.45 BG for the month. This compares to a daily average of 112.43 MGD for this fiscal year through May, and a daily average of 106.91 MGD for fiscal year 2014–15 through May.



Influent during May 2016 averaged 132.44 MGD for a total of 4.11 BG for the month. This compares to a daily average of 115.36 MGD for this fiscal year through May, and an average of 113.56 MGD for fiscal year 2014–15 through May.

Billed Water Consumption

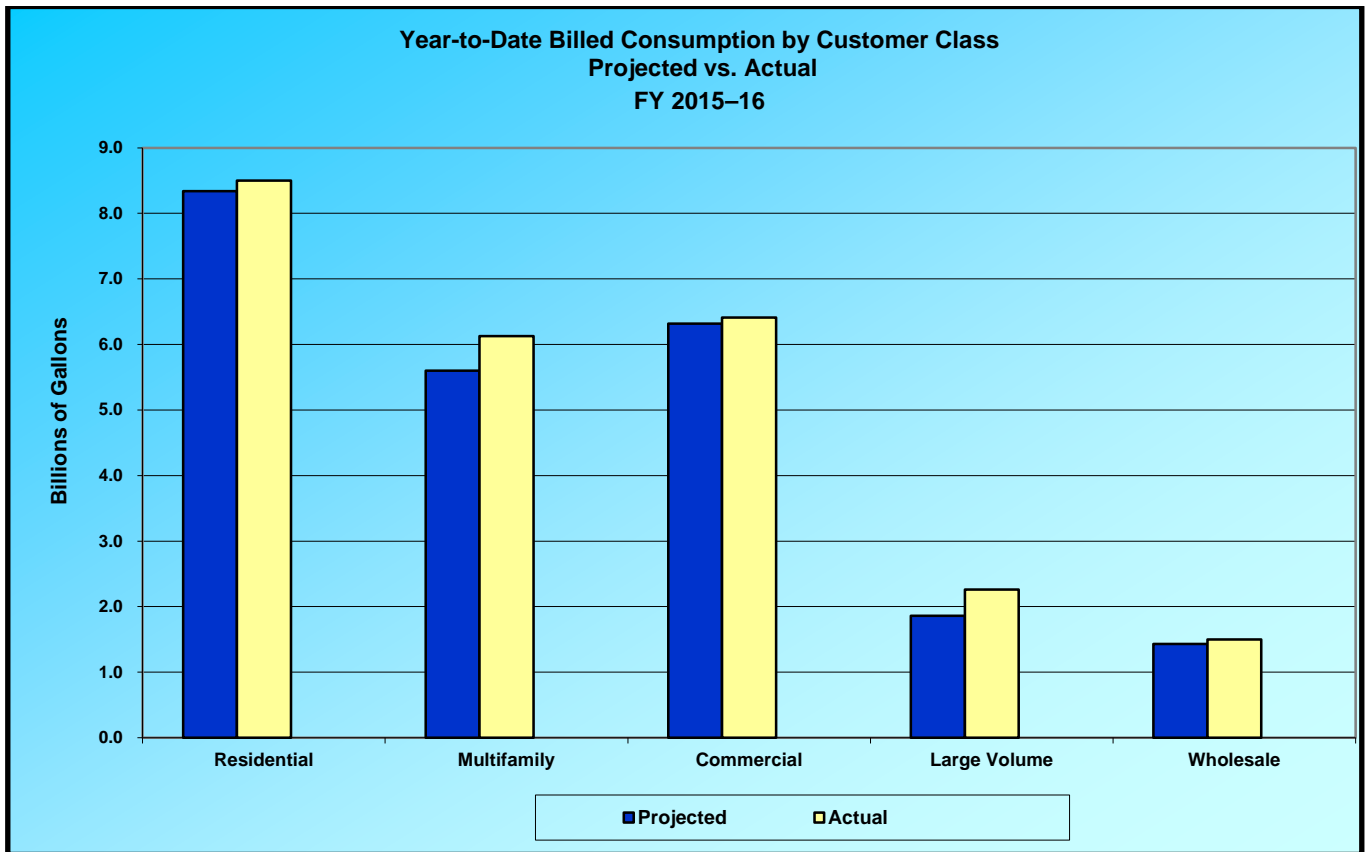


FY 2015–16 Billed Consumption by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
<u>Month</u>												
Projected	3.54	3.13	2.91	2.75	2.56	2.67	2.85	3.16	3.51	3.75	4.00	4.27
Actual	4.13	3.35	2.84	2.87	2.68	2.93	3.10	2.90				
Variance	0.59	0.22	(0.07)	0.12	0.12	0.26	0.25	(0.26)				
Variance %	16.7%	7.0%	-2.4%	4.4%	4.7%	9.7%	8.8%	-8.2%				
<u>YTD</u>												
Projected	3.54	6.67	9.58	12.32	14.88	17.54	20.39	23.55	27.07	30.81	34.82	39.09
Actual	4.13	7.48	10.32	13.19	15.87	18.80	21.90	24.80				
Variance	0.59	0.81	0.74	0.87	0.99	1.26	1.51	1.25				
Variance %	16.7%	12.1%	7.7%	7.1%	6.7%	7.2%	7.4%	5.3%				

Actual billed water consumption for May 2016 was 2.90 BG. This was 0.26 BG, or 8.2%, less than projected for the month. For the fiscal year, actual billed water consumption was 24.80 BG. This was 1.25 BG, or 5.3%, more than projected for the period.

Billed Water Consumption (continued)

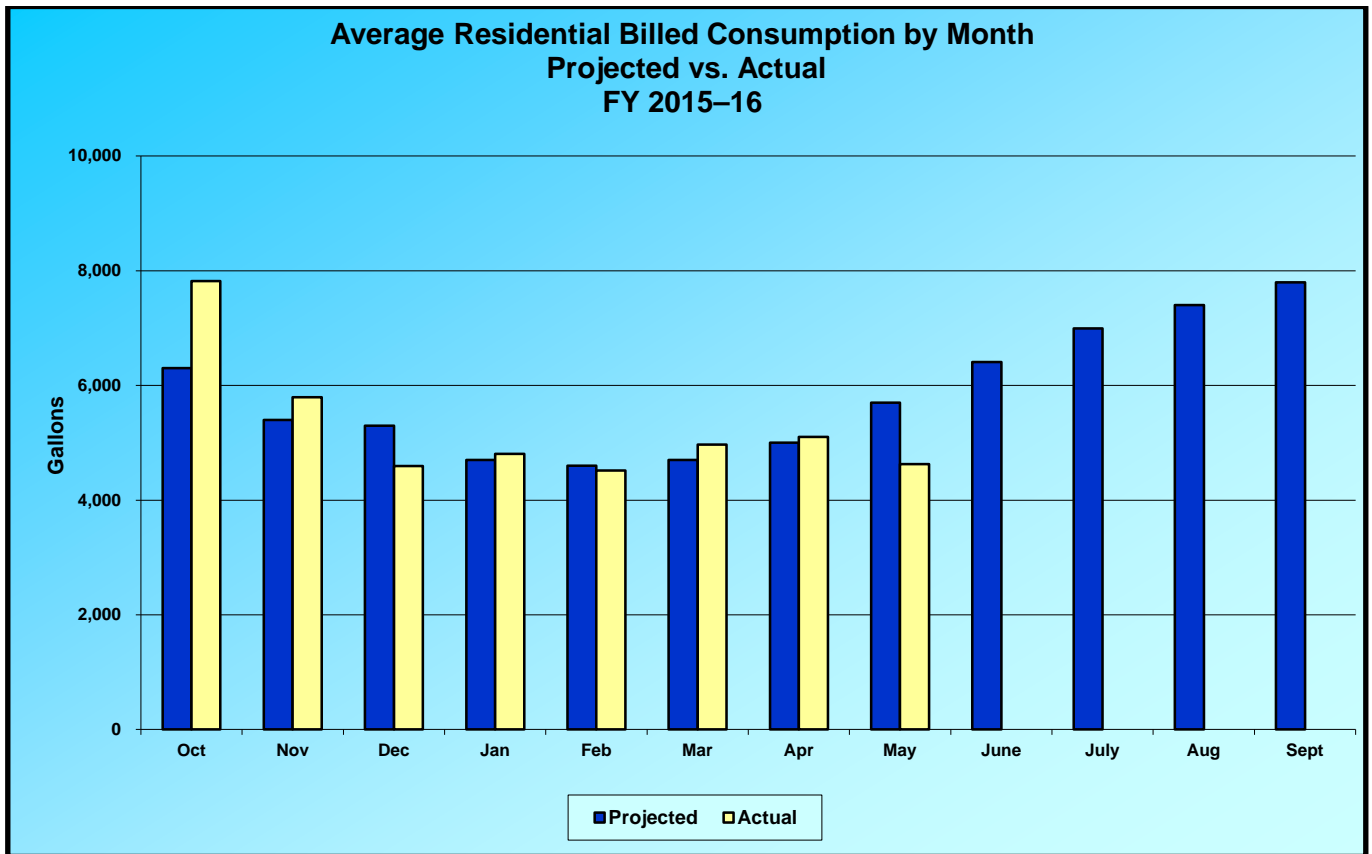


FY 2015–16 Year-to-Date Billed Consumption by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<u>YTD</u>					
Projected	8.34	5.60	6.32	1.86	1.43
Actual	8.50	6.13	6.41	2.26	1.50
Variance	0.16	0.53	0.09	0.40	0.07
Variance %	1.9%	9.5%	1.4%	21.5%	4.9%

For the fiscal year through May 2016, billed water consumption was 24.80 BG. This was 1.25 BG, or 5.3%, more than projected for all customer classes combined. All customer classes were above projections for the month, with Large Volume over by the highest percentage and Multifamily over by the highest amount.

Billed Water Consumption (continued)

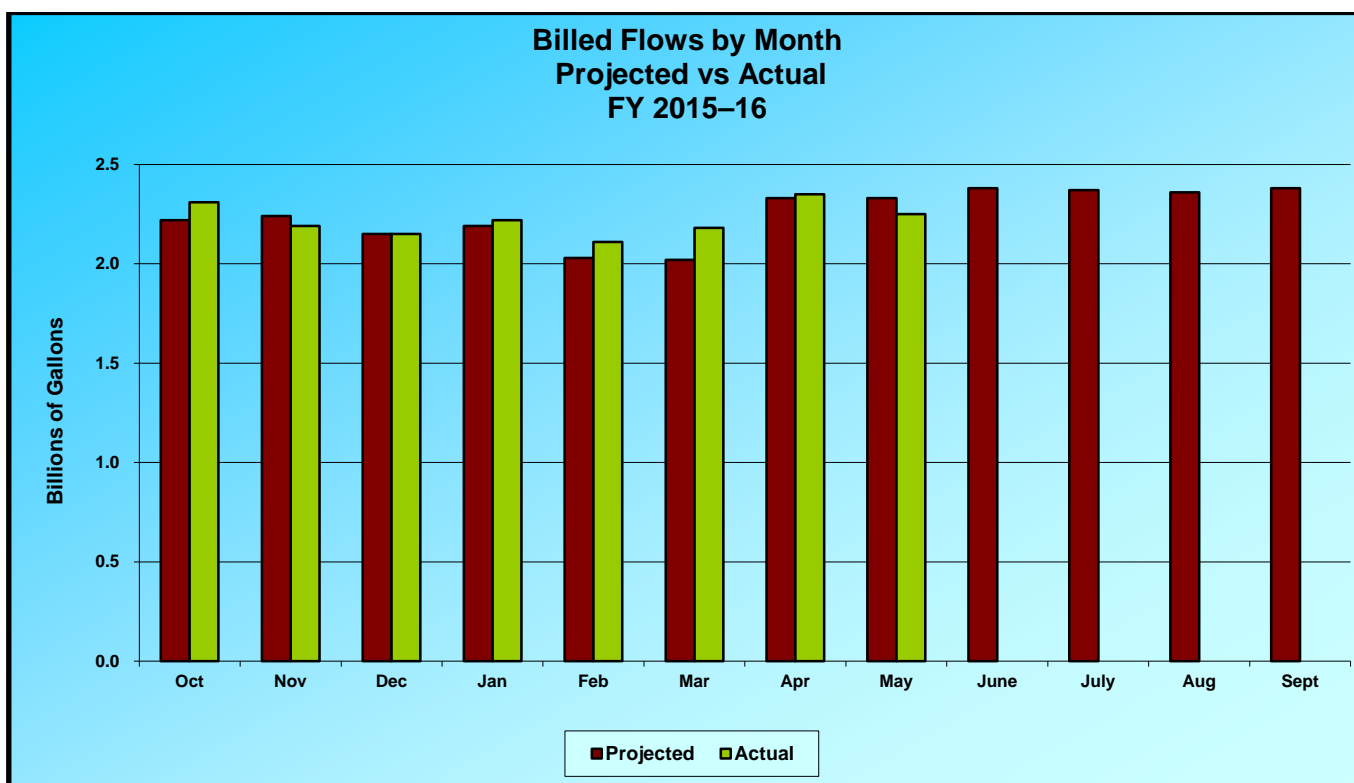


FY 2015–16 Average Residential Billed Consumption by Month

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Projected	6,300	5,400	5,300	4,700	4,600	4,700	5,000	5,700	6,410	6,995	7,400	7,800
Actual	7,819	5,792	4,597	4,808	4,515	4,970	5,100	4,629				
Variance	1,519	392	(703)	108	(85)	270	100	(1,071)				
Variance %	24.1%	7.3%	-13.3%	2.3%	-1.8%	5.7%	2.0%	-18.8%				

Average Residential billed consumption for May 2016 was 4,629 gallons. This was 1,071 gallons, or 18.8%, less than projected for the month.

Billed Wastewater Flows



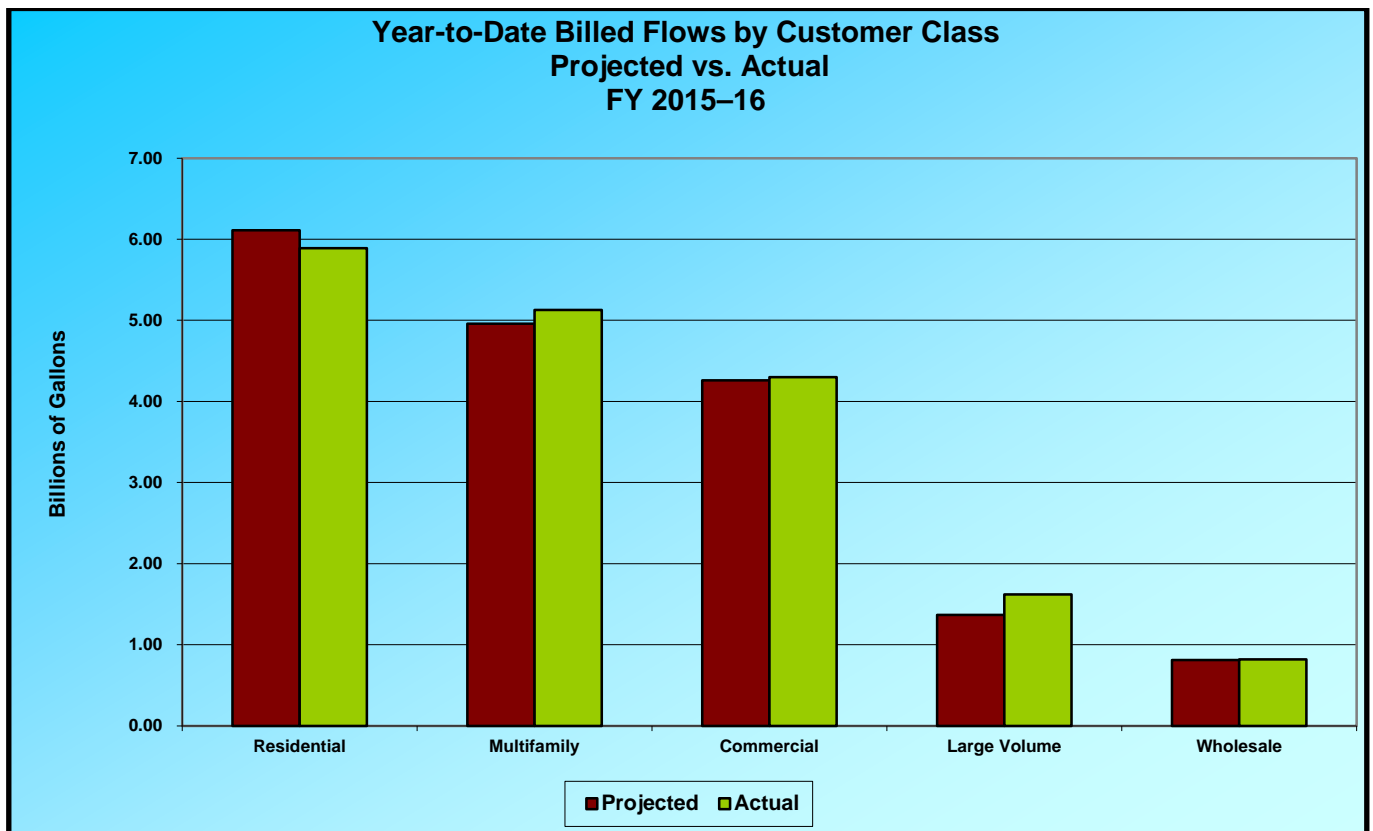
FY 2015–16 Billed Flows by Month and Year-to-Date (Billions of Gallons)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
<u>Month</u>												
Projected	2.22	2.24	2.15	2.19	2.03	2.02	2.33	2.33	2.38	2.37	2.36	2.38
Actual	2.31	2.19	2.15	2.22	2.11	2.18	2.35	2.25				
Variance	0.09	(0.05)	0.0	0.03	0.08	0.16	0.02	(0.08)				
Variance %	4.1%	-2.2%	0.0%	1.4%	3.9%	7.9%	0.9%	-3.4%				
<u>YTD</u>												
Projected	2.22	4.46	6.61	8.80	10.83	12.85	15.18	17.51	19.88	22.25	24.61	26.99
Actual	2.31	4.50	6.65	8.87	10.98	13.16	15.51	17.76				
Variance	0.09	0.04	0.04	0.07	0.15	0.31	0.33	0.25				
Variance %	4.1%	0.9%	0.6%	0.8%	1.4%	2.4%	2.2%	1.4%				

Actual billed flows for May 2016 were 2.25 BG. This was 0.08 BG, or 3.4% below the projection for the month. For the fiscal year, actual billed flows were 17.76 BG. This was 0.25 BG, or 1.4%, more than projected for the year through May.

Wastewater bills are determined by each customer's actual water consumption for the month or wastewater winter average, whichever is lower, except for customers who have wastewater measuring devices installed.

Billed Wastewater Flows (continued)

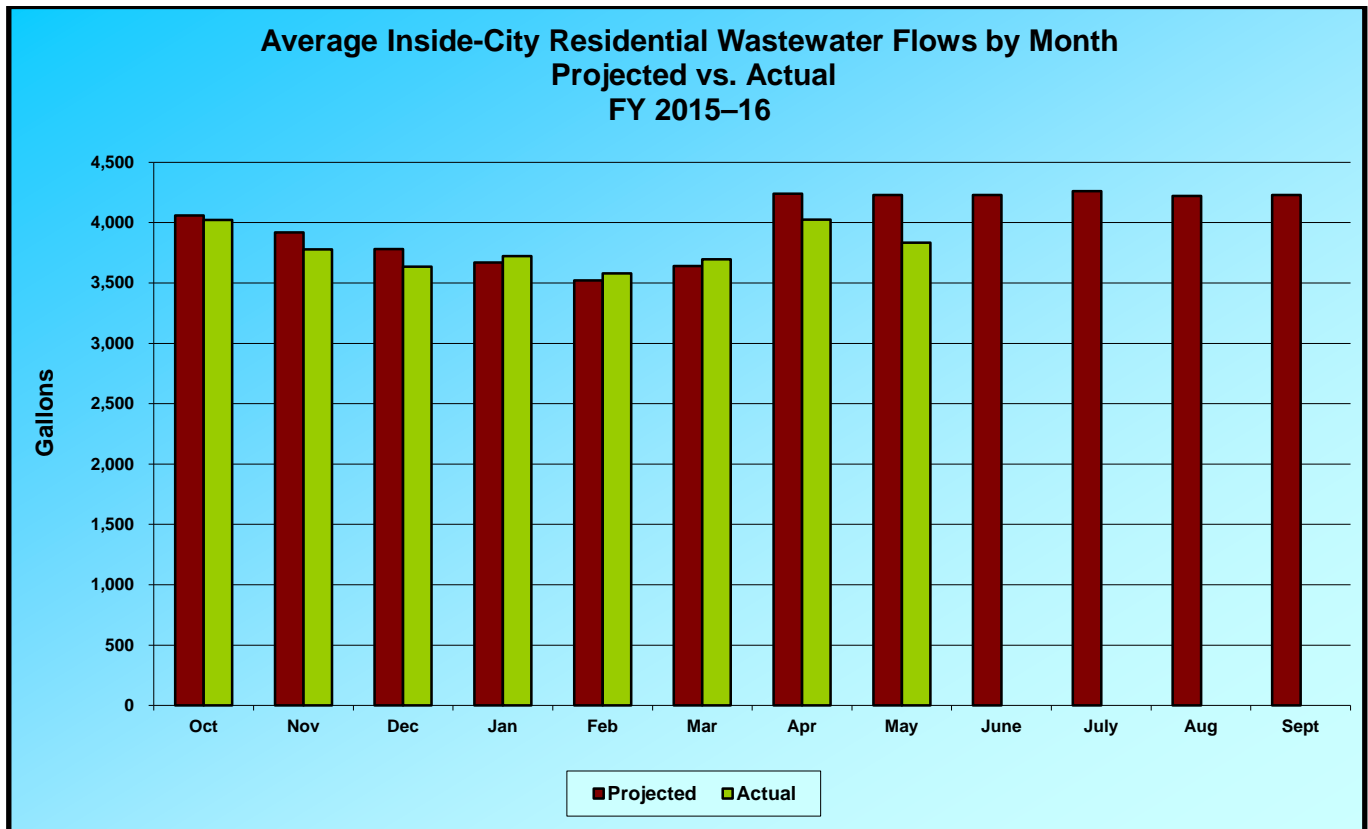


FY 2015-16 Year-to-Date Billed Flows by Customer Class With Variances (Billions of Gallons)

	Residential	Multifamily	Commercial	Large Volume	Wholesale
<u>YTD</u>					
Projected	6.11	4.96	4.26	1.37	0.81
Actual	5.89	5.13	4.30	1.62	0.82
Variance	(0.22)	0.17	0.04	0.25	0.01
Variance %	-3.6%	3.4%	0.9%	18.2%	1.2%

Overall, billed wastewater flows were 17.76 BG for the fiscal year through May 2016. This was 0.25 BG, or 1.4%, more than projected for all customer classes combined. As shown in the table above, billed wastewater flows were below projections only in the Residential class. However, the billed flows in other classes exceeded projected billed volume more than enough to offset the lower billed flows in Residential.

Billed Wastewater Flows (continued)



FY 2015–16 Average Inside City Residential Flows by Month

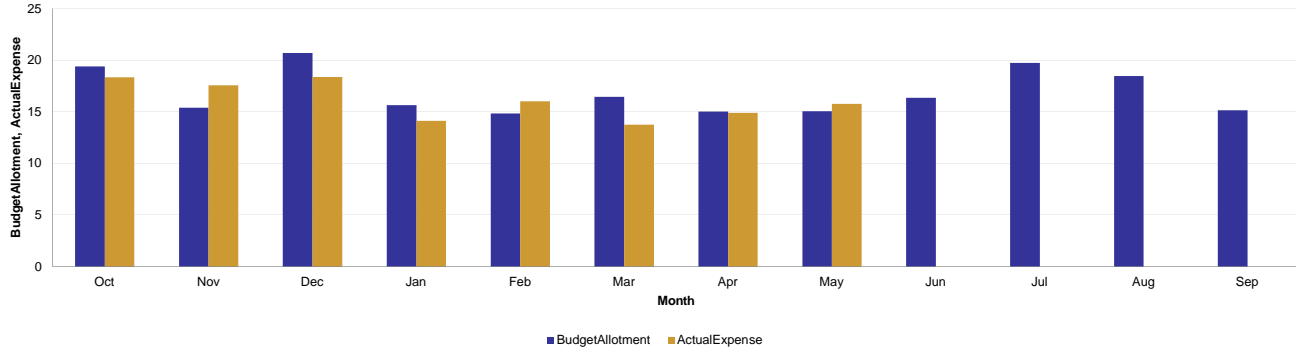
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Projected	4,060	3,920	3,780	3,670	3,520	3,640	4,240	4,230	4,230	4,260	4,220	4,230
Actual	4,021	3,779	3,634	3,722	3,579	3,695	4,026	3,834				
Variance	(39)	(141)	(146)	52	59	55	(214)	(396)				
Variance %	-1.0%	-3.6%	-3.9%	1.4%	1.7%	1.5%	-5.0%	-9.4%				

The average Residential billed flow for May 2016 was 3,834 gallons. This was 396 gallons, or 9.4%, less than projected for the month.

OPERATING REQUIREMENTS

Program Operating and Other Requirements by Month

Budget vs Actual FY 2015 - 2016

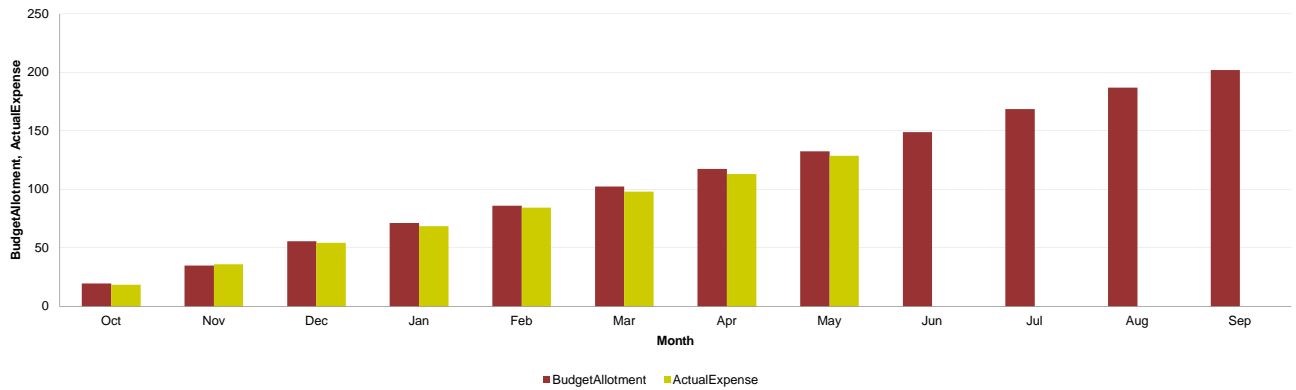


FY 2015 - 2016 Program Operating and Other Requirements by Month With Variances (Millions)

Month	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
BudgetAllotment	19.39	15.41	20.71	15.65	14.84	16.46	15.02	15.05	16.36	19.74	18.45	15.13
ActualExpense	18.34	17.55	18.37	14.13	16.02	13.76	14.90	15.76				
Variance \$	1.06	(2.14)	2.34	1.52	(1.18)	2.69	0.12	(0.71)				
Variance %	5.5%	-13.9%	11.3%	9.7%	-7.9%	16.4%	0.8%	-4.7%				

Program Operating and Other Requirements by Year-to-Date

Budget vs Actual FY 2015 - 2016



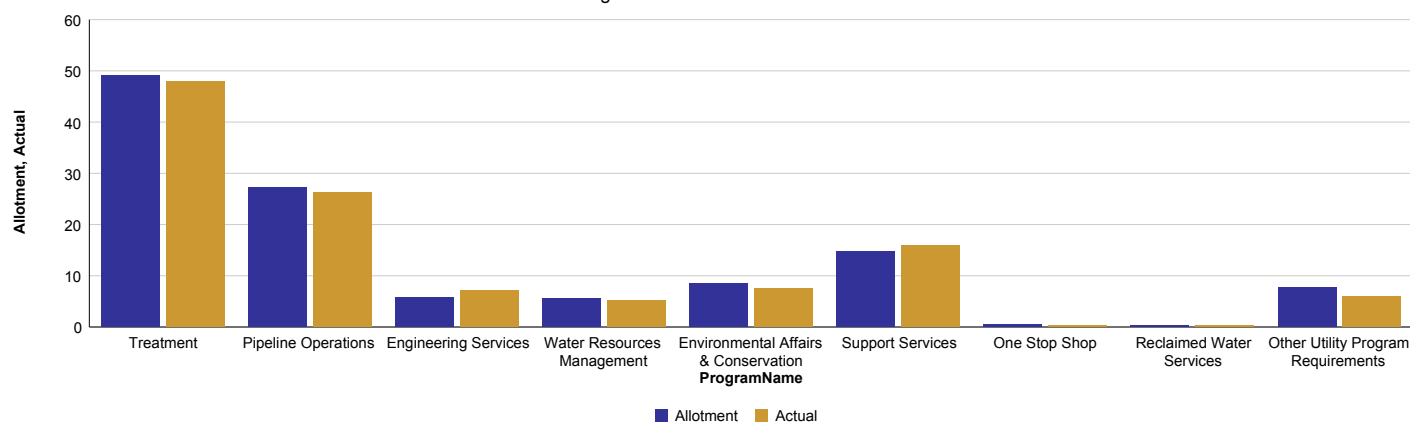
FY 2015 - 2016 Program Operating and Other Requirements by Year-to-Date With Variances (Millions)

YTD	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
BudgetAllotment	19.39	34.80	55.52	71.17	86.01	102.47	117.49	132.54	148.91	168.65	187.10	202.24
ActualExpense	18.34	35.89	54.26	68.38	84.40	98.17	113.07	128.83				
Variance \$	1.06	(1.08)	1.26	2.78	1.61	4.30	4.42	3.71				
Variance %	5.5%	-3.1%	2.3%	3.9%	1.9%	4.2%	3.8%	2.8%				

Total Program Operating and Other Requirements for the fiscal year through May 2016 were \$70.10 million for water, \$58.47 million for wastewater, and \$0.26 million for reclaimed water. The combined Program Operating and Other Requirements of \$128.83 million were \$3.71 million, or 2.8%, below the budget allotment.

YTD Program Operating Requirements by Program

Budget vs. Actual FY 2015 - 2016



FY 2015 - 2016 YTD Program Operating Requirements by Program through May 2016 (Millions)

	Treatment	Pipeline Operations	Engineering Services	Water Resources Management	Environmental Affairs & Conservation	Support Services	One Stop Shop	Reclaimed Water Services	Other Utility Program Requirements	Total
Allotment	49.16	27.17	5.79	5.53	8.42	14.81	0.43	0.25	7.77	119.34
Actual	48.00	26.33	7.11	5.16	7.45	15.82	0.39	0.25	5.94	116.43
Variance \$	1.17	0.84	(1.31)	0.38	0.98	(1.01)	0.04	0.00	1.83	2.91
Variance %	2.4%	3.1%	-22.7%	6.8%	11.6%	-6.8%	9.3%	0.5%	23.6%	2.4%

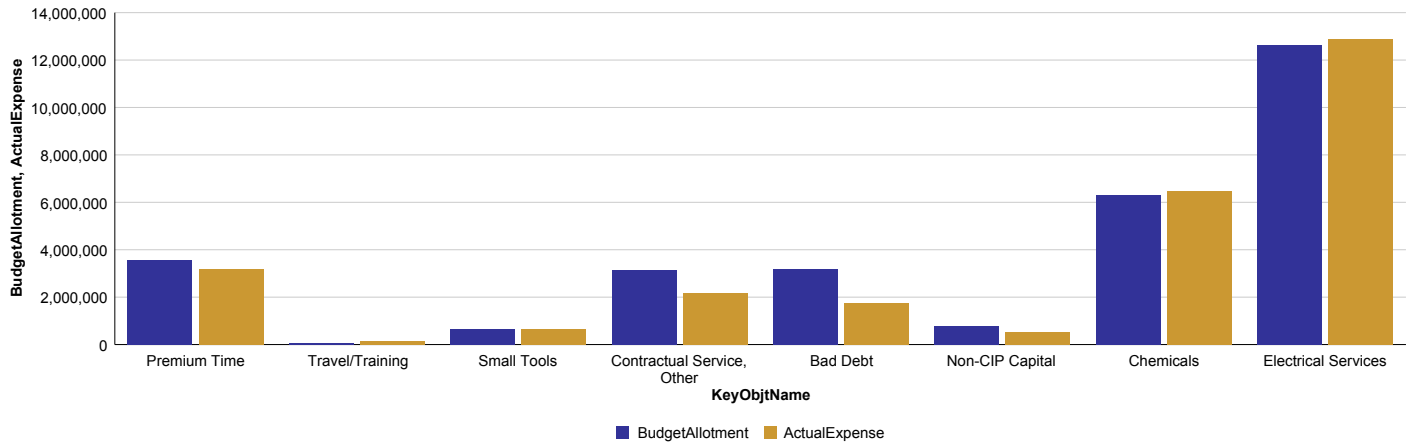
Total Operating Program Requirements as of May 31, 2016 were \$61.03 million for Water, \$55.14 million for Wastewater, and \$0.26 million for Reclaimed Water. The combined Program Operating Requirements of \$116.43 million were \$2.91 million or 2.4% below the allotment.

Engineering Services was \$1.31 million or 22.7% above allotment due to a large encumbrance for the large diameter leak detection and condition assessment contract in the Distribution System Engineering Division, as well as lower than estimated spending for CIP related labor cost.

Environmental Affairs & Conservation was \$0.98 million or 11.6% below allotment due to lower than anticipated expenses in several areas such as Water Conservation service contracts, temporary employees, educational and promotional, and lower spending for the Water Conservation Rebate Program.

Other Utility Program Requirements was \$1.83 million or 23.6% below allotment due to lower than estimated spending for bad debt expense; legal services; rental copy machines; cellular phones; commercial paper administration expenses; and grants expense.

YTD Key Operating Object Codes - Budget Vs Actual - FY 2015 - 2016



FY 2015 - 2016 YTD Operating Requirements Key Object Codes With Variance through May 2016

	Premium Time	Travel/Training	Small Tools	Contractual Service, Other	Bad Debt	Non-CIP Capital	Chemicals	Electrical Services	Total
BudgetAllotment	3,545,579	59,489	637,611	3,155,971	3,180,621	771,543	6,321,094	12,616,786	30,288,693
ActualExpense	3,201,784	159,058	665,795	2,189,718	1,737,966	544,048	6,476,823	12,891,874	27,867,067
Variance \$	343,795	(99,569)	(28,184)	966,254	1,442,655	227,495	(155,730)	(275,089)	2,421,626
Variance %	9.7%	-167.4%	-4.4%	30.6%	45.4%	29.5%	-2.5%	-2.2%	8.0%

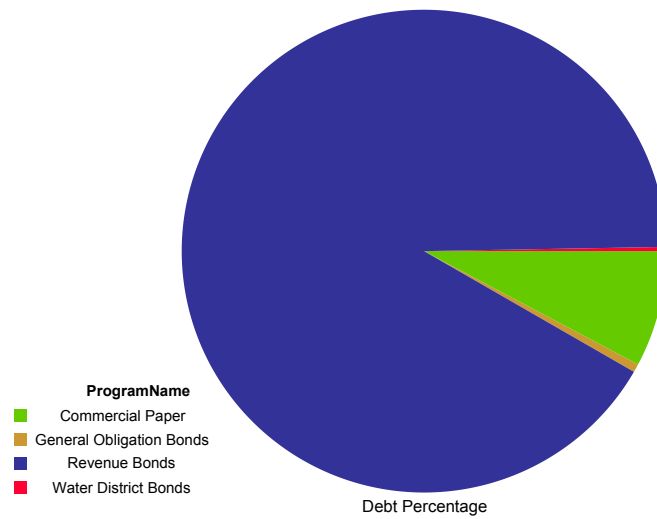
Travel and Training was \$99,569 or 167.4% above allotment primarily due to a large training services contract encumbrance for the Collection System Engineering Division.

Other Contractual Services were \$966,254 or 30.6% below allotment due to lower than estimated spending in the Water Conservation Division, Construction and Rehabilitation Services Division, Wildland Conservation Division, Wastewater Treatment Division, and SWAP costs, as well as lower spending for emergency service contracts for the Utility as a whole.

Non-CIP Capital was \$227,495 or 29.5% below allotment due to lower than estimated spending for Hornsby Bend Equipment Maintenance, Walnut Creek Operations, Hornsby Bend Operations in Wastewater Treatment Division, Electrical Maintenance in the AW Electrical Services Division, and Facility Engineering Division.

DEBT OUTSTANDING & DEBT SERVICE

Total Debt outstanding By Type
Total Debt as of May 2016 \$2,404,769,320 (Principal Only)

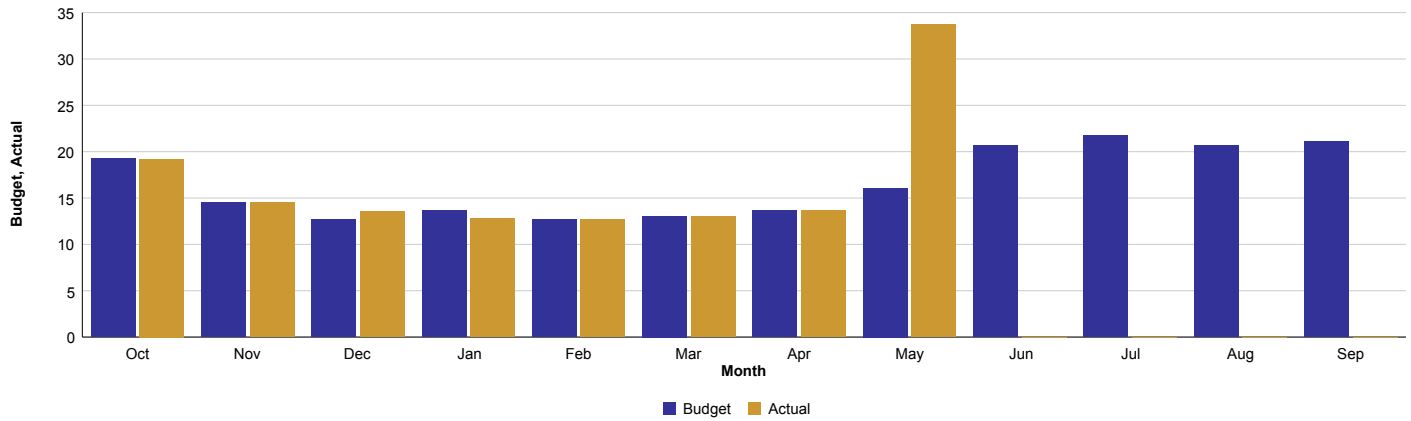


*Amount outstanding will be adjusted based on audited accounting entries from the Controller's Office.

BFY	Utility Debt Per Customer
2007	8,358.55
2008	8,576.62
2009	9,158.20
2010	9,894.96
2011	10,307.65
2012	10,832.55
2013	11,288.09
2014	11,443.78
2015	11,021.31
2016	10,624.45

Combined Debt Service by Month (in Millions)

Budget vs. Actual - FY 2015 - 2016

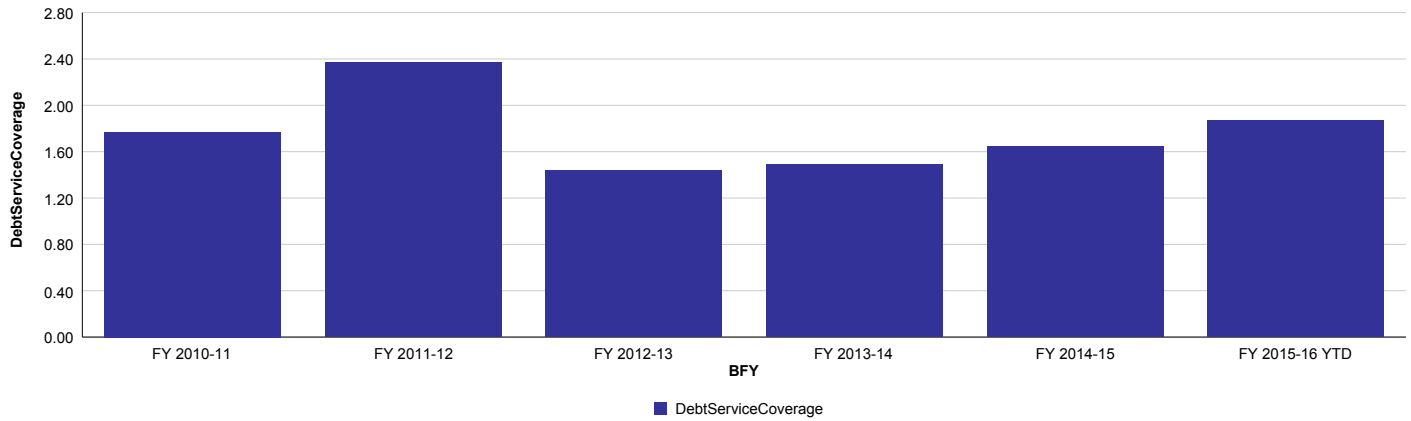


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Budget	19.25	14.52	12.69	13.69	12.69	13.06	13.69	16.08	20.71	21.71	20.71	21.07	199.88
Actual	19.21	14.54	13.56	12.78	12.67	13.04	13.69	33.75	0.00	0.00	0.00	0.00	133.24

Combined debt service requirements include requirements for revenue bonds, commercial paper, general obligation bonds, and water district bonds. Actual combined debt service for the month of May 2016 was \$33.75 million, \$17.67 million more than projected for the month. Combined debt service for the fiscal year was \$133.24 million or \$17.57 million more than projected for the fiscal year through May.

Debt Service Coverage

FY 2010- 2011 thru 2015-2016

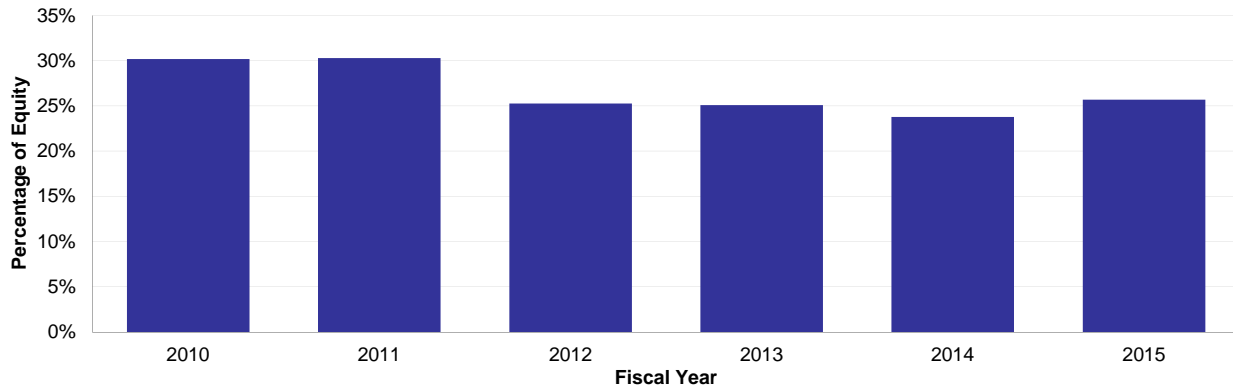


DebtServiceCoverage	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 YTD
Debt Service Coverage	1.77	1.48	1.41	1.25	1.40	1.66

The Debt Service Coverage graph above indicates how much revenue, after deducting operating costs, could go towards paying long-term debt service. The utility's bond covenants require debt service coverage of 1.25 times long-term debt service requirements. City of Austin financial policies target minimum debt service coverage of 1.5 times. The ratios reflected for FY10-11 through FY14-15 are audited, as reflected in the City's Comprehensive Annual Financial Report (CAFR). The FY15-16 ratio is unaudited; upon finalization of the CAFR in the spring of 2017, the ratio will be updated to reflect audited results.

Percent of Equity in Utility Systems

FY 2010 through FY 2015



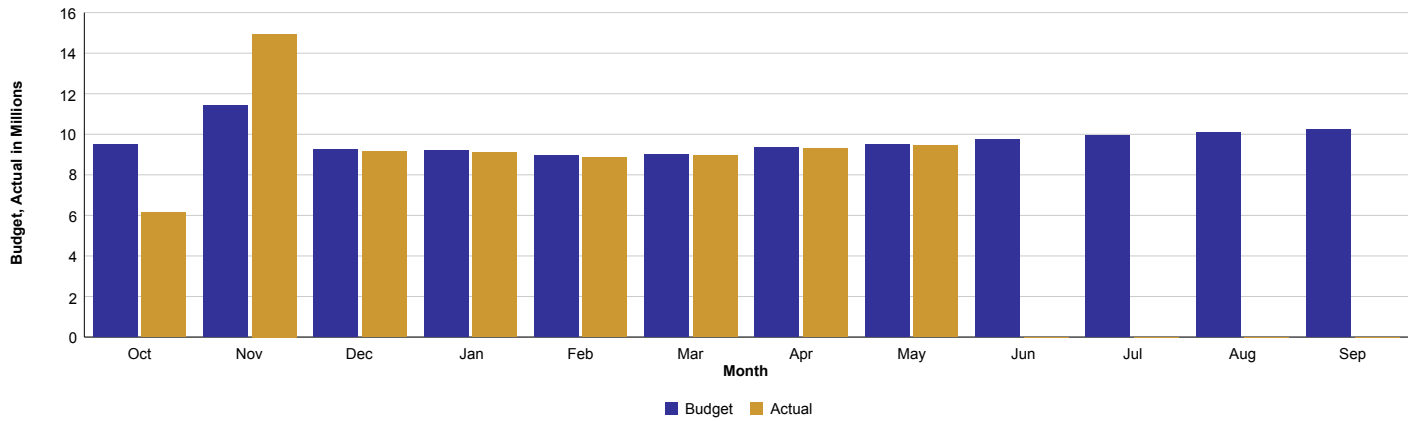
Percentage of Equity	2010	2011	2012	2013	2014	2015
Percent of Equity	30.2%	30.3%	25.3%	25.1%	23.8%	25.7%

The Percent of Equity in Utility Systems is computed by dividing the combined utility system equity by the combined utility system costs net of depreciation. The Percent of Equity is calculated once audited financials from the Controller's Office are available.

OTHER REQUIREMENTS

Total Transfers Out by Month

Budget vs. Actual - FY 2015-2016

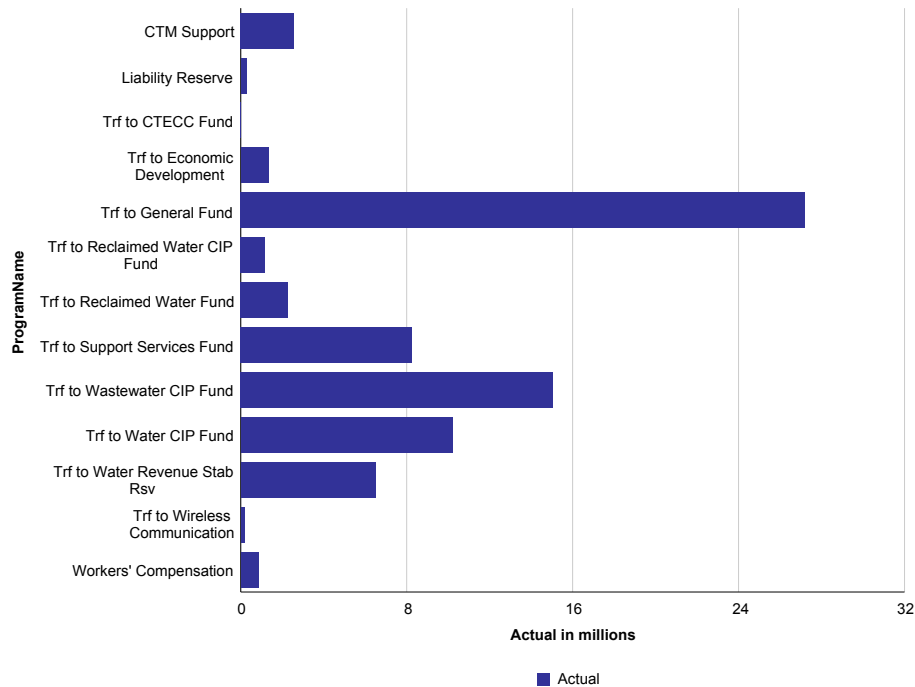


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total YTD
Budget	9.52	11.42	9.23	9.20	8.97	9.01	9.36	9.51	9.72	9.95	10.10	10.22	76.21
Actual	6.15	14.95	9.15	9.12	8.86	8.94	9.32	9.43	0.00	0.00	0.00	0.00	75.90

Transfers Out for the fiscal year through May 2016 totaled \$75.90 million. This was \$0.31 million less than the budget allotment for the year through May because the transfer to the Water Revenue Stability Reserve Fund was less than budgeted.

Transfers Out includes transfers for Support Services to the City; Capital Improvement Program; Communication and Technology Management Fund (CTM); Combined Transportation, Emergency and Communications Center (CTECC); General Fund; Liability Reserve Fund; Water Revenue Stability Reserve Fund; Wireless Communications Fund; Economic Development Fund; Reclaimed Water Fund; and Workers' Compensation Fund.

Transfers Out by Type
Actual Year-to-Date- FY 2015-2016



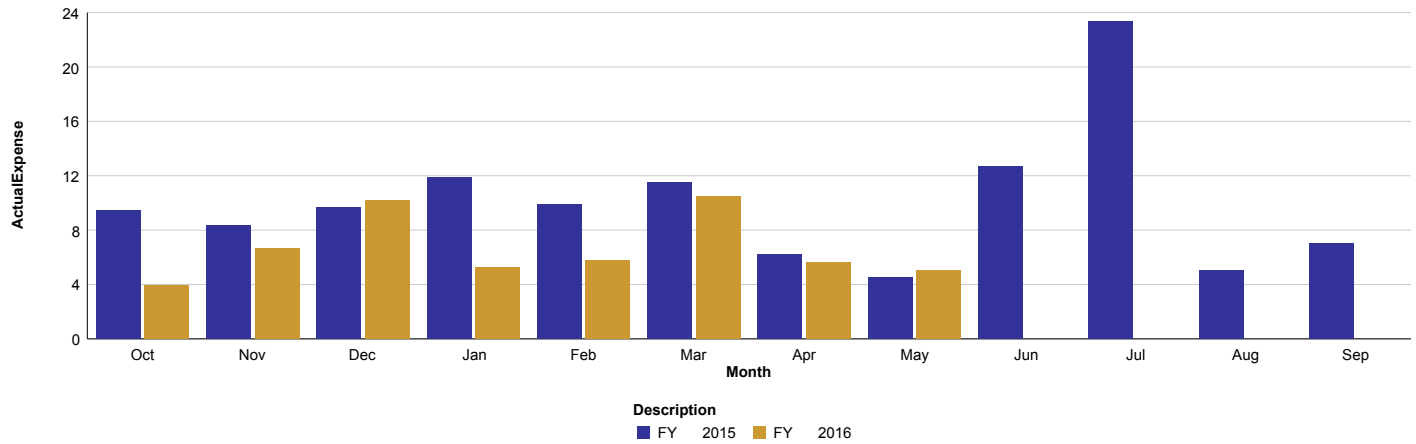
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Transfer Out By Type (in millions)	Actual
Trf to General Fund	27.20
Trf to Economic Development	1.34
CTM Support	2.58
Liability Reserve	0.27
Trf to CTECC Fund	0.01
Trf to Reclaimed Water CIP Fund	1.17
Trf to Reclaimed Water Fund	2.27
Trf to Support Services Fund	8.26
Trf to Wastewater CIP Fund	15.05
Trf to Water CIP Fund	10.22
Trf to Water Revenue Stab Rsv	6.49
Trf to Wireless Communication	0.19
Workers' Compensation	0.86
Total	75.90

Transfers Out for the fiscal year through May 2016 totaled \$75.90 million. This was \$0.31 million less than the budget allotment for the year through May because the transfer to the Water Revenue Stability Reserve Fund was less than budgeted.

Transfers Out includes transfers for Support Services to the City; Capital Improvement Program; Communication and Technology Management Fund (CTM); Combined Transportation, Emergency and Communications Center (CTECC); General Fund; Liability Reserve Fund; Water Revenue Stability Reserve Fund; Wireless Communications Fund; Economic Development Fund; Reclaimed Water Fund; and Workers' Compensation Fund.

Actual CIP Expenditures by Month - FY 2015 - 2016 (in Millions)

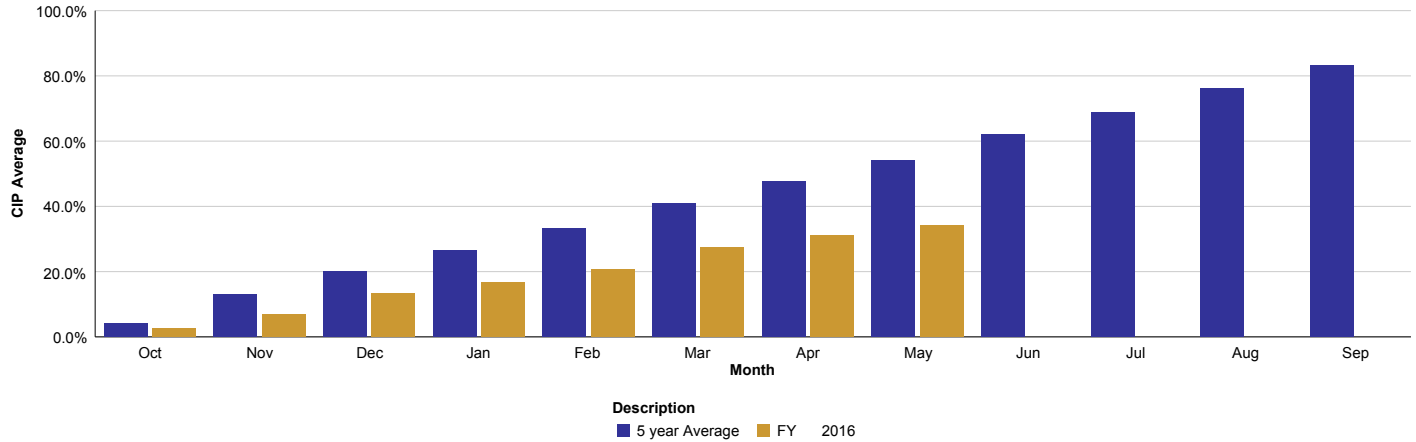


ActualExpense	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
FY 2015	9.43	8.32	9.70	11.86	9.92	11.53	6.21	4.54	12.66	23.35	5.08	7.03	119.63
FY 2016	3.93	6.63	10.16	5.23	5.80	10.52	5.64	5.07					52.97

CIP expenditures for the fiscal year through May 2016 totaled \$26.21 million for water, \$24.42 million for wastewater, and \$2.34 million for reclaimed, for a combined total of \$52.97 million, or 34.3% of the FY 2015-16 CIP spending plan.

The approved CIP spending plan for FY 2015-16 was \$76.46 million for water, \$66.50 million for wastewater, and \$11.39 million for reclaimed for a combined total of \$154.35 million.

YTD Cumulative CIP Expenditures As a Percentage of Spending Plan - FY 2015 - 2016

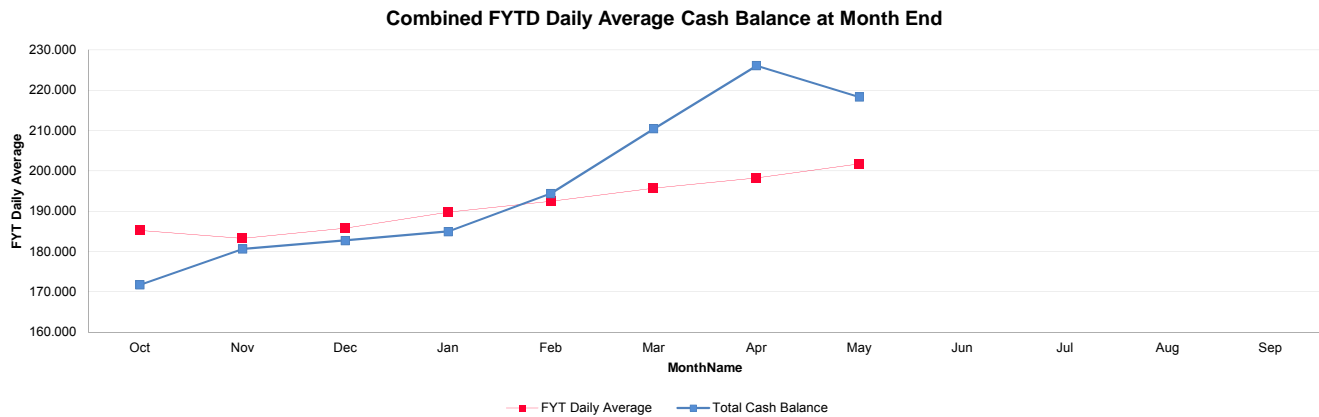


CIPPercent	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2015	5.2%	9.8%	15.1%	21.6%	27.1%	33.4%	36.8%	39.3%	46.3%	59.1%	61.9%	131.5%
FY 2016	2.5%	6.8%	13.4%	16.8%	20.6%	27.4%	31.0%	34.3%				
5 year Average	4.1%	13.0%	20.2%	26.5%	33.3%	41.0%	47.6%	54.1%	61.9%	68.9%	76.1%	83.3%

CIP expenditures for the fiscal year through May 2016 totaled \$26.21 million for water, \$24.42 million for wastewater, and \$2.34 million for reclaimed, for a combined total of \$52.97 million, or 34.3% of the FY 2015-16 CIP spending plan.

The approved CIP spending plan for FY 2015-16 was \$76.46 million for water, \$66.50 million for wastewater, and \$11.39 million for reclaimed for a combined total of \$154.35 million.

CASH BALANCES



FY 2015 - 2016 Cash Balances, Operating, CIP, Capital Recovery Fee (CRF) and Total in Millions

Ending_Balance	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Water	73.25	81.98	81.36	81.86	85.70	91.77	101.17	95.45				
Wastewater	95.80	96.15	99.04	100.67	106.79	115.49	121.17	119.09				
Reclaimed	2.71	2.52	2.35	2.44	1.91	3.22	3.76	3.78				
Total Cash Balance	171.76	180.65	182.75	184.97	194.40	210.48	226.10	218.32				

Ending_Balance	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Operating	64.11	68.30	73.59	74.98	84.22	91.29	96.13	104.61				
Capital Recovery Fee	18.70	20.41	22.55	24.14	25.96	28.03	29.88	13.93				
CIP	69.49	69.87	64.02	62.73	60.63	67.02	75.38	74.52				
Revenue Stability Reserve Fund	19.46	22.06	22.58	23.11	23.60	24.14	24.71	25.25				
Total Cash Balance	171.76	180.65	182.75	184.97	194.40	210.48	226.10	218.32				

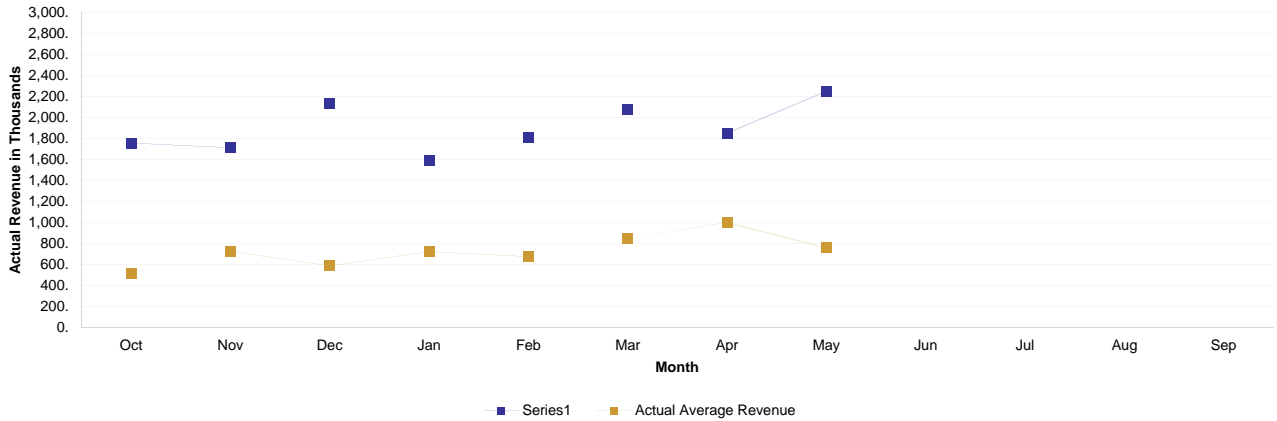
FYT Daily Average	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FYTD Daily Average	185.21	183.24	185.77	189.74	192.46	195.72	198.25	201.70				

Combined cash balances for Water, Wastewater, and Reclaimed for the month of May 2016 totaled \$218.32 million. The combined cash balance is made up of Operating, CIP, Capital Recovery Fee, and Revenue Stability Reserve Fund cash balances. The average daily cash balance for the fiscal year was \$201.70 million at the end of May.

Combined Operating Cash Balances totaled \$104.61 million. Combined CIP Cash Balances totaled \$74.52 million. CIP cash balances may be kept negative to offset high operating balances as a cash management strategy to limit the amount of cash in all funds to a range determined by economic conditions. This delays the need to issue additional commercial paper to fund CIP projects. The Revenue Stability Reserve Fund totaled \$25.25 million.

Capital Recovery Fee Cash Balances totaled \$13.93 million at the end of the month. Prior to FY 2001-02, CRFs were used solely for debt defeasance, providing only short-term debt service savings. The Utility now transfers CRFs to the operating funds, from which transfers are made to debt service funds.

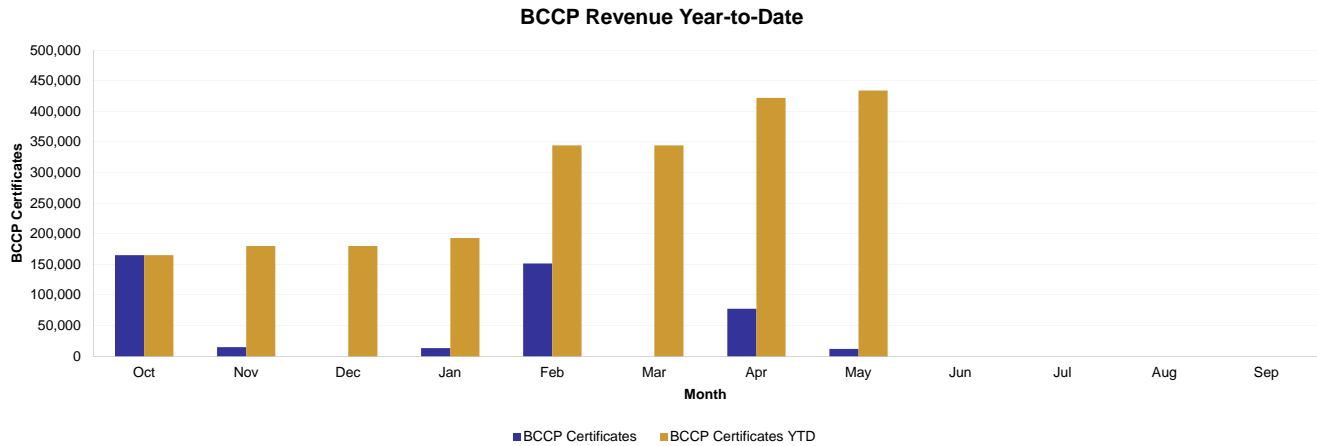
CRF Collections by Month vs. Rolling Five Years Average



FY 2015 - 2016 CRF Collections by Month, Water, Wastewater, and Total (in Thousands)

ActualRevenue	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Water	1,206	1,304	1,476	1,148	1,345	1,464	1,303	1,612					10,857
Wastewater	551	409	660	448	467	611	548	639					4,333
Actual Revenue Total	1,756	1,713	2,136	1,596	1,812	2,076	1,851	2,251					15,190
Actual Average Revenue	512	725	589	724	675	847	1,003	758					

Capital Recovery Fee (CRF) collections and interest for the month of May 2016 were \$1.61 million from Water and \$0.64 million from Wastewater for a total of \$2.25 million. For the fiscal year, a total of \$15.19 million in CRFs and interest has been collected. CRF collections in May were \$1.49 million more than the five year average of \$0.76 million for May.



FY 2015 - 2016 BCCP Revenues by Month with Ending Balances

Amount	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Beginning Balance	0	165,352	180,367	180,670	194,192	345,943	346,431	424,473				
Interest	214	265	303	323	363	488	492	534				
BCCP Cert	165,138	14,750	0	13,200	151,388	0	77,550	12,000				
Ending Balance	165,352	180,367	180,670	194,192	345,943	346,431	424,473	437,007				

The Balcones Canyonlands Conservation Plan (BCCP) fund was transferred to AWU in 2002. The BCCP fund was established to abide by the Interlocal Agreement established between the City of Austin and Travis County. The BCCP Plan is the habitat conservation plan that established the Balcones Canyonlands Preserve system and determined how it would be funded and organized. Travis County works with developers and landowners who want to develop in endangered species habitat. The Participation Certificate fees are split and paid directly to COA and Travis County.

In May 2016, \$12,000 in fees were collected and interest in the amount of \$534 accrued. The overall ending balance fiscal year-to-date is \$437,007.