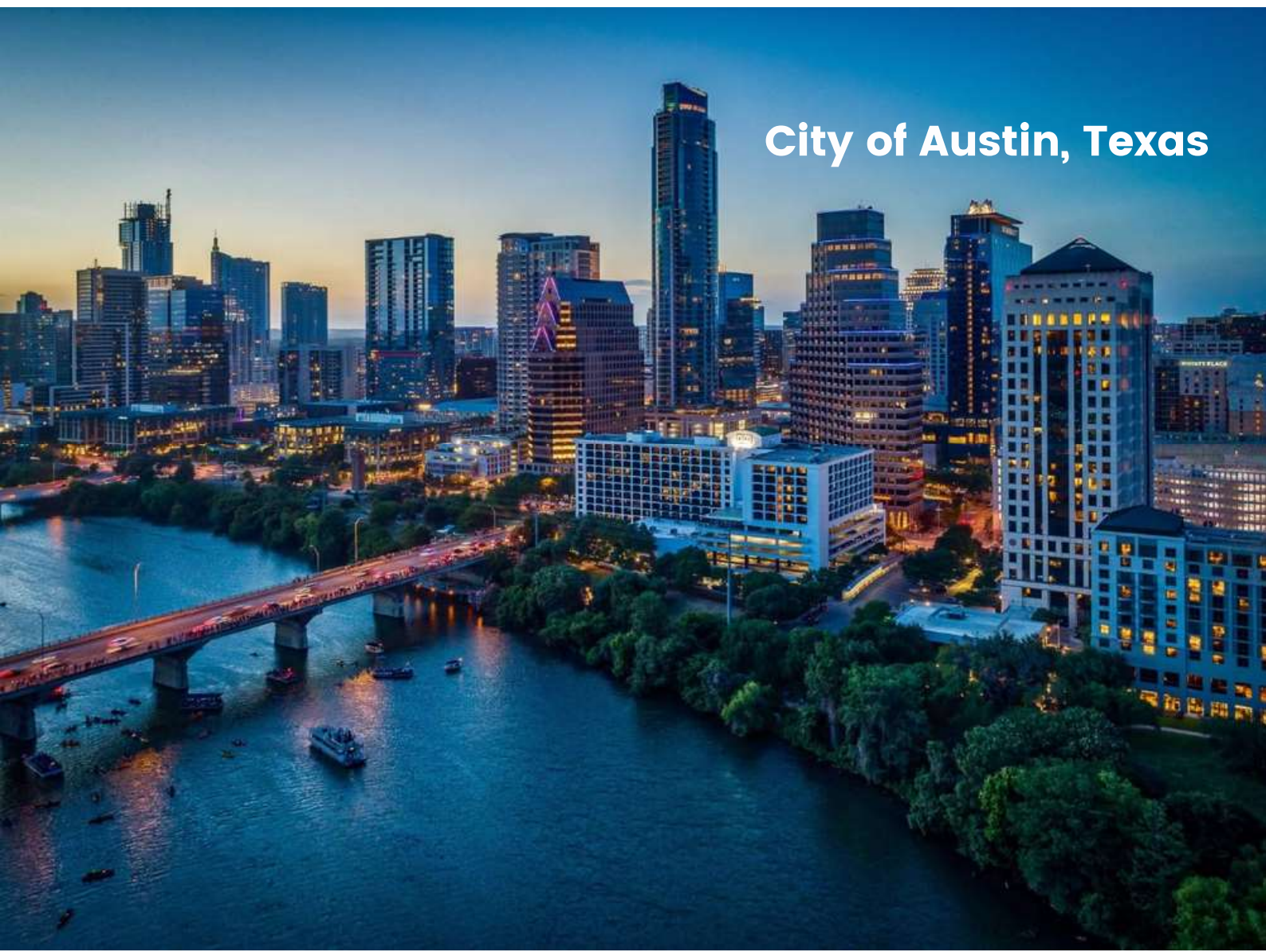




30 september
2022

POPULAR FINANCIAL REPORT

City of Austin, Texas



AUTHORS

Alberto Bonetto
Daniele Cusino
Tommaso Fissore

TABLE OF CONTENTS

- 01** Methodology And Sources
- 02** Letter Of The City Manager
- 03** General Data
- 04** Rankings and Positioning
- 05** Public Administration Group
- 06** Financial Statements
- 07** Major Policies
- 08** Dissemination Plan

INDEX



METHODOLOGY

The development of this report involved a meticulous extraction and simplification of data from various official documents pertaining to the city's financial situation.

The primary objective in crafting this report has been to ensure that it remains accessible and understandable to all residents, regardless of their familiarity with financial jargon or reports. It's designed in such a way that every citizen, whether having prior knowledge of financial reports or not, can grasp the economic standing and direction of Austin.

While this document aims to provide a clear and concise picture of the city's financial landscape, it's important to note that it is a distilled version of more comprehensive sources. Those seeking a deeper and more detailed insight into specific financial elements and transactions are encouraged to refer to the Comprehensive Financial Reports of 2021 and 2022.

These reports delve into intricate details and offer a fuller perspective on Austin's financial position.

By ensuring transparency and simplicity in this report, we hope to empower every citizen to be informed and aware of Austin's financial health and trajectory.

SOURCES

- City of Austin. (2022). Annual Comprehensive Financial Statement 2022. Retrieved from [here](#) (Accessed on 31/10/2023).
- City of Austin. (2021). Annual Comprehensive Financial Statement 2021. Retrieved from [here](#) (Accessed on 31/10/2023).
- Culture Map. City of Austin. Retrieved from [here](#) (Accessed on 31/10/2023).
- The Smart City Journal. These Cities Are Best Prepared for a Smart City Future. Retrieved from [here](#) (Accessed on 31/10/2023).
- Cain Realty Group. Austin is the #1 City in America for a Smart City Future. Retrieved from [here](#) (Accessed on 31/10/2023).
- City of Austin. (2023). 88 State Legislative Agenda 2023. Retrieved from [here](#) (Accessed on 31/10/2023).
- City of Austin. Austin Strategic Direction Document. Retrieved from [here](#) (Accessed on 31/10/2023).

LETTER OF THE CITY MANAGER

In the document below, we present an extract from the letter penned by the Austin City Manager. This letter sheds light on various aspects pertinent to the city's operations and its future direction. For those interested in delving deeper into the context and details, a link to the complete letter is provided [here](#). We encourage readers to explore the full letter to gain a comprehensive understanding of the City Manager's perspective and intentions.



City of Austin

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

March 08, 2023

City of Austin, Texas

Honorable Mayor, Mayor Pro Tem, Council members, and Residents of Austin

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Austin, Texas (the City) for the fiscal year ended September 30, 2022. The ACFR is provided to give detailed information about the financial position and activities of the City to residents, City Council, City staff, and other readers.

City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures. We believe the data, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. These financial statements have been prepared by the Financial Services Department in accordance with generally accepted accounting principles (GAAP) for local governments.

The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants, Deloitte & Touche LLP. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. Grant awards are being audited under the provisions of Title 2 U.S. Code of Federal Regulations Part 200, and the Texas Grant Management Standards. The Single Audit report will be issued separately.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. It provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Ed Van Eenoo
Chief Financial Officer

Marija Jukic, CPA
Controller

GENERAL DATA



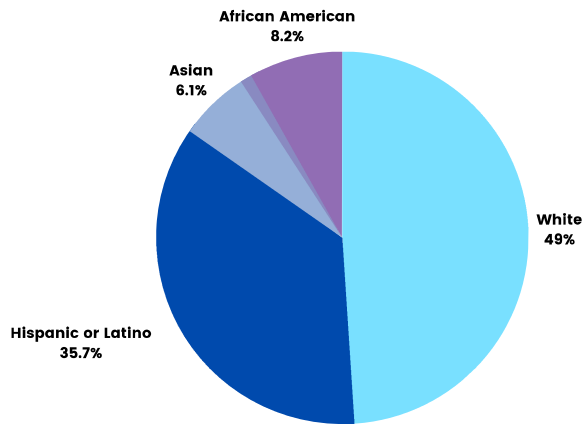
Austin, the capital city of Texas, has long been considered an encounter point for various cultures, ideas, and industries. Known for its live-music scene, thriving technology sector, and its picturesque landscapes, the city offers a high quality of life. It has attracted a diverse population ranging from students and young professionals to retirees. With its robust economy and employment opportunities in sectors such as technology, healthcare, and education, it's no wonder that Austin is often listed as one of the fastest-growing cities in America.

The city's business-friendly environment and lack of state income tax make it an appealing destination for entrepreneurs and established companies alike. Major tech companies like Tesla, Apple, and Google have set up shop in Austin, further invigorating the local economy and job market. However, the rapid growth has also led to challenges such as rising property prices and increased traffic congestion. To truly understand the financial ecosystem of Austin, it is crucial to delve into its demographic composition. In the upcoming section, we will present comprehensive data covering a range of demographic indicators.

GENERAL DATA

The City's Population

The graph on the right illustrates the composition of the population of Austin on ethnic values. The majority is White and the second higher ethnic concentration is the Hispanic or Latino. Are present also Asians and African Americans, respectively being 6.1% and 8.2% of the entire population



The Avarage Age is 45 years old

Moreover:

- 55% of the respondents identify as middle or upper-middle class.
- 7% of the respondents identify as low income or poor.

Male: **41.0%** Female: **42.7%**

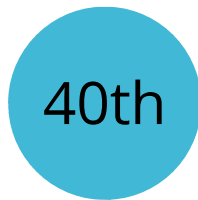
| Age Group | N | % |
|----------------|-----|-------|
| Under 24 years | 22 | 4.2% |
| 25 to 44 years | 273 | 52% |
| 45 to 65 years | 141 | 26.8% |
| Over 65 years | 71 | 13.5% |
| Didn't answer | 18 | 3.4% |

RANKINGS AND POSITIONING

The city of Austin in 2022 ranked **47th** on the list of 100 best cities in the world.

The study, conducted by the Canada-based Resonance Consultancy Ltd, quantifies and benchmarks the relative quality of place, reputation, and competitive identity for the world's principal cities with metropolitan populations of one million or more.

Other important accomplishments include:



Ranking for
Global 500
headquarters



Employment
ranking of US



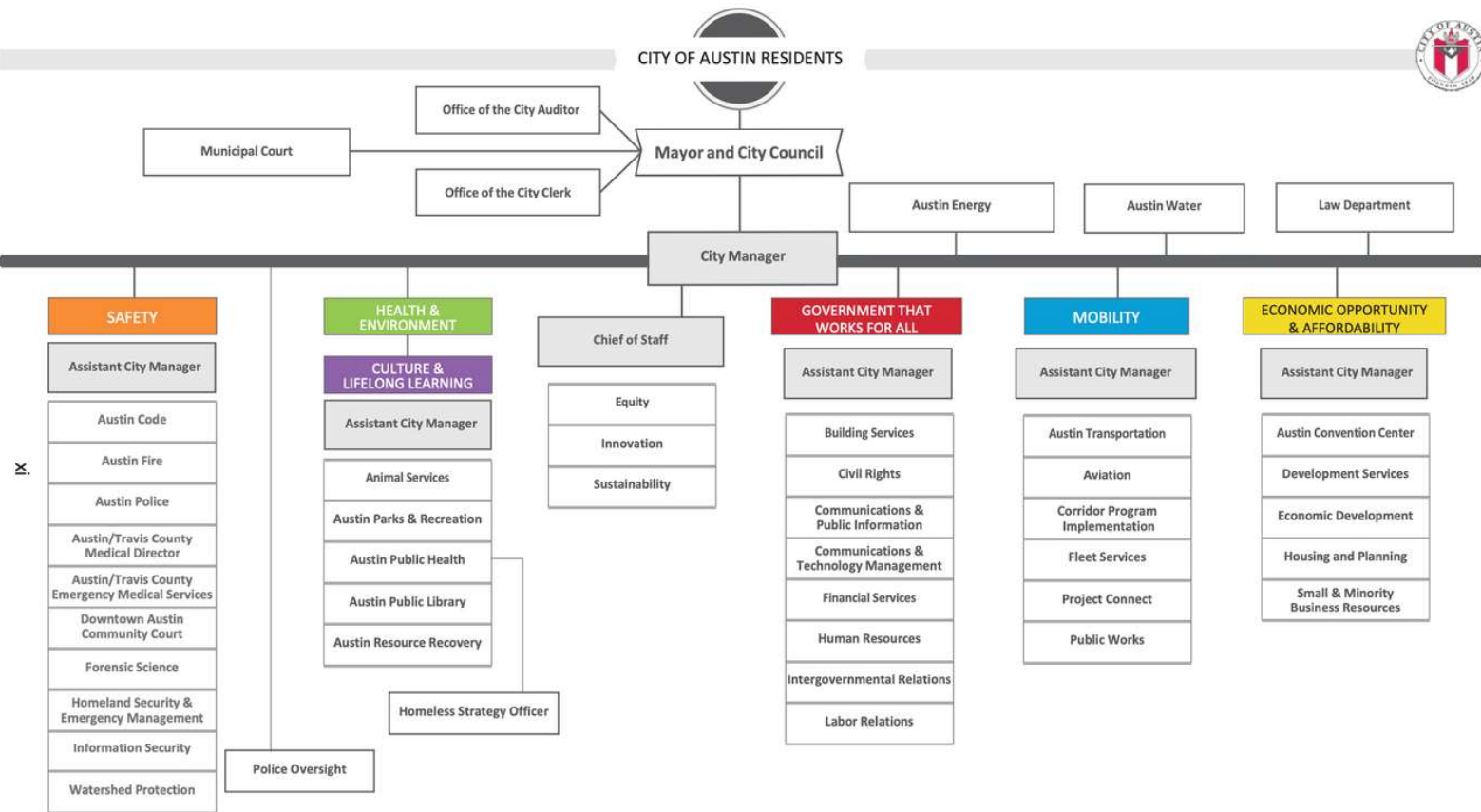
University
Ranking of
Texas

Also in 2022 Austin was ranked the 1st Smartest City in the United States, in a study by the real estate technology company ProptechOS. The study applies to the city itself, not its residents and the word “smart” implies connectivity, efficiency and forethought and the rating was based on three metrics from 0 to 100: technology infrastructure, green infrastructure and tech-job market.

Austin ranked extremely high in both technology infrastructure (87.7/100) and green infrastructure (91.7/100). Some of the metrics, like presence of free Wi-Fi, availability of airports, and number of electric vehicle charging stations, make tangible impacts on the day-to-day life of civilians. Others, like the number of IoT companies and “green certified” buildings, make a compound difference that fades into the background of city life.

PUBLIC ADMINISTRATION GROUP

The City of Austin, chartered in 1839, has a Council-Manager form of government with a Mayor who is elected at large and ten Council members who are elected by geographic district. The districts, drawn by an independent commission, are to be adjusted after each U.S. census. The City's elected officials serve four-year staggered terms subject to a maximum of two consecutive terms. However, as a result of Proposition D which passed in May of 2021, the recently elected Mayor will serve a two-year term, so that future mayoral elections will coincide with presidential elections. The City Manager, appointed by the City Council, is responsible to the City Council for the management of all City employees, with the exception of City Council appointees, and for the administration of all City affairs.



PUBLIC ADMINISTRATION GROUP

Number of Employees in Governmental and Business-type activities

| Government activities | 2021 | 2022 |
|---|-------|-------|
| General Safety | 257 | 274 |
| Public safety | 4,708 | 4,757 |
| Transportation, planning, and sustainability | 14 | 14 |
| Public Health | 688 | 725 |
| Public recreational and culture | 1,149 | 1,179 |
| Urban growth management | 120 | 129 |
| Total government employees | 6,936 | 7,078 |

| Business-type activities | 2021 | 2022 |
|--------------------------------------|-------|-------|
| Electric | 1,813 | 1,897 |
| Water | 647 | 698 |
| Wastewater | 589 | 616 |
| Airport | 549 | 629 |
| Convention | 301 | 301 |
| Environmental and health services | 652 | 665 |
| Public recreation | 41 | 41 |
| Urban growth management | 1,561 | 1,663 |
| Total business type employees | 6,153 | 6,510 |

PUBLIC ADMINISTRATION GROUP

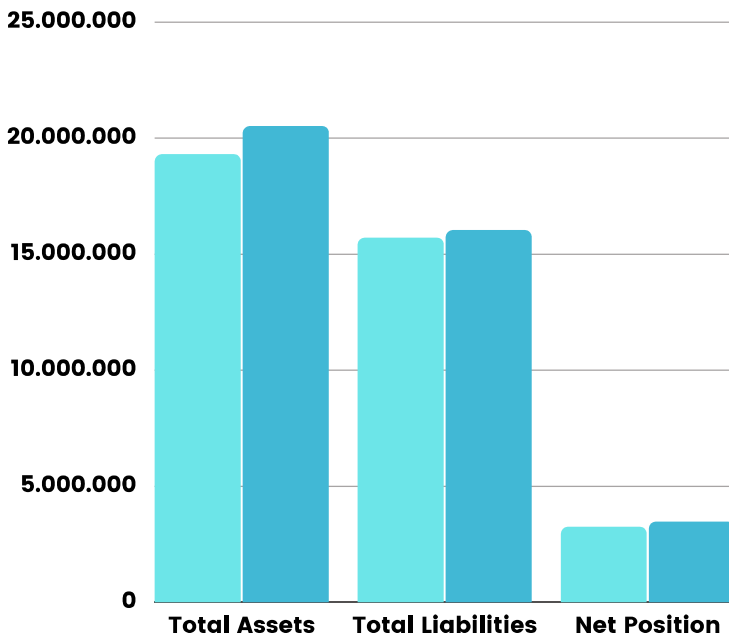
Largest Employers in Austin

Austin, renowned for its vibrant economy, houses a diverse array of businesses that contribute significantly to its job market. Here, we present a concise overview of the city's largest private employers, which have played a pivotal role in shaping Austin's economic landscape.

| 10 Largest Employers | Industry | Employees | Total % |
|------------------------------------|------------|-----------|---------|
| State Government | Government | 36.306 | 3.15 |
| The University of Texas at Austin | Education | 29.597 | 2.37 |
| H-E-B | Retail | 20.749 | 1.66 |
| City of Austin | Government | 15.548 | 1.25 |
| Federal Government | Government | 15.000 | 1.20 |
| Dell Computer | Computer | 13.000 | 1.04 |
| Ascension Seton | Healthcare | 12.086 | 0.97 |
| Amazon | Retail | 11.000 | 0.88 |
| St. David's Healthcare | Healthcare | 10.854 | 0.87 |
| Austin Independent School District | Education | 10.565 | 0.85 |

FINANCIAL STATEMENTS

Balance Sheet



The following section provides a overview of the City of Austin's balance sheet for the year 2022. It outlines the city's assets, liabilities, and net position, offering a comparative perspective with figures from 2021 to highlight the financial trajectory.

Governmental activities:

Total Assets: 4,892,236,000
 Total liabilities: 6,168,643,000
 Net-Position: (792,480,000)

Business-type activities:

Total assets: 14,400,204,000
 Liabilities: 9,528,356,000
 Net Position: 4,025,586,000

Total Asset: 19,292,440,000
Total liabilities: 15,696,999,000
Total Net Position: 3,233,106,000

2021

Governmental activities:

Total Assets: 5,245,709,000
 Total liabilities: 6,046,983,000
 Net-Position: (744,124,000)

Business-type activities:

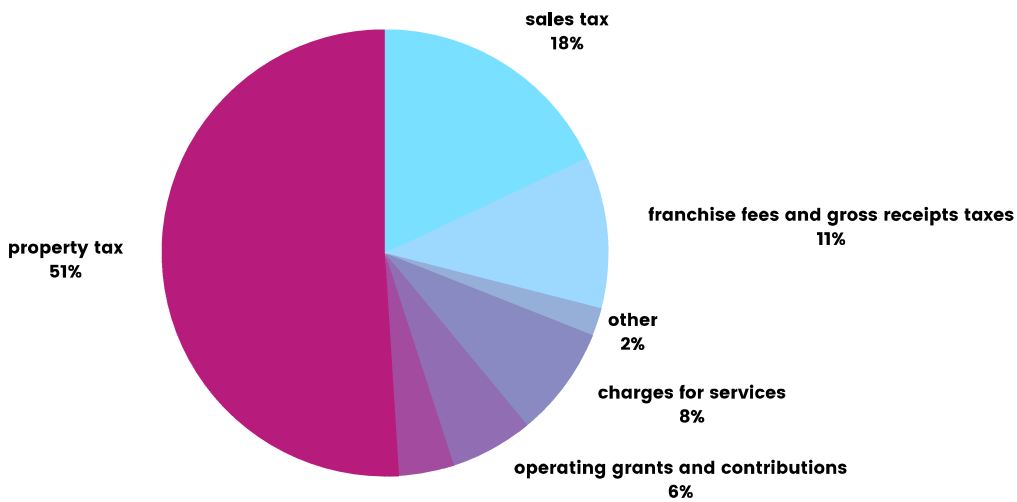
Total assets: 15,262,707,000
 Liabilities: 9,971,280,000
 Net Position: 4,203,548,000

Total Asset: 20,508,416,000
Total liabilities: 16,018,263,000
Total Net Position: 3,459,424,000

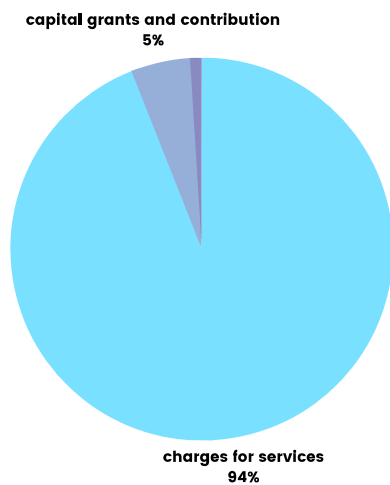
2022

FINANCIAL STATEMENTS

Government revenues by source



Gov. business types revenues by source



FINANCIAL STATEMENTS

debt ratio= total outstanding
debt/total assets

| debt ratio | 2022 | 2021 |
|--------------------------|------|------|
| Gov. activities | 30% | 32% |
| Business type activities | 41% | 41% |

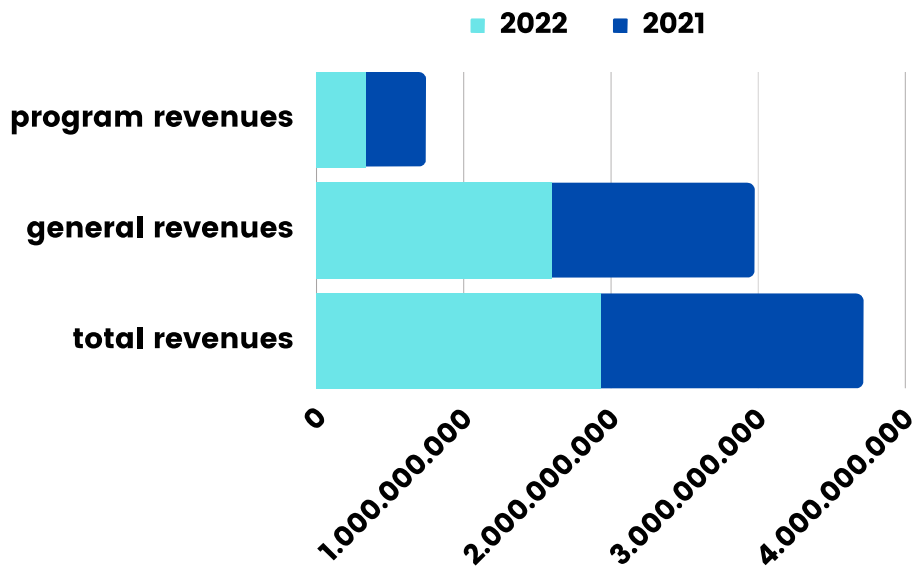
Statement of Activities: This statement reveals how the City's net position changed during each fiscal year. It accounts for all changes in net position as they occur, regardless of when the related cash transactions take place. Therefore, it includes revenues and expenses for some items that will result in cash transactions in the future, such as uncollected taxes and earned but unused vacation. Additionally, this statement provides a comparison between direct expenses and program revenues for each function of the City.

| | 2022 | 2021 |
|--------------------|---------|---------|
| general government | 279,333 | 327,126 |
| public safety | 766,390 | 853,434 |
| transportation | 247,850 | 232,056 |
| health | 200,004 | 204,819 |
| culture | 206,004 | 185,110 |
| urban growth | 162,493 | 242,225 |
| interest on debt | 70,858 | 68,724 |

FINANCIAL STATEMENTS

total revenues

(in million of dollars)



| | 2022 | 2021 |
|------------------|---------------|---------------|
| program revenues | 330,467,000 | 409,073,000 |
| general revenues | 1,592,714,000 | 1,379,598,000 |
| Total revenues | 1,923,181,000 | 1,788,668,000 |

FINANCIAL STATEMENTS

Statement of activities in detail

| Revenues: | 2022 | 2021 |
|-----------------------------|------------------------|--------------------|
| Program revenues | 330,467,000 | 409,073,000 |
| General revenues | 1,592,714,000 | 1,379,598 |
| Total revenues | 1,923,181 | 1,788,668 |
| Expenses | | |
| General government | (279,333,000) | (328,126,000) |
| Public safety | (766,390,000) | (853,434,000) |
| transportation | (247,850,000) | (232,056,000) |
| Public health | (200,004,000) | (204,819,000) |
| Public recreation & culture | (206,004,000) | (185,110,000) |
| Growth management | (162,493,000) | (242,225,000) |
| Interest on debt | (70,858,000) | (68,724,000) |
| Total expenses | (1,932,932,000) | (2,113,494) |

MAJOR POLICIES

According to the “88 th State Legislative Agenda of 2023” and the “Austin Strategic Direction” the city council was inspired by the Imagine Austin project and identified eight priority programs and some strategic outcomes to be achieved in the next three to five years.

THESE STRATEGIC OUTCOMES ARE 6 IN TOTAL, BRIEFLY DESCRIBED:

- **Affordability:** Simply put, the possibility for a household to afford rent or mortgage, transportation, child care expenses, utilities, and taxes. This strategic direction lays out strategies to increase economic opportunities and affordable choices across Austin, so that families, businesses, City employees, and all generations can be better off.
- **Equity:** is the condition when every member of the community has a fair opportunity to live a long, healthy, and meaningful life. To advance equitable outcomes, the City of Austin promises to lead with “lens of racial equity and healing”. Race is the primary predictor of outcomes and the city recognizes, understands, and addresses racism at its various levels: personal, institutional, structural, and systemic.



MAJOR POLICIES

- **Innovation:** Austin, defines innovation as “any project that is new to you with an uncertain outcome”. Human-centered innovation means a new approach to exercising authority and decision-making that starts with the needs, behaviors, and experiences of our community, and continues through a process of questioning assumptions, engaging with empathy, stewarding divergent thought, reflecting, and learning. Innovation is future-oriented around what outcomes could be created together, rather than an analysis of already formed alternatives.
- **Sustainability and Resiliency:** a sustainable city finds a balance among three goal areas: (1) prosperity and jobs, (2) conservation and the environment, and (3) community health, equity, and cultural vitality. Resiliency is the capacity of individuals, communities, institutions, businesses, and systems to survive, adapt, and grow from difficult times.



MAJOR POLICIES

- **Proactive Prevention:** The City of Austin embraces the dual responsibility of being responsive to emerging challenges while also dialing up efforts to prevent problems on the front end. For example, this translates into addressing social determinants of health outcomes, rather than only treating the disease. The city promises to invest in preventative maintenance of public assets like bridges, service vehicles, and community facilities.
- **Community Trust and Relationship:** “Austin is a place where leadership comes from the people”. The council focuses on creating opportunities for civic engagement that are easy, meaningful, and inclusive, and that lay a foundation for lasting relationships. Trust in the government must be earned through strengthening partnerships with the community, to advance on these six outcomes.



MAJOR POLICIES CHALLENGES AND STRATEGIES

The major policies adopted by Austin are thus shaped by project and the city council has developed a series of strategies through which achieve their previously stated goals, we will summarize them briefly and report the key challenges and strategies for each of the 6 strategic outcomes:

- **Economic Opportunity and Affordability**

Challenges: have all citizens experience economic mobility, increase equitably distributed options for household affordability, reduce the number of homeless people in the city.

Strategies: Influence the skills of our local workforce by developing and implementing a City of Austin workforce development roadmap to meet regional goals and increase job supply. Develop and act on recommendations to reduce the number of households and businesses displaced from Austin due to unaffordability and define and enact our response to homelessness focusing on efficient and effective use of our resources to address disparities, prevent homelessness, and support housing stability

Austin's Strategic Housing Blueprint: adopted by Council in 2017, is a 10-year plan to help align resources and facilitate community partnerships around a single, strategic vision to create 60,000 affordable housing units for those making less than 80% of the median family income and ensure that there is affordable housing throughout the city.

- **Mobility**

Challenges: Lowering the risk of travel-related injury, supply and ensure a multimodal transportation network that is sustainable and environmentally friendly

Strategies: Promote a communitywide culture of safe driving through education and enforcement focused on behaviors most contributing to injuries and fatalities, Ensure our transportation network optimizes community safety, including street safety, emergency response, flood risk, disaster resiliency, and public health. Improve Austin's street network grid and fill gaps in our sidewalk, bicycle, and urban trail systems. Expand the airport to address passenger growth and continue connecting Central Texas to the world

Austin's Strategic Mobility Plan: The ASMP is Austin's first comprehensive, multimodal transportation plan, and guides the city's short and long-term transportation projects, programs, initiatives, and investments. This includes driving, walking, bicycling, rolling and taking public transportation.



MAJOR POLICIES

CHALLENGES AND STRATEGIES

- **Safety**

Challenges: Building meaningful community relationship and strengthen local and regional partnerships. Ensure fairness and equality in the enforcement of the law.

Strategies: Collaboratively assess the vulnerabilities and interdependencies that exist for critical City infrastructure. Prioritize actions and investments to prevent and mitigate the identified risks. Advance our ability to engage and communicate with the community before, during, and after a disaster or emergency in ways that effectively connect people with accurate information, critical assistance, and support systems for response and recovery. Improve positive outcomes in the justice system by understanding the perspectives of those who interact with the adult and juvenile justice systems and pursue evidence-based strategies to address root causes of harm, crime, and lack of public safety.

- **Health and Environment**

Challenges: Creating equitable access to parks, open spaces and recreational activities, ensuring health for everyone without distinction and embed consideration of factors that affect physical, mental, and behavioral health status within all City departments.

Strategies: Promote healthy living and well-being with a particular focus on areas and communities with high rates of chronic disease and high-risk behaviors who lack access to services. Create multi-year contracts that can be revised and reviewed ciclically. Implement community-informed initiatives that make healthy and affordable foods easily accessible to all and Expand acquisition and designation of permanently protected natural and environmentally sensitive areas.

- **Culture and Lifelong Learning**

Challenges: honoring and preserving Austin’s rich and diverse culture and history, increase the supply of affordable public and private spaces and foster and model relationships of trust, welcome diverse viewpoints, and confront racism at all levels

Strategies: Implement a standardized interdepartmental process to collect, analyze, and share demographic participation and satisfaction levels with our culture and lifelong learning offerings to evaluate and improve programs and facilities. Strengthen our portfolio of culture and lifelong learning programs and leverage City-owned assets to increase the amount of affordable creative space that is available to working artists

- **Government that works for all**

Challenges: Foster trust and collaboration between Council, City Management, and the Community. Address the growing demands of our expanding city and ensure a dedicated workforce committed to engagement and high performance.

Strategies: Review city taxes and investments to maintain our commendable bond ratings. Streamline interactions between community members and various City departments. Prioritize secure data practices and harness open source technologies to enhance project management.

DISSEMINATION PLAN

To ensure that the findings and insights of this financial report reach the widest possible audience, we have devised a comprehensive dissemination strategy. This strategy aims to cater to the diverse ways in which our city's residents access and consume information.

- **Digital Distribution:** The report will be accessible on the City of Austin's official website and promoted through our primary social media channels, reaching a diverse audience.
- **Community Access:** For those preferring tangible copies, the report will be available at select community centers and libraries throughout Austin.
- **Public Engagement:** Interactive sessions will be organized, allowing city officials to discuss the report's highlights and address residents' queries, promoting deeper community involvement.
- **Feedback:** We will set up a mechanism for residents to share feedback on the report's clarity and effectiveness, further refining our communication strategy in the future.

We aim for every Austin resident to be well-informed about the city's financial standing



This work was completed as part of the Public Management course at the SAA, University of Turin, under the supervision of Prof. Valerio Brescia. The elements presented in this assignment have been developed in accordance with the guidelines defined by Professors Paolo Biancone, Silvana Secinaro, Valerio Brescia, and Davide Calandra.