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This online document has been formatted for two-sided printing.



CITY OF SAN ANTONIO, TEXAS

Comprehensive Annual Financial Report & Other Reports Year-Ended September 30, 2019

Incorporated December 14, 1837 Charter Adopted October 2, 1951 Council – Manager Form of Government

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Letter of Transmittal



February 20, 2020

To the Honorable Mayor, City Council, and City Manager:

It is my pleasure to present the City of San Antonio's (City) Comprehensive Annual Financial Report (CAFR) and Other Reports for the fiscal year-ended September 30, 2019. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of Grant Thornton LLP. As reflected in the Independent Auditor's Report, the City's financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

Management's Discussion and Analysis (MD&A), beginning on page one, provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter complements the MD&A and should be read in conjunction with it.

CITY PROFILE

The City provides a vast array of municipal services. The full range of services provided to its constituents includes ongoing programs to provide health, welfare, education, sanitation, cultural, and recreational services; maintenance and construction of streets and drainage; public safety through police and fire protection; and urban redevelopment and affordable housing. The City also considers the promotion of convention and tourism and participation in economic development programs as high priorities. The funding sources from which these services are provided include ad valorem, sales and use, and hotel occupancy tax receipts; revenue payments from the City's municipally-owned utilities; grants; user fees; debt proceeds; tax increment financing; and other sources.

The City has 27 component units that are considered part of the City's operations and, therefore, included in its annual financial statements. Fourteen of these entities are blended component units of the City; two entities are fiduciary, while the remaining 11 entities are discretely presented. Based on the size and significance of four component units (CPS Energy, San Antonio Water System, San Antonio Fire and Police Pension Fund, and San Antonio Fire and Police Retiree Health Care Fund), the City has included excerpts of these entities' footnotes within the CAFR. For additional details on all of the City's component units and the basis for their respective presentation in our financial report, please refer to the Financial Section, Note 1 Summary of Significant Accounting Policies.

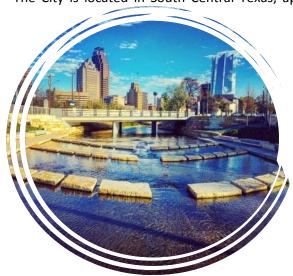
The City is a home rule city that was incorporated in 1837 and chartered in 1951. The City Charter provides for a Council-Manager form of government, subject only to the limitations imposed by the Texas Constitution and the City Charter. All powers of the City are vested in an elective Council (the City Council), which enacts legislation, adopts budgets, and determines policy. The City Council is comprised of 11 members, with ten members elected from single-member districts, and the Mayor elected at-large. The term of the office of the Mayor or a member of the City Council is limited to four full two-year terms. The City Council also appoints a City Manager who executes the laws and administers the government of the City and serves as the City's Chief Executive Officer.

CITY PROFILE (Continued)

On January 31, 2019, the Mayor and City Council appointed Erik Walsh as the new City Manager effective March 1, 2019. Erik Walsh, a native of San Antonio, has 24 years of municipal government experience with the City. Prior to his appointment, Mr. Walsh was promoted in 2011 to serve as a Deputy City Manager where he oversaw the Police and Fire departments, Metropolitan Health District, Office of Emergency Management and 311/Customer Service Center. Prior to that, Mr. Walsh was an Assistant City Manager handling the Development Services, Animal Care Services and Solid Waste Management departments in addition to the City's budget and intergovernmental relations functions. Mr. Walsh's 24-year career with the City includes extensive operations management, organizational development, budget, fiscal policy and contract management experience.



The City is located in South Central Texas, approximately 75 miles south of the state capital of Austin, and



serves as the county seat for Bexar County. San Antonians enjoy first-rate medical services, a convenient and efficient airport, an excellent highway system, mild weather, and superb recreation choices, including: championship golf courses, 69 miles of linear greenway trails, theme parks, historical attractions, museums, professional sporting attractions, and a lively performing arts environment. Geographically, the City of San Antonio covers more than 507 square miles and is located in Bexar County in south central Texas, one of the fastest growing regions in the state. The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.5 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2010, the City's metropolitan area grew 15.0% and is projected to grow by an additional 1.0 million people through the year 2040.

Major employers in and around the San Antonio area include the Department of Defense through Joint Base San Antonio (Lackland, Fort Sam & Randolph), H.E.B. Food Stores, United Services Automobile Association, City of San Antonio, Methodist Healthcare System, Northside, North East, and San Antonio Independent School Districts, Baptist Health Systems, and JP Morgan Chase.

ECONOMIC CONDITIONS AND OUTLOOK

San Antonio is anchored by several key industries and is targeting other emerging industries to drive the City's economic future: The healthcare and bioscience fields have an annual economic impact of over \$37.0 billion and employ more than 172,000 citizens, making San Antonio a leading research and treatment center for cancer, diabetes, heart disease, and other conditions. The military has played a major role in San Antonio's history and economy. With an estimated economic impact of \$48.7 billion, San Antonio's military installations directly employ 64,967 military personnel and serve as the largest single employer in the City. Expanding across more than 46,000 acres in the Alamo region, San Antonio's bases are a major hub for medical training, flight training, cyber operations, surveillance, and military intelligence. As a community, San Antonio has positioned itself for long-term growth and prosperity by implementing a strategy to diversify its economy and improve quality of life for all citizens. The economic strategy bolstered by the City's innovative growth and development plan, the SA Tomorrow Comprehensive Plan, serves as the City's roadmap towards smart, substantial growth. The City's SA Tomorrow goals leverage San Antonio's unique assets, including its historical and cultural heritage, formidable local institutions (e.g. military bases, universities, and medical center), unique partnerships, and natural resources.

ECONOMIC CONDITIONS AND OUTLOOK (Continued)

San Antonio is a great place to live. Its cost of living is typically 10% to 15% below the national average and is consistently ranked among the lowest of major U.S. cities, while home prices are among the most affordable in the country. San Antonio's housing market has remained strong in 2019 as single-family home prices have continued to increase. According to the Multiple Listing Service Report from the San Antonio Board of Realtors (SABOR), the average sales price of a home in San Antonio is \$270,147 and the median of \$237,200.

Cybersecurity is of particular importance to the City due to the strong connections the industry has with military and federal operations in San Antonio. The industry itself is both large and diverse, with over 1,000 IT companies in and around San Antonio. Additionally, San Antonio is 2nd in the nation for information assurance, and is home to the headquarters for the 24th Air Force, the Air Force Cyber Command, and the Air Education and Personnel Command.

In 2019, the Airport continued to experience growth in the number of passengers. Overall passenger growth increased by 6.0% over 2018 resulting in 2019 having a record year eclipsing 10 million total passengers. This growth reflects an ongoing trend of progress at the Airport and its focus on air service and customer experience. The Airport continues to work with the business community to attract and grow air service.

MAJOR INITIATIVES - CAPITAL PROGRAMS

City Hall Renovations In the summer of 2018, City Council approved renovation of City Hall. The facility was built in 1889 and has not undergone renovations since 1927 when the fourth floor addition was constructed. An assessment of the building confirmed the need for mechanical, electrical, plumbing, and elevator system repairs and replacements. Renovations to the 44,500 square foot facility include improved office spaces, new meeting rooms and restrooms, new elevators, and a new ADA accessible ramp on the east side entrance. The renovation is expected to be complete by May 2020. Upon completion City Hall will house the City Manager, Mayor, and City Council.



City Tower The City purchased the downtown Frost Tower building in 2016 as part of the City's broader effort to redevelop downtown San Antonio. The project will consolidate 22 city departments, approximately 1,500 personnel, including the City Attorney and City Clerk, previously in City Hall, into one building. The acquisition, construction, renovation, and operation of City Tower will be budget neutral while providing a more efficient and synergistic service to City staff and customers. City staff will occupy 13 of the 21 floors to include the concourse and street levels. The remaining floors will be utilized as leased office and retail space. Street level upgrades include retail space, lobby, and staff offices with the concourse level to include a conference center, gym, wellness clinic, new restrooms/showers, HR training center and an IT service desk. Design is expected to be complete in April 2020, with concurrent construction starting in January 2020 and substantial completion projected for July 2021. City Personnel will begin moving into the new building starting in 2020.

MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

Frost Tower Construction of the Frost Tower kicked off in March 2017 and continued throughout the duration of fiscal year 2018. The tower's largest tenant, Frost Bank, moved in the summer of 2019 occupying 15 floors, while additional tenants occupy the remaining eight floors. Along the ground floor of the tower, restaurants and other businesses will keep the space active from morning into the evening. Additionally across the street, Weston Urban is adding a park that will bring much needed green space downtown. The 460,000 square foot building will forever change downtown San Antonio's skyline with the construction of the first new office tower downtown since 1989.





Robert L.B. Tobin Land Bridge Phil Hardberger Park is a 311 acre City park that is divided by Wurzbach Parkway. The Robert L.B. Tobin Land Bridge is under construction to connect the east and west sides of the park in order to create a cohesive natural area and protect the wildlife living in the park. The land bridge will be ADA accessible and will feature an elevated walkway that gently climbs through the tree tops to the top of the bridge. The additional features will be shared by both humans and animals—the only bridge in the world designed to accommodate both. The Robert L.B. Tobin Land Bridge is estimated to be completed in August 2020.

MAJOR INITIATIVES – COMMUNITY PARTNERSHIPS

Alameda Theater The City, in partnership with Bexar County, Texas Public Radio (TPR) and La Familia Cortez created a conceptual plan to restore and reopen the historic Alameda Theater as a multi-media live performing arts and film center featuring the American Latino-Multicultural story. TPR will relocate its headquarters to the newly constructed stage house behind the theater and construct a new black box theater within the TPR facility. The renovation and restoration of the entire complex is expected to be completed in 2021. The project is funded by the City, County, and TPR. The City and County will provide \$9 million each for the capital project through the Houston Street Tax Increment Reinvestment Zone and TPR will provide \$5 million. Alameda Theater Conservancy is committed to covering additional construction costs through fundraising efforts.

San Antonio Tourism Public Improvement District Visit San Antonio (VSA) and the San Antonio Hotel and Lodging Association (SAHLA), an association group representing the hospitality industry in San Antonio, worked to establish the San Antonio Tourism Public Improvement District (SATPID) which added a 1.25% fee per night hotel stay, effective January 1, 2019, to be reinvested into marketing San Antonio. The funds, collected by the City but managed by VSA, will be used for funding the sales, marketing, and promotion of San Antonio to convention, group, business and leisure visitors. The eight-year agreement with VSA is expected to raise more than \$10.0 million annually.

MAJOR INITIATIVES – COMMUNITY PARTNERSHIPS (Continued)

Alamo Master Plan In 2018, the City's Mayor, Ron Nirenberg, joined Texas Land Commissioner George P. Bush in supporting a plan to redesign the City's Alamo Plaza. The major elements of the design include restoration of the church and long barrack, delineation of the historic footprint, building a world-class visitor center and museum, and enhancing connectivity to and from the site. Alamo Plaza will triple in size and be a world-class site that pays proper respect to the fallen, tells the story of the Battle of the Alamo, and remains a public space for all those who come from around the world to visit. The \$450.0 million renovation will be funded by a \$38.0 million contribution from the City, \$106.5 million contribution from the State of Texas, with the Alamo Endowment committing to raising private funds for the remainder. The renovations are set to begin in fiscal year 2020 and are expected to be complete by fiscal year 2024.



Migrant Resource Center The City joined other cities and nonprofits throughout Texas and across the country in stepping up and serving those in most need during the 2019 migrant influx. Working as a team, the City and its nonprofit partners went above and beyond in assisting migrants. In 2019 the City opened the Migrant Resource Center, in close coordination with the San Antonio Food Bank, Interfaith Welcome Coalition, Travis Park Church, Catholic Charities and other nonprofits and community volunteers. The Migrant Resource Center saw over 32,000 migrants come through its doors; served 85,507 meals; Travis Park Church slept 22,367 migrants overnight, and 2,842 individuals received medical attention. About 1,200 City employees and 600 community members volunteered at the center in that time span to run operations at the center. The San Antonio Food Bank provided three hot meals daily, plus snacks and donation coordination. Travis Park Church provided evening shelter to families who remained overnight in San Antonio, and Catholic Charities served as the lead partner for travel arrangements. Together with partners, the center provided basic needs and travel planning assistance so that migrants can safely arrive at their designated locations across the country.

MAJOR INITIATIVES – CONVENTION AND TOURISM

The continued success of the City's vibrant hospitality industry depends significantly on its inventory of high-quality facilities to host conventions, meetings, and major sporting events. The Convention & Sports Facilities Department (CSF) operates the Henry B. Gonzalez Convention Center and Lila Cockrell Theatre, the Alamodome,



and the Carver Community Cultural Center. In 2019, the City hosted over 720 events with more than 1.8 million attendees between all CSF facilities.

Henry B. Gonzalez Convention Center Significant conventions at the Henry B. Gonzalez Convention Center included Future Business Leaders of America, American Society for Therapeutic Radiology & Oncology, ReedPOP/Pax South, Texas Computer Education Association, and Texas Music Educators Association. Since the Convention Center expansion in 2016, total revenues have increased by 27.0 % from \$16.1 million in 2016 to \$20.5 million in 2019.

MAJOR INITIATIVES – CONVENTION AND TOURISM (Continued)

Alamodome The Alamodome has seen extensive growth during the same time frame reporting a 28% increase in revenues from \$9.9 million in 2016 to \$12.7 million in 2019. As a multi-purpose sports and general assembly facility, the Alamodome hosted many varied events in 2019, including an international soccer event between the national teams of Mexico and Argentina with over 50,000 in attendance. In December 2018, the Valero Alamo Bowl featured Iowa State verses Washington State with over 60,000 people in attendance resulting in a \$31.2 million direct economic impact for the City.

In order to extend the life of the facilities and maintain competitiveness, CSF completed a building assessment in 2019 of the Convention Center and Alamodome and is developing a long-term capital replacement plan. Upcoming capital improvements include the replacement of about 400,000 square feet of the 1998 Convention Center roof as well as the replacement of the retractable seating and the replacement of the elevators and escalators at the Alamodome. In addition, as part of the City's commitment to prepare for the 2025 Men's Final Four, the City will build 18 additional suites for a total of 70, and upgrade the finishes on the upper concourse in the stadium to match the finishes on the plaza level.

MAJOR INITIATIVES – CULTURE AND ART

The Department of Arts & Culture supports City based artists to ensure our local creative industry remains diverse and thriving. In 2019, the City paid \$287,000 directly to more than 60 local designers and artists for the creation, acquisition, exhibition, and performance of new works for the residents and visitors of San Antonio.



Tribute to Freedom In March 2019, the City celebrated the completion of phase one of the Lackland Corridor Gateway Project with the dedication of the *Tribute to Freedom* sculpture at the corner of U.S. Highway 90 and Military Drive. The 75 foot sculpture, designed by San Antonio artist George Schroeder, commemorates the five branches of the United States Armed Forces.

Art Support Services Bloom by San Antonio artist Leticia Huerta, located in McAllister Park, is a series of larger-than-life wildflowers created from bicycle parts and inspired by the native flowers found nearby. These public art pieces, and many others, were created for our community to express the vibrancy and diversity of San Antonio through art, while also recognizing the many influences that continue to shape who we are as a city. The public art process invites public participation to impact the artistic landscape of our community. The City's Open Call for Public Artists and Art Support Services

saw more than 200 local applicants pre-qualified for future public art projects, thereby continuing to grow the local creative economy of San Antonio, which improves the quality of life for artists, residents, and San Antonio visitors. To celebrate the strong history of public art in San Antonio, the Department published a coloring book which highlights art across every City Council district.

MAJOR INITIATIVES – EDUCATION

Pre-K 4 SA In November 2012, City voters approved funding for Pre-K 4 SA with an eighth-of-a-cent sales tax that finances the majority of the early childhood education organization's budget. Pre-K 4 SA is a comprehensive initiative designed to change San Antonio's education and workforce trajectory in one generation through high-quality early education. By the end of its initial eight-year authorization, Pre-K 4 SA will have directly served 14,000 children and their families in their four education centers and over 13,000 students via competitive grants. Pre-K 4 SA will have also provided professional learning to over 21,000 early childhood educators across San Antonio. Pre-K 4 SA achieves its mission through four key program components: 1) four model Education Centers; 2) best-in-class professional learning; 3) family outreach and engagement; and 4) competitive grants. In May 2020, City voters will consider reauthorization of the organization's 1/8 cent sales tax funding stream.

MAJOR INITIATIVES – EDUCATION (Continued)

Fine Free Pilot Program The San Antonio Public Library has a robust collection of eBooks, eAudiobooks and eMagazines that can be checked out without visiting a library location. This fiscal year, the Library reached a milestone of 8 million checkouts, the highest circulation number for any single year in its history. The Library launched the Fine Free Pilot Program in the summer of 2019 allowing any items classified "juvenile" or "young adult" to be free from fines throughout the pilot period in order for families to enjoy the library regardless of overdue fines.

CivTechSA Created in 2017, the CivTechSA Program is a partnership between the City's Office of Innovation and Geekdom, a co-working space and leader within the local entrepreneur and technology communities. This program is dedicated to building a city of problem solvers by working with entrepreneurs and students to find real, impactful solutions to current civic challenges, and actively grow the startup, entrepreneur, and technology ecosystems in San Antonio. The program additionally aids with the development of a tech-talent pipeline by engaging students with civic technology. The anticipated benefits of CivTechSA include attracting workforce, creating entrepreneurial solutions, cultivating local talent, combatting brain drain, growing the startup ecosystem, and creating an opportunity for expanded services from the tech community to the City.

MAJOR INITIATIVES – PLANNING AND COMMUNITY DEVELOPMENT

SA Tomorrow By 2040, San Antonio's population is expected to increase by approximately 1.0 million people. SA Tomorrow aims to ensure key aspects of growth and development, such as transportation and connectivity, housing, complete neighborhoods, public facilities, community safety, historic preservation, military affairs, natural resources, energy, water supply, jobs, economic competitiveness, education, and more, are addressed in a strategic manner. SA Tomorrow is an innovative effort to guide the City toward smart, sustainable growth through three different plans; comprehensive, sustainability, and multimodal transportation. The following is additional information on the plan.

Comprehensive Plan recommends that the City capitalize on the unique economic geography, further economic diversification, workforce development, and business attraction and retention. In fiscal year 2019, the City hosted the 2nd SA Smart City Challenge. Student teams in grades 7-12 researched a San Antonio-specific smart city problem and proposed a strategy, product, or service as a solution.

Sustainability Plan focuses on enhancing a community's quality of life and overall resilience while balancing the impact of our expected growth with existing economic, environmental, and social resources. As part of implementing the sustainability plan, SA Climate Ready was developed as a community-driven plan to guide San Antonio's commitment to reduce its greenhouse gas emissions contributions to climate change and prepare for current and future climate impacts. The plan lays out a roadmap for the community and municipal organization to reduce carbon emissions, adapt to a changing climate, and ensure San Antonio remains a healthy, vibrant place for generations to come. In October 2019, the City adopted the Climate Action Plan. The plan states that the City as a whole must within three decades be taking in or offsetting more carbon dioxide and other greenhouse gases than its emitting. This target is based on current climate science and would require shifting almost entirely away from fossil fuels in power supply and transportation, currently technologically infeasible, or using currently expensive technologies to keep emissions out of the atmosphere. This makes San Antonio the 2nd major Texas city to adopt the goal of net-zero carbon emissions by 2050.

Multimodal Transportation Plan takes into account all modes of transportation including auto, transit, biking and walking. It serves as a tool to analyze the transportation priorities to best meet community goals. Consistent with multimodal transportation, Mayor Nirenberg unveiled ConnectSA, a nonprofit governed by 30 business and community leaders with a technical advisory group that will develop a modern multi-modal mobility plan to support San Antonio's growing community. ConnectSA will focus on projects that expand transportation choices, improve transportation flow, and introduce smart initiatives that help move more people, faster, smarter, and in the least costly ways possible.

MAJOR INITIATIVES - PLANNING AND COMMUNITY DEVELOPMENT (Continued)

The Airport System Development Committee (Development Committee) A Strategic Development Plan (SDP) for the City's Airport System was launched in August 2018. The SDP focused initially on the future of the next 20 years at the airport, then examined the possibility for growth and expansion in the following 50 years. The SDP comprised of two phases. For Phase I, the City hired an engineering, professional services and planning firm to assist in communicating airport development options to the public. The Development Committee hosted numerous meetings throughout San Antonio in August and September 2018 to gather input from citizens and travelers. Based upon community input and a feasibility study, the Development Committee presented to City Council in October 2018 that expanding the current airport would serve the continuing needs of the City and surrounding regions for another 50 years. In order to accomplish this goal, the airport would need to add new runways and other infrastructure by 2023 to keep up with growing traffic at the airport. Phase II of the SDP plans to accommodate demand for the next 20-year period by evaluating a range of potential policy and development alternatives, and by producing a preferred airport development plan for the airfield, terminal, and airport access.



Mayor's Housing Policy In August 2017, the Mayor created a Mayor's Housing Policy Task Force (Task Force) to create a model on how to proactively address housing affordability. The Task Force relied heavily on community input by working with more than 550 community members to develop a housing policy to increase housing opportunities for San Antonians. Five key actions were identified in relation to implementing the Housing Policy. Those five actions were to develop a coordinated housing system; increase City investment in housing with a ten year funding plan; increase affordable housing production, rehabilitation, and preservation; protect and promote neighborhoods; and ensure accountability to the public. In 2020, the City plans to deploy a coordinated strategy

to address housing affordability by partnering with external stakeholders such as Local Initiatives Support Corporation, San Antonio Housing Trust and San Antonio Housing Authority (SAHA) who will invest an additional \$5.0 million combined with another \$6.2 million from potential grants from tax increment reinvestment zones. Through this approach the City will leverage more than \$11.0 million from external entities for affordable housing investments while maintaining the City's \$23.7 million from federal grants and the City's General Fund.

MAJOR INITIATIVES – WELLNESS

Parks System Plan/Tobacco-Free Parks On April 11, 2019, City Council approved the SA Parks System Plan. The adopted park system plan will serve as a guide for the Parks and Recreation Department growth and guide community investments over the next ten years including future bond issues and annual budget decisions. A recommendation of the System Plan was a move toward tobacco-free parks. City Council approved this ordinance change, effective June 1, 2019, to expand smoke/tobacco-free areas to include City parks and public plazas. A tobacco-free policy provides the opportunity to change community norms around tobacco use and will help reduce youth tobacco use. The Parks and Recreation Department distributed bilingual signage throughout City parks and developed an education and awareness campaign to ensure the public was informed of the ordinance change prior to the effective date. Park Police also assisted with education and awareness efforts prior to enforcement. In partnership with the San Antonio Metropolitan Health District and a grant from the U.S. Department of Health and Human Services, funding for signage resulted in no budgetary impact to the City.

MAJOR INITIATIVES – WELLNESS (Continued)

Cities Connecting Children to Nature Initiative In 2019, the City continued the implementation phase of the Cities Connecting Children to Nature (CCCN) Initiative by engaging additional stakeholders, conducting outreach meetings, and launching the first of its local strategy projects. Three strategies emerged from the year-long planning phase which the City submitted to NLC in February 2019 as part of an implementation plan that will run through October 2020. These strategies are: 1) Nature Smart Libraries, 2) Nature Enhancements to Community Centers and School Parks, and 3) Nature Leaders Youth Development. In September 2019, a kick-off event for the Nature Smart Libraries was held at the Cortez Library to celebrate the strategic partnership between the Parks and Recreation Department, the San Antonio Public Library and other key CCCN stakeholders.

Elmendorf Lake Park Pool On June 15, 2019, the Parks and Recreation Department, in collaboration with San Antonio River Authority, opened its 24th outdoor pool at Elmendorf Lake Park. The project, funded through the 2017 Bond Program, included a beach entrance to the pool, shade structures, swim lanes, and other amenities. The grand opening event was a large success, which continued throughout the season resulting in over 23,000 visitors at Elmendorf Lake Park Pool, ranking it in the top three most visited pools in the City's park system.



MAJOR INITIATIVES – WORKFORCE DEVELOPMENT

Employer of Choice The City continues to strive to be an employer of choice in the community by providing competitive compensation and benefits. Beginning January 2019, the City increased its minimum entry wage to \$15 per hour while continuing to offer robust health benefits, retirement matching, GED assistance, tuition reimbursement, and new to 2019, student loan repayment benefits for eligible full-time employees. A bridging policy was introduced last year to encourage former employees to return to the City. If an employee leaves service, and returns within five years, the employee will receive the same health insurance premium rates that others with their original date of hire are currently paying and build on to their previous years of service towards retirement vesting. This benefit has been useful to employees who have pursued a degree or served in the Peace Corps.

The City collaborates with the San Antonio Economic Development Foundation, Bexar County, Workforce Solutions Alamo, CPS Energy, and other agencies to help targeted industries meet their business goals, provide good jobs, and increase investments in the community. Economic Development also focuses on alignment of local industry workforce needs with training providers through SA Works and invests in delegate agencies and other partners to provide training and support for distressed populations to ensure inroads into the growing San Antonio economy. In 2019, the City invested \$2.3 million for city-wide incentives to stimulate the creation and retention of jobs and investment in San Antonio in a globally competitive environment.

SA Works The City invests in SA Works, an industry-led advisory council based on national best practices, to lead the City's workforce development efforts. SA Works is tasked with identifying in-demand middle-skills jobs in targeted industries such as advanced manufacturing, cyber/information technology, and healthcare. To date, SA Works has successfully worked with its private-sector council to develop a blueprint for engaging a number of key partners such as industry leaders, institutions of higher education, and community-based organizations to secure private sector partnerships in filling those jobs through preferred providers. SA Works also continues to carry out its legacy work in providing internships, job shadowing opportunities, and other work-based learning opportunities for high school, college students, and educators. SA Works was integrated into the SAEDF as part of their overall economic development mission.

FINANCIAL INFORMATION

The management of the City is responsible for establishing a system of internal controls that is designed to provide reasonable assurance that assets are protected from loss, theft, or misuse. The City's accounting system supports the internal controls and procedures, which provide reliable financial records for preparing financial statements in conformity with GAAP. The internal control structure provides reasonable assurance that the City's assets are safeguarded as well as the reliability of financial records for preparing financial statements. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondarily, the evaluation of costs and benefits require estimates and judgments by management.

Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Levels of budgetary control, that is the levels at which expenditures cannot legally exceed appropriated amounts, are established at the department level within individual funds. The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Another budgetary control is the generation of a monthly revenue and expenditure report summarizing by department budget and actual balances with variances which are reviewed by the City's Office of Management and Budget (OMB), Finance, and the City Manager's Office.

Each quarter, OMB and Finance meet with department representatives to assess departments' revenues and expenditures based on actual to date and projected revenue and expenditures for the remainder of the fiscal year. The projected revenue and expenditures are compared against the legally adopted budget for analysis and are presented to the City Manager's Office and City Council. During the mid-year budget review, an additional step is added related to formal budget adjustment recommendations that are made to City Council for adoption to modify the original budget. At fiscal year-end, as part of the subsequent year's budget adoption, Council is provided information regarding the current year's estimated final amounts and recommendations to again approve desired budget adjustments and carryforwards for the next fiscal year. The City further implemented available budget controls within its system of record for capital projects and grants. The system warns when cumulative expenditures are within 75.0% of total budget and will not allow the processing of non-payroll transactions in excess of the budget.

Annual Budget Process The annual budget serves as the foundation for the City's financial planning and control. The development of the City's annual budget begins in April. It is a comprehensive effort that involves input from residents, the Mayor and City Council, outside governmental agencies, private organizations, all City departments and offices, and City employees. There are several major components to the process, including gathering input from the community on priorities, the annual policy and goal setting session with the Mayor and City Council, presentation of the proposed budget, public comment on the proposed budget, City Council budget work sessions, and budget adoption.

Five-year Financial Forecast At the beginning of the budget process, the City prepares a five-year financial forecast (Forecast). The Forecast is a financial and budgetary planning tool that provides a current and long-range assessment of financial conditions and costs for City services. The Forecast includes the identification of service delivery policy issues that will be encountered in the next five years and that will have a fiscal impact upon the City's program of services. The Forecast also examines the local and national economic conditions that have an impact on the City's economy and, ultimately, its budget. The Forecast serves as a foundation for development of the proposed budget by projecting revenues and anticipated expenditures under a defined set of assumptions. The Forecast provides the Council and staff the opportunity to identify financial issues in sufficient time to develop a proactive strategy in order to address emerging strategic issues.

FINANCIAL INFORMATION (Continued)

City Council Goal Setting A budget goal-setting session was held on May 30, 2018. The purpose of the goal-setting session was for Mayor and City Council to discuss budget priorities and provide policy direction to staff for the development of the fiscal year 2019 Adopted Budget. At this session, City Council established four priorities that guided the development of the budget. These included streets, sidewalks &, transportation/traffic management systems, filling police vacancies & expanding the mental health unit, comprehensive domestic violence prevention, and comprehensive affordable housing strategy.

Community Input A major component of the budget process is community input. Through the City's public outreach campaign, SASpeakUp, residents have the opportunity to provide feedback through a wide variety of channels in both English and Spanish, with an emphasis on reaching residents where they are, whether online, at community-wide events, or at City facilities in their neighborhoods.

Budget Proposal After obtaining the priorities of City Council and the community through the goal setting session and the community outreach campaign, the City Manager reviews department budgets to ensure they are in line with priorities and funding availability. The City Manager then presents the proposed budget to the City Council for review in early August. The proposed budget represents the City staff's recommendation of utilizing revenues and expenditures in order to achieve a balanced budget, while optimizing City service deliveries and addressing priorities of the City Council and residents.

City Council Work Sessions After the budget was proposed, the City Council held nine sessions to review the proposed service program details and discuss potential City Council budget amendments. The budget work sessions provided a forum for public discourse on significant policy issues as well as an opportunity to review departmental service plans, service enhancement, and revenue changes.

Budget Adoption On September 13, 2018, City Council adopted the fiscal year 2019 Operating and Capital Budget. City Council must adopt a final budget each year no later than September 27th. The appropriated budget is prepared by fund (e.g., General Fund) and department (e.g., Finance Department). The legal level of budgetary control is approved by City Council at the individual fund and departmental level. Expenditures by department and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document.

The City Manager or designee may revise the approved department expenditure allotments during the fiscal year, but in no event shall the aggregate departmental expenditure allotment exceed the appropriation available to the department unless approved by City Council. The City Council may at any time transfer unencumbered appropriation balances or any portion thereof within a department, office or agency to another as requested in writing by the City Manager.

As a means of managing the City's financial standing, the City established and maintains a budgeted financial reserve within the General Fund. The financial reserve provides budgetary flexibility for unexpected events, financial emergencies, and the unusual fluctuation in revenue-expenditure patterns. With the adoption of the 2019 Budget the City continued to follow established Financial Policies. These Financial Policies include a reserve policy to maintain a minimum General Fund ending balance of 15.0%, comprised of a budgeted financial reserve of 10.0%, and a targeted 5.0% for a two year budget plan. Other requirements include an additional \$1.0 million contingency reserve in the General Fund and a \$3.0 million contingency reserve for the capital budget; maintain Public Safety spending below 66.0% of the General Fund's expenditures; manage structural balance in the General Fund, and address Internal Service fund deficits within three to five years.

Given legislative changes and the City's overall changing financial framework the City's adopted budget for fiscal year 2020 updated the City's financial policies with the following additions: the City will annually review the impact of the State imposed 3.5% property tax cap on service delivery; the City will annually review property tax relief with a focus on homeowners; and the City will also review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals.

FINANCIAL INFORMATION (Continued)

The City continues to evaluate the financial reserve policy as a means of fiscal prudence in consideration with City operations, implications to the City's credit rating, and City Council priorities in order to maintain a strong and solid financial position coupled with flexibility to adapt to changing economic conditions.

The City further utilizes a comprehensive debt management financial planning program, which is updated annually and is a major component of the City's financial planning. The model projects financing needs, measuring and assessing the cost and timing of each debt issuance. It involves comprehensive financial analysis, utilizing computer modeling, and incorporates variables such as interest rate sensitivity, assessed value changes, annexations and current ad valorem tax collection rates. Use of this financial management tool has assisted the City in meeting its financing needs by facilitating timely and thorough planning, thus allowing the City to capitalize on market opportunities.

San Antonio holds a 'AAA' general obligation bond rating from Standard & Poor's and Moody's and a 'AA+' from Fitch. The 'AAA' bond rating is the highest credit rating an organization can receive and it allows the City to pay the lowest possible interest rates in the market.

GRANT FUNDS

The City also actively seeks and applies for Federal and State grants that are in line with the City's core operations or initiatives as an additional tool in providing services to the citizens of San Antonio. In 2019, the City was awarded \$165.2 million in Federal assistance and \$16.5 million in State assistance for a total of \$181.7 million. The City would have been unable to construct specific public improvements and operate grant programs without the support of these funds.

AWARDS

OMB received the Annual Distinguished Budget Award from the Government Finance Officers Association of the United States and Canada (GFOA). This award recognizes outstanding achievement in preparation of the 2019 Operating and Capital Budget for the 36th consecutive year.

OMB additionally received the Performance Measurement Certificate of Excellence Award for the 8th year in a row from the International City/County Management Association (ICMA). San Antonio is one of 27 jurisdictions receiving this highest level of recognition this year. According to the ICMA, "Jurisdictions meeting the qualifications have demonstrated leadership in continuous improvement and community engagement, and they serve as examples for other governments to follow."

The Building & Equipment Services Department has been recognized by Government Fleet Magazine as one of 2019's top 25 leading fleets. The Leading Fleets program recognizes high-performing public sector fleet organizations for their leadership, efficiency, ability to overcome challenges, and vision for the future.

The Finance Department received the Achievement of Excellence in Procurement (AEP) award for the 22nd consecutive year in recognition of organizational excellence in public procurement.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year-ended September 30, 2018. This was the 43rd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

INDEPENDENT AUDITS

State statutes and the City's Charter require that an annual audit by an independent certified public accountant be conducted. The City selected the accounting firm Grant Thornton LLP. In addition to meeting the requirements set forth in State statutes and the City's Charter, the audit was also designed to meet the requirements of the Uniform Guidance, the State of Texas Single Audit Circular, and the Federal Aviation Administration Passenger Facility Charge Audit Guide for Public Agencies.

The Report of Independent Certified Public Accountants on the basic financial statements, Management's Discussion and Analysis, required supplementary information, required disclosures and schedules are included in the Financial Section of this CAFR. The Federal Single Audit Report has been prepared in accordance with the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The State Single Audit Report has been prepared in accordance with the State of Texas Single Audit Circular. The Passenger Facility Charges Report has been prepared in accordance with the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

The reports are comprised of the Schedules of Expenditures of Federal and State Awards, respectively, the Schedule of Revenues and Expenditures of Passenger Facility Charges, Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Certified Public Accountants on Compliance for each Major Federal Program and on Internal Control Over Compliance as Required by the Uniform Guidance, Report of Independent Certified Public Accountants on Compliance for each Major State Program and on Internal Control Over Compliance as Required by the State of Texas Single Audit Circular, Report of Independent Certified Public Accountants on Compliance, Internal Control Over Compliance, and Schedule of Expenditures of Passenger Facility Charges Required by the *Passenger Facility Charge Audit Guide for Public Agencies*, the Schedule of Findings and Questioned Costs, Corrective Action Plans, and the Summary Status of Prior Year Findings for both the Federal and State Single Audits and the Passenger Facility Charges Report.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Controller's Office in the Finance Department. Much time and effort in preparation of this report lies in the Controller's Office, with support from OMB, Department Fiscal Administrators, other Finance Department personnel, and fiscal staff throughout the City. I would like to express my appreciation to all who assisted in this effort.

In closing, please accept my sincere gratitude to the Mayor and City Council, City Manager, Deputy City Manager, Assistant City Managers, and their staff for their continued support.

Respectfully submitted,

Ben Gorzell Jr., CPA Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Antonio Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2018

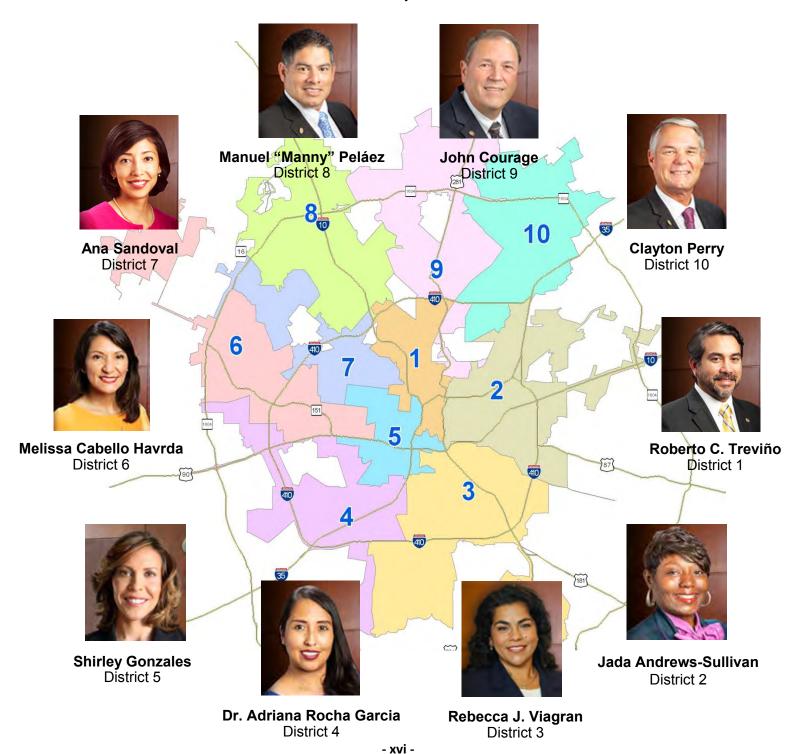
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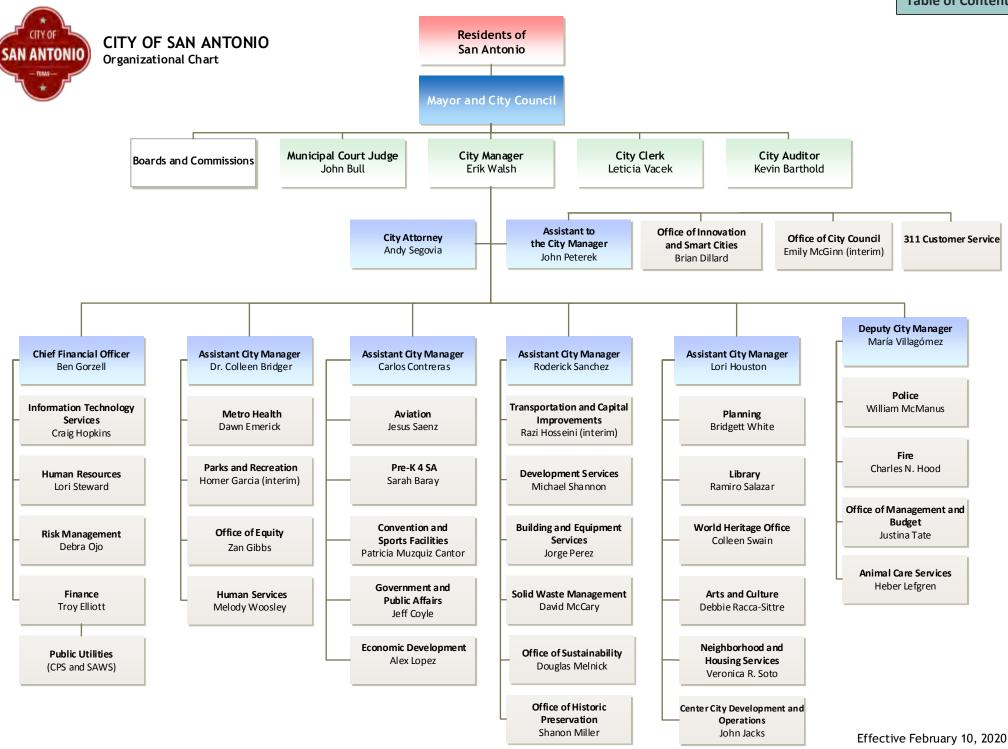
Executive Director/CEO

City of San Antonio Mayor and City Council



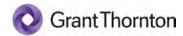
Ron Nirenberg Mayor





FINANCIAL SECTION

Report of Independent Certified Public Accountants



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

Report on the financial statements

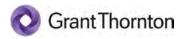
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, HemisFair Park Area Redevelopment Corporation, San Antonio Economic Development Corporation, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, and Visit San Antonio, blended and fiduciary component units, which represent 73%, 81% and 17%, respectively, of the assets, net position/fund balances and revenues/additions, of the aggregate remaining fund information. We also did not audit CPS Energy, San Antonio Water System, Brooks Development Authority, Port Authority of San Antonio dba Port San Antonio, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Foundation, Inc., San Antonio Housing Trust Public Facility Corporation, and San Antonio Tricentennial Celebration Commission, discretely presented component units, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units. We also did not audit the San Antonio Early Childhood Education Municipal Development Corporation (Pre-K 4 SA), a major fund and blended component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.



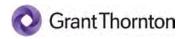
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Finance Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Public Facility Corporation, San Antonio Economic Development Corporation, and Visit San Antonio were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit report and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

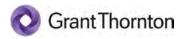


Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule -General Fund, Budgetary Comparison Schedule - Pre-K 4 SA, Schedules of Changes in the Net Pension Liability and Related Ratios, Schedules of Contributions - Pensions, Schedules of Changes in Total/Net OPEB (Asset) Liability and Related Ratios, and Schedules of Contributions - OPEB, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Financial Statements and Schedules, Supplementary Budget and Actual Schedules for Legally Adopted Funds, Schedule of Capital Assets by Source, Schedule of Capital Assets by Function and Activity, and Schedule of Changes in Capital Assets by Function and Activity, Schedule of Expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Schedule of Expenditures of State Awards, as required by the State of Texas Single Audit Circular, and the Schedule of Revenues and Expenditures of Passenger Facility Charges, as required by the Passenger Facility Charge Audit Guide for Public Agencies are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other information

The introductory and statistical sections are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by Government Auditing Standards

Grant Thornton LLP

In accordance with *Government Auditing Standards*, we have also issued our report, dated February 20, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Houston, Texas February 20, 2020

Management's Discussion and Analysis

(Required Supplementary Information)
(Unaudited)

Management's Discussion and Analysis (Unaudited)

The City of San Antonio (City) presents the following discussion and analysis of the City's financial performance during the fiscal year-ended September 30, 2019. This discussion and analysis is intended to assist readers in focusing on significant financial issues and changes in the City's financial position, and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$2,330,727 which is an increase of \$78,454 from prior year's net position. A deficit ending balance of \$1,173,581 in unrestricted net position is primarily due to the City's \$1,903,508 net pension and OPEB liability less related net unamortized deferred inflows and outflows of resources.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,486,613, an increase of \$192,745 compared to the fiscal year 2018 fund balance. Of this amount, \$18,814 is nonspendable, \$978,714 is restricted in use, \$244,177 is committed, \$4,246 is assigned and \$240,662 is unassigned.
- The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. At the end of the current fiscal year, unassigned fund balance for the General Fund was \$247,125 which is 21.6% of the total General Fund expenditures. The unassigned fund balance includes \$122,924 in financial reserves. City Council approved financial policies which require the City to maintain a 10.0% budgeted financial reserve. In addition, at the end of fiscal year 2019, \$101,796, or 8.2% of budgeted revenues, was reserved for a two-year balanced budget. The General Fund available ending balance is \$15,018 better than anticipated when compared to re-estimated fiscal year 2019 budget.

Overview of the Financial Statements

This discussion and analysis is intended to serve as the introduction to the City's basic financial statements, which have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business financial presentation.

The *statement of net position* reports the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources as net position. Over time, increases or decreases in net position may help determine whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of the cash flows. Therefore, revenues and expenses reported in this statement for some items will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused annual leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended

to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, sanitation, health services, culture and recreation, convention and tourism, urban redevelopment and housing, welfare, education, economic development and opportunity, and environmental. The business-type activities of the City include the Airport System, Development Services, Market Square, Parking System, and Solid Waste Management.

In addition, the basic financial statements provide information regarding the City's legally separate discretely presented component units. Discretely presented component unit financial information is reported separately from the primary government in the government-wide financial statements.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. The focus of the fund financial statements is on the City's major funds, although nonmajor funds are also presented in aggregate and further detailed in the supplementary statements. The City uses fund accounting to ensure and demonstrate compliance with requirements placed on resources. Funds are divided into three categories: governmental, proprietary, and fiduciary. Fund financial statements allow the City to present information regarding fiduciary funds, since they are not reported in the government-wide financial statements.

Governmental Funds – Governmental funds are used for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide statement, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

As the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental fund types for financial reporting purposes. The governmental fund types are General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Permanent Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service, San Antonio Early Childhood Education Municipal Development Corporation (Pre-K 4 SA), Convention Center Hotel Finance Corporation (CCHFC), and 2017 General Obligation Bonds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation labeled Nonmajor Governmental Funds. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The City maintains two types of proprietary funds. *Enterprise Funds* are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Airport System, Development Services, Market Square, Parking System, and Solid Waste Management. *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions, including, self-insurance programs, information services, other internal services, and capital management services. The services provided by these funds predominantly support the governmental rather than the business-type functions. They have been included within the governmental activities in the government-wide financial statements and are reported alongside the enterprise funds in the fund financial statements. Information is presented separately in the proprietary funds' statement of net position and in the proprietary funds' statement of

revenues, expenses, and changes in fund net position for the Airport System and Solid Waste Management, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation labeled "Nonmajor Enterprise Funds". Individual fund data for each nonmajor enterprise fund and each internal service fund is provided in the form of respective combining statements elsewhere in this report. The Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's programs and operations. With the exception of agency funds, the accounting for fiduciary funds is much like that used for the proprietary funds.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and the accompanying notes, this report also presents the required supplementary information of (a) the City's General Fund and Pre-K 4 SA's budgetary comparison schedules that demonstrate compliance with their budget, and (b) pension and postemployment schedules. The budgets for the Debt Service Fund, various Special Revenue Funds, and a Permanent Fund, which are legally adopted on an annual basis, are also included in the CAFR as supplementary schedules within the Combining Financial Statements and Schedules. Additionally, this document presents the Financial Reporting and Compliance Report on Federal and State Grants, or Single Audit report, and the Airport Passenger Facility Charges.

Government-Wide Financial Statement Analysis

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year-ended September 30, 2019.

Net Position Year-Ended September 30, 2019 (With Comparative Totals for September 30, 2018)												
		Governmental Business-Type Total Activities Activities Primary Gove										
					Primary Go							
	2019	2018*	2019	2018*	2019	2018*						
Current and Other Assets	\$ 2,142,049	\$ 1,934,672	\$ 287,675	\$ 266,736	\$ 2,429,724	\$ 2,201,408						
Capital Assets	5,064,773	4,930,288	811,833	819,766	5,876,606	5,750,054						
Total Assets	7,206,822	6,864,960	1,099,508	1,086,502	8,306,330	7,951,462						
Total Deferred Outflows of Resources	597,677	221,802	40,425	11,916	638,102	233,718						
Current and Other Liabilities	565,308	591,379	62,359	67,948	627,667	659,327						
Long-term Liabilities	5,124,314	4,326,801	693,175	659,243	5,817,489	4,986,044						
Total Liabilities	5,689,622	4,918,180	755,534	727,191	6,445,156	5,645,371						
Total Deferred Inflows of Resources	160,039	272,264	8,510	15,272	168,549	287,536						
Net Position:												
Net Investment in Capital Assets	2,957,496	2,852,015	331,455	338,367	3,288,951	3,190,382						
Restricted	45,376	52,819	169,981	136,568	215,357	189,387						
Unrestricted (Deficit)	(1,048,034)	(1,008,516)	(125,547)	(118,980)	(1,173,581)	(1,127,496)						
Total Net Position	\$ 1,954,838	\$ 1,896,318	\$ 375,889	\$ 355,955	\$ 2,330,727	\$ 2,252,273						

^{*}Amounts have been restated – see Note 19 Prior Period Restatement for more information.

For the year-ended September 30, 2019, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,330,727. Investment in capital assets representing the largest portion of the City's net position, \$3,288,951, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets. Capital assets

are used to provide services to the citizens of San Antonio and are not available for further spending. Although the City's investment in capital assets is reported net of related debt and any related deferred outflows of resources, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate liabilities. The restricted portion of the total net position totaling \$215,357 represents resources that are subject to external restrictions on how they may be used.

The following schedule provides a detail of the changes to the City's net position:

(With	•	in Net Position September 30, 2 tals for Septem	2019			
		mental vities		ess-Type vities		Primary rnment
	2019	2018*	2019	2018*	2019	2018*
Revenues: Program Revenues:						
Charges for Services	\$ 234,562	\$ 238,872	\$ 285,247	\$ 261,919	\$ 519,809	\$ 500,791
Operating Grants and Contributions	184,117	186,005			184,117	186,005
Capital Grants and Contributions	61,254	49,653	47,296	54,198	108,550	103,851
General Revenues:						
Property Taxes	617,045	577,870			617,045	577,870
Other Taxes	544,577	515,493			544,577	515,493
Revenues from Utilities	377,652	389,319			377,652	389,319
Investment Earnings	39,682	19,031	6,605	3,808	46,287	22,839
Miscellaneous	116,883	96,643	5,663	4,568	122,546	101,211
Total Revenues	2,175,772	2,072,886	344,811	324,493	2,520,583	2,397,379
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	137,479	134,370			137,479	134,370
Public Safety	846,878	721,695			846,878	721,695
Public Works	327,811	349,150			327,811	349,150
Sanitation	7,507	5,748			7,507	5,748
Health Services	75,978	80,505			75,978	80,505
Culture and Recreation	208,092	214,302			208,092	214,302
Convention and Tourism	82,251	60,426			82,251	60,426
Urban Redevelopment and Housing	56,855	38,521			56,855	38,521
Welfare	164,042	157,828			164,042	157,828
Education	83,331	74,314			83,331	74,314
Economic Development and Opportunity	34,137	27,463			34,137	27,463
Environmental	930	209			930	209
Bond Issuance Costs	3,008	1,832			3,008	1,832
Interest on Long-Term Debt	91,909	91,718			91,909	91,718
Business-Type Activities:						
Airport System			147,216	134,352	147,216	134,352
Development Services			38,184	30,490	38,184	30,490
Market Square			2,535	2,488	2,535	2,488
Parking System			10,051	12,321	10,051	12,321
Solid Waste Management Total Expenses	2 120 200	1,958,081	123,390	<u>113,513</u> 293,164	123,390	113,513
Change in Net Position	2,120,208	1,558,051	321,376	293,104	2,441,584	2,251,245
Before Transfers	55,564	114,805	23,435	31,329	78,999	146,134
Transfers	2,956	35,554	(3,501)	(36,401)	(545)	(847)
Net Change in Net Position	58,520	150,359	19,934	(5,072)	78,454	145,287
Beginning, Net Position (Previously Reported)	1,896,318	1,746,490	355,955	361,075	2,252,273	2,107,565
, , , , ,	1,030,310		333,333		2,232,213	
Adoption of GASB 83 and Other Restatement		(531)		(48)		(579)
Beginning Net Position, Restated	1,896,318	1,745,959	355,955	361,027	2,252,273	2,106,986
Ending, Net Position	\$ 1,954,838	\$ 1,896,318	\$ 375,889	\$ 355,955	\$ 2,330,727	\$ 2,252,273

^{*}Amounts have been restated – see Note 19 Prior Period Restatement for more information.

The City's total revenues were \$2,520,583 for fiscal year-ended September 30, 2019. Revenues from Governmental Activities totaled \$2,175,772 (86.3%) and revenues from Business-Type Activities totaled \$344,811 (13.7%). Expenses for the City totaled \$2,441,584. Of total expenses, Governmental Activity expenses totaled \$2,120,208 (86.8%) and Business-Type Activity expenses totaled \$321,376 (13.2%).

Governmental Activities

Program revenues for the City's Governmental Activities totaled \$479,933, which is \$5,403 less than the previous fiscal year's balance of \$474,530. General revenues for the City's Governmental Activities totaled \$1,695,839 compared to \$1,598,356 in the prior year. Expenses for Governmental Activities were \$2,120,208 compared to prior year's expenses of \$1,958,081.

The City's net position in governmental activities increased by \$58,520. The following analysis highlights changes of \$10,000 or more in either direction:

- Property Tax Revenues increased by \$39,175 due to new improvements and higher property valuation. The City's property tax rate remained at 55.827 cents per \$100 of valuation in fiscal year 2019.
- Other Taxes Revenues increased by \$29,084. This is due primarily to the General Sales and Use Taxes increase of \$19,502, attributed to growth in business spending and significant increases from retail trade, wholesale trade, and manufacturing sales year over year. The City saw a 5.2% increase in sales tax over fiscal year 2018. Occupancy Tax revenues increased by \$9,085 attributed to the implementation of the City's Short Term Rental ordinance and an increase in room demand. Additionally, the City created the San Antonio Tourism Public Improvement District, which collects a 1.25% fee per night hotel stay, resulting in \$7,169 additional revenue in fiscal year 2019. This funding is used by Visit San Antonio for funding the sales, marketing, and promotion of San Antonio to convention, group, business, and leisure visitors.
- Revenues from Utilities decreased by \$11,667. CPS Energy revenues decreased by \$12,348 due to lower
 energy prices and a 1.46% decrease in electric sales caused by more temperate than normal weather.
 Additionally, revenue from SAWS increased by \$681 due to the 4.7% rate increase that became effective
 January 1, 2019.
- Investment Earnings reflected an increase of \$20,651 due to a higher cash balance in fiscal year 2019 and an average portfolio rate of 2.5% in fiscal year 2019 versus 1.8% in fiscal year 2018.
- Miscellaneous Revenues increased by \$20,240 due to the internal service fund rebate from the Workers' Compensation, Insurance Reserve, and Employee Health Benefits funds.
- The increase of \$32,598 in Transfers, Net is due primarily to increased spending on the City's Street Maintenance Projects.
- The increase of \$125,183 in Public Safety expenses is primarily due to increased personnel expenses, higher number of health insurance and workers' compensation claims, and the increase in net pension and OPEB liabilities.
- The decrease of \$21,339 in Public Works expenses is primarily due to the completion of the Northwest and Southeast Service Center projects in 2018. Public Works shares these facilities with Solid Waste Management.
- The increase of \$21,825 in Convention and Tourism is due to the San Antonio Tourism Public Improvement District funding provided to Visit San Antonio and increases in the net pension and OPEB liabilities.
- The increase of \$18,334 in Urban Redevelopment and Housing expenses is primarily due to new homebuyers
 and home rehabilitation programs, an increase in grant funding used for large multi-family projects, and the
 increase in net pension and OPEB liabilities.

Business-Type Activities

Program revenues for the City's Business-Type Activities totaled \$332,543, which is \$16,426 higher than the previous fiscal year's balance of \$316,117. Expenses for Business-Type Activities were \$321,376 compared to prior year's expenses of \$293,164.

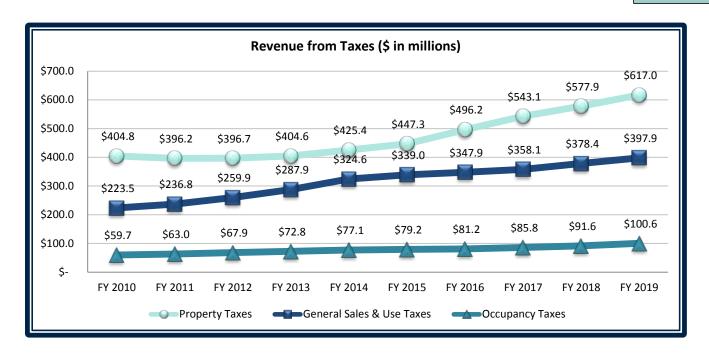
Business-Type Activities increased the City's net position by \$19,934 primarily because of the following:

- Charges for Services for business-type activities increased by \$23,328, primarily driven by the Solid Waste Management increase of \$15,902. Increased revenue from the processing, recycling, environmental, and out-of-cycle service fees is attributed to a 1.0% customer base growth in utilization of trash bins and a 3.7% growth for recycling. Development Services revenues increased by \$3,747 due to increased commercial and residential permit counts and higher average project valuations. Airport System revenues increased by \$3,322 due to 6.5% more passenger enplanements and 6.0% more passenger deplanements, resulting in higher parking revenues.
- The increase of \$12,864 in Airport System expenses is attributed to increased salaries and related expenses and increased depreciation expense, primarily related to the CONRAC facility.
- The increase of \$9,877 in Solid Waste System expenses is attributed to an increase in net OPEB liabilities.
- The increase of \$7,694 in Development Services expenses is attributed to an increase in net OPEB liabilities and increased expenses for the Accela project.
- The decrease of \$32,900 in Transfers, Net is due to high expenses from Solid Waste Management in fiscal year 2018 to fund their share of the design, land acquisition, and construction of service centers for the Northwest Service Center and Southeast Service Center.

Financial Analysis of Governmental Funds

Activities of the Primary Government's General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds are considered general government functions. The General Fund is the City's primary operating fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Debt Service Fund is used to account for financial activity related to the City's general bonded indebtedness, as well as other long-term obligations. The Capital Projects Funds are used to account for financial activity related to the City indebtedness for Capital Projects, other agency contributions, and the operating activities of those projects.

Revenues from taxes increased by \$68,259, which is primarily attributable to: (1) a \$39,175 increase in property tax revenues, (2) a \$19,502 increase in general sales and use tax revenues, and (3) a \$9,085 increase in occupancy taxes. The increase in property taxes is due to higher property valuations and new improvements increasing the levy. The increase in general sales and use taxes is a result of a continued consumer confidence in the San Antonio area and increased activity associated with tourism and convention. The increase in occupancy taxes is due to the new San Antonio Tourism Public Improvement District, the City's new Short Term Rental ordinance, and an increase in room demand.



The total fund balance of the General Fund at year-end was \$365,042, an increase of \$14,902 from the total fund balance of \$350,140 in fiscal year 2018. The fund balance is categorized as follows; \$7,084 in nonspendable, \$2,392 in restricted, \$108,420 in committed, \$21 in assigned, and \$247,125 in unassigned fund balances. The unassigned fund balance includes \$122,924 in budgeted financial reserves held by the City, as well as amounts available for additional appropriations at the end of the fiscal year inclusive of a \$101,796 reserve for Two-Year Budget Plan. The \$14,902 increase in fund balance is the result of higher revenue collections of property taxes and general and sales use tax.

The total fund balance of the Debt Service Fund at year-end was \$32,466, a decrease of \$5,680 from the total fund balance of \$38,146 in fiscal year 2018. The entire fund balance is restricted for payment of debt service. The decrease in fund balance is attributed to an increase in principal and interest payments.

Pre-K 4 SA, a blended component unit, had an ending fund balance of \$7,126, a decrease of \$1,614 from ending fund balance of \$8,740 in fiscal year 2018. Pre-K 4 SA's fund balance is restricted for education. The decrease in fund balance is attributed to increased facility costs, and other inflationary costs.

Convention Center Hotel Finance Corporation had an ending fund balance of \$6,439 for fiscal year 2019, an increase of \$168 from the total fund balance of \$6,271 in fiscal year 2018. The fund balance is restricted for debt service expenditures related to the Grand Hyatt San Antonio.

The total fund balance of the 2017 General Obligation Bonds at year-end was \$384,662, an increase of \$158,646 from the total fund balance of \$226,016 in fiscal year 2018. The increase is from the third year of sales of obligation bonds issued to support capital expenditures associated with the \$850,000 bond program approved by voters in fiscal year 2017.

General Fund Budgetary Highlights

	Va	(Budg	getar	y Basis)	Variances in Budget Appropriations (Budgetary Basis) General Fund Original Final Actual Variances													
		Original		Final		Actual	Variances											
		Budget		Budget		Results		Budget	Fina	l to Actual								
Resources (Inflows):																		
Taxes	\$	694,719	\$	701,354	\$	708,138	\$	6,635	\$	6,784								
Licenses and Permits		9,123		9,415		7,351		292		(2,064)								
Intergovernmental		5,031		5,624		6,376		593		752								
Revenues from Utilities		381,311		373,692		377,652		(7,619)		3,960								
Charges for Services		69,135		69,426		68,062		291		(1,364)								
Fines and Forfeits		11,729		11,267		9,911		(462)		(1,356)								
Miscellaneous		11,099		11,536		31,103		437		19,567								
Investment Earnings		6,019		8,506		9,365		2,487		859								
Contributions						44				44								
Transfers from Other Funds		22,238		22,238		22,754				516								
Total	\$	1,210,404	\$	1,213,058	\$	1,240,756	\$	2,654	\$	27,698								
a																		
Charges to Appropriations (Outflows):							_		_									
General Government	\$	85,338	\$	93,545	\$	91,761	\$	8,207	\$	1,784								
Public Safety		768,414		771,980		771,469		3,566		511								
Public Works		70,945		76,456		75,235		5,511		1,221								
Health Services		29,277		30,015		29,978		738		37								
Welfare		38,072		39,950		38,951		1,878		999								
Culture and Recreation		121,907		129,919		129,548		8,012		371								
Economic Development and Opportunity		9,965		24,281		24,626		14,316		(345)								
Urban Redevelopment and Housing		27,655		27,923		27,848		268		75								
Debt Service:																		
Principal Retirement		3,240		3,240		3,240												
Interest		115		115		115												
Transfers to Other Funds		81,678	_	140,493	_	138,002	_	58,815		2,491								
Total	\$	1,236,606	\$	1,337,917	\$	1,330,773	\$	101,311	\$	7,144								

Changes in original revenue appropriations to the final amended budget resulted in a net increase of \$2,654. This increase can be summarized by the following:

- Increase in Taxes is primarily composed of a \$4,423 increase in Sales Tax due to higher than anticipated revenues due to an increase in the collections received from manufacturing, telecom, wholesale trade, and lodging and food services. Additionally, a \$2,786 increase in Business and Franchise Tax for cable receipts resulted from increased cable subscribers.
- Revenues from utilities decreased due to lower than anticipated CPS revenues during the first half of the fiscal year resulting from mild weather and lower fuel rates.
- Budgeted interest rates increased from the original budget of 2.5% to the final budget of 2.6%.

Final budgeted revenue appropriations for the General Fund were \$1,213,058 while actual revenues on a budgetary basis were \$1,240,756, creating a favorable variance of \$27,698. Variance explanations are listed below:

- Sales tax revenues are higher than the final budgeted amount due to an increase in the collections received from manufacturing, telecom, wholesale trade, and lodging and food services.
- Revenues from utilities are higher than the final budgeted amount as a result of increased off-system sales caused by record high temperatures and state-wide energy usage in August.

 Miscellaneous revenues are higher than the final budget amount due to the internal service fund rebate from the Workers' Compensation, Insurance Reserve, and Employee Health Benefits funds.

Changes in original expenditure budget appropriations to the final amended budget appropriations resulted in a net \$101,311 increase in appropriations. This increase can be summarized by the following:

- General Government increased by \$8,207 to capture prior year carryforwards for unspent fund balance and funding to be used for special projects, such as SA2020.
- Public Safety increased by \$3,566 to capture prior year carryforwards for various Law Enforcement and Fire Protection encumbrances.
- Public Works increased by \$5,511 to capture prior year carryforwards primarily for the NAMP projects.
- Culture and Recreation increased by \$8,012 to capture prior year carryforwards of \$6,048 for the Inner City Incentive program, and the remainder for other park contracts.
- Economic Development and Opportunity increased by \$14,316 to capture prior year carryforwards for multiyear incentive agreements with numerous entities.
- Transfers increased by \$58,815 to capture prior year carryforwards and closing ordinance adjustments primarily for the 2017 and 2018 Street Maintenance projects.

Final budgeted expenditure appropriations for the General Fund were \$1,337,917 while actual expenditures on a budgetary basis were \$1,330,773, creating a favorable variance of \$7,144. Variance explanations are listed below:

- General Government recognized savings of \$1,784 primarily due to vacancy savings in personal services in the amount of \$959, contractual savings of \$377 due to lower than anticipated usage, motor fuel savings of \$267, and \$250 of expenses for Unified Development Code updates expensed to other funds.
- Transfers to Other Funds recognized savings of \$2,491 due primarily to the delay in the purchase of the Fire Department wellness building.
- Welfare recognized savings of \$999 due primarily to lower than anticipated outside agency spending.
- Public Works recognized savings of \$1,221 attributed to lower than anticipated spending on traffic calming devices.
- Economic Development and Opportunity reflected an overage of \$345 due to Council approved future commitments of the fund's entire available fund balance. There is sufficient fund balance to cover the excess

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019 amounts to \$5,876,606 (net of accumulated depreciation). This investment in capital assets includes land, other non-depreciable assets, construction in progress, non-depreciable intangible assets, depreciable intangible assets, buildings, improvements, infrastructure, and machinery and equipment. The net increase in the City's investment in capital assets for the current fiscal year was \$126,552, which is comprised of an increase of \$134,485 in governmental activities and a decrease of \$7,933 in business-type activities.

Capital Assets Year-Ended September 30, 2019 (With Comparative Totals for September 30, 2018)												
	Governmental Business-Type Total Activities Activities Primary Government											
		2019		2018		2019 2018				2019		2018
Land	\$	1,418,662	\$	1,427,003	\$	15,796	\$	15,796	\$	1,434,458	\$	1,442,799
Other Non-Depreciable Assets				347								347
Construction in Progress		271,543		251,310		23,267		27,214		294,810		278,524
Non-Depreciable Intangible Assets		206,062		176,579						206,062		176,579
Depreciable Intangible Assets		252		334		252		323		504		657
Buildings		906,324		902,486		397,223		396,368		1,303,547		1,298,854
Improvements		624,509		660,332		343,965		354,640		968,474		1,014,972
Infrastructure		1,391,372		1,278,573						1,391,372		1,278,573
Machinery and Equipment		246,049		233,324		31,330		25,425		277,379		258,749
Total	\$	5,064,773	\$	4,930,288	\$	811,833	\$	819,766	\$	5,876,606	\$	5,750,054

During fiscal year 2019, the City transferred \$297,831 of construction in progress to depreciable asset classes for completed capital projects, mainly comprised of city-wide streets and drainage projects, parks improvements, and municipal facilities, and \$862 transferred to non-depreciable asset classes, which consisted of value added for Land and Easements purchased with the Edward's Aquifer Land Acquisitions Project.

The following schedule provides a summary of the City's capital assets:

Change in Capital Assets Year-Ended September 30, 2019													
	Governmental Business-Type Activities Activities Total												
Beginning Balance Additions	\$		\$	819,766	\$	5,750,054							
Deletions		381,997 (51,087)		41,851 (7,935)		423,848 (59,022)							
Accumulated Depreciation		(196,425)		(41,849)		(238,274)							
Total	\$	5,064,773	\$	811,833	\$	5,876,606							

Debt Administration

Long-Term Debt

At the end of the current fiscal year, the City had a total of \$3,290,131 in bonds, certificates, and notes outstanding. Additional information on the City's long-term debt, including descriptions of the new issues, can be found in Note 7 Long-Term Debt.

	Outstanding Debt Year-Ended September 30, 2019 (With Comparative Totals for September 30, 2018)												
	Governmental Business-Type Total Activities Activities Primary Government												
		2019		2018	2019			2018		2019		2018	
Bonds Payable:	-												
Tax-Exempt General Obligation Bonds	\$	1,408,385	\$	1,112,315	\$	1,950	\$	2,135	\$	1,410,335	\$	1,114,450	
Taxable General Obligation Bonds		4,135		191,550		6,870		8,015		11,005		199,565	
Tax-Exempt Certificates of Obligation		372,640		359,540		38,725		33,620		411,365		393,160	
Taxable Certificates of Obligation		68,560		71,325						68,560		71,325	
Tax Notes		57,135		53,020						57,135		53,020	
Revenue Bonds		814,164		827,924		418,560		434,225		1,232,724		1,262,149	
Bonds from Direct Placements		50,765		54,210		36,000		36,000		86,765		90,210	
Capital Appreciation Bonds (CAB)		12,242		10,191						12,242		10,191	
Total	\$	2,788,026	\$	2,680,075	\$	502,105	\$	513,995	\$	3,290,131	\$	3,194,070	

Governmental Activities

On January 22, 2019, the City issued \$24,570 in General Improvement Refunding Bonds, Series 2019. The refunded governmental activities amount was used to fund an escrow account for the redemption, discharge and defeasance of the refunded obligations.

On August 29, 2019, the City issued \$383,940 in General Improvement and Refunding Bonds, Series 2019, \$36,425 in Combination Tax and Revenue Certificates of Obligation, Series 2019, and \$34,535 in Tax Notes, Series 2019.

The General Improvement and Refunding Bonds, Series 2019 refunded portion of \$168,825 were used to fund an escrow account for the redemption, discharge, and defeasance of the refunded obligations. The remaining proceeds of \$215,115 were issued mainly to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks, recreation, and open spaces; library museum and cultural facilities; public safety facilities; and neighborhood initiatives.

The Combination Tax and Revenue Certificates of Obligation, Series 2019 allocated \$6,190 from proceeds to Development Services Fund and the remaining \$30,235 were issued to finance improvements to the public safety radios and system replacement and street maintenance.

The Tax Note, Series 2019 were issued to finance improvements to information technology systems, municipal facilities, and street maintenance.

Business-Type Activities

On August 29, 2019, \$6,190 of the \$36,425 in Combination Tax and Revenue Certificates of Obligation, Series 2019 was allocated to Development Services for improvements to the City's Enterprise Land Management System.

Standard & Poor's, Moody's, and Fitch's underlying ratings for City obligations during fiscal year 2019 were as follows:

Bond Ratir Year-Ended Septem	_		
	Standard & Poor's	Moody's	Fitch
General Obligation/Certificates of Obligation/Tax Notes Airport System	AAA A+	Aaa A1	AA+ A+
Airport PFC	A	A2	A
Airport CFC Municipal Drainage Utility System Revenue Bonds	A AA+	A3 Aa2	BBB+ AA

The Constitution of the State of Texas and the City Charter limit the amount of debt the City may incur. For more information related to these limits see Note 7 Long-Term Debt.

Currently Known Facts

For more information on other currently known facts, please see Note 20 Subsequent Events.

Requests for Information

This financial report is designed to provide a general overview of the City's position for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, P.O. Box 839966, San Antonio, TX 78283-3966 or via email at http://www.sanantonio.gov/Finance/about/contactandfeedback.

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Basic Financial Statements

Statement of Net Position As of September 30, 2019

(In Thousands)

	P	RIMARY GOVERNMEI	NT	
	GOVERNMENTAL	BUSINESS-TYPE		COMPONENT
	ACTIVITIES	ACTIVITIES	TOTAL	UNITS
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 69,720	\$ 7,564	\$ 77,284	\$ 429,848
Investments	571,604	79,666	651,270	566,247
Receivables, Net	155,678	14,547	170,225	336,259
Materials and Supplies, at Cost	9,802	1,056	10,858	160,764
Internal Balances	2,231	(4,413)	(2,182)	
Due From Other Governmental Agencies, Net	2,910	70	2,980	999
Deposits	230		230	
Prepaid Expenses	1,109	286	1,395	88,251
Other Assets				1,487
Restricted Assets:				244 222
Cash and Cash Equivalents	208,571	68,810	277,381	341,388
Investments	820,538	115,968	936,506	1,575,059
Receivables, Net	89,872	3,775	93,647	6,574
Materials and Supplies, at Cost	4,855		4,855	60 147
Deferred Charges Prepaid Expenses	689	278	967	60,147
Due From Other Governmental Agencies, Net	22,525	68	22,593	
Total Current Assets	1,960,334	287,675	2,248,009	3,567,023
Noncurrent Assets:	1,300,334	207,073	2,240,003	3,307,023
Capital Assets:				
Non Depreciable	1,896,267	39,063	1,935,330	1,800,804
Depreciable, Net	3,168,506	772,770	3,941,276	12,064,499
Investments	310	•	310	, ,
Receivables, Net	181,405		181,405	3,592
Prepaid Expenses				162,638
Pension Regulatory Asset				239,806
Other Noncurrent Assets				299,927
Total Noncurrent Assets	5,246,488	811,833	6,058,321	14,571,266
Total Assets	7,206,822	1,099,508	8,306,330	18,138,289
Total Deferred Outflows of Resources	597,677	40,425	638,102	818,347
Liabilities:				
Current Liabilities:				
Accounts Payable and Current Liabilities	89,751	18,342	108,093	477,800
Accrued Interest	41	21	62	.,,,,,,,
Unearned Revenue	3,483	1,497	4,980	2,646
Current Portion of Long-Term Obligations	111,815	8,278	120,093	70,514
Due To Other Governmental Agencies	78	3	81	•
Liabilities Payable From Restricted Assets:				
Accounts Payable and Current Liabilities	97,226	6,657	103,883	42,176
Accrued Interest on Bonds and Certificates	17,642	5,943	23,585	23,697
Unearned Revenue	45,122		45,122	
Due To Other Governmental Agencies	91		91	
Current Portion of Long-Term Obligations	200,059	21,618	221,677	303,169
Total Current Liabilities	565,308	62,359	627,667	920,002
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Obligations	5,124,314	693,175	5,817,489	10,984,002
Total Noncurrent Liabilities	5,124,314	693,175	5,817,489	10,984,002
Total Deferred Inflows of Resources	5,689,622	755,534	6,445,156	11,904,004
Total Deferred Inflows of Resources	160,039	8,510	168,549	197,205
Net Position:				. =
Net Investment in Capital Assets	2,957,496	331,455	3,288,951	4,710,396
Restricted for:		22.552	50.400	400 =00
Debt Service	26,463	33,669	60,132	130,709
Capital Projects	255	136,312	136,567	976,179
Operating and Other Reserves	1,066		1,066	59,332
Perpetual Care:	43.53		42.524	
Expendable Nanaynandable	12,524		12,524	
Nonexpendable Uprestricted (Deficit)	5,068	/12E E/17\	5,068 (1 173 581)	978,811
Unrestricted (Deficit) Total Net Position	\$ 1,954,838	\$ 375,889	(1,173,581) \$ 2,330,727	
TOTAL NET FUSITION	3 1,334,63δ	\$ 375,889	۷,۵۵۷,۱۷۱ ب	\$ 6,855,427

Statement of Activities Year-Ended September 30, 2019

(In Thousands)

NET (EXPENSE) REVENUE AND

,			PROGRAM REVENUE			ANGES IN NET POSIT		
			OPERATING	CAPITAL		RIMARY GOVERNME	NT	
		CHARGES FOR	GRANTS AND	GRANTS AND	GOVERNMENTAL	BUSINESS-TYPE		COMPONENT
FUNCTION/PROGRAM ACTIVITIES	EXPENSES	SERVICES	CONTRIBUTIONS	CONTRIBUTIONS	ACTIVITIES	ACTIVITIES	TOTAL	UNITS
Primary Government:								
Governmental Activities:	4 407 470	4 22 727		4 40.000	4 (404.054)		d (404.054)	
General Government	\$ 137,479	\$ 22,787	\$ 2,751	\$ 10,080	\$ (101,861)	\$ -	\$ (101,861)	
Public Safety Public Works	846,878 327,811	50,399 64,578	14,199	27,410	(782,280) (235,823)		(782,280) (235,823)	
Sanitation	7,507	7,176	539	27,410	208		208	
Health Services	75,978	16,121	19,965		(39,892)		(39,892)	
Culture and Recreation	208,092	71,081	4,010	14,771	(118,230)		(118,230)	
Convention and Tourism	82,251		68	8,993	(73,190)		(73,190)	
Urban Redevelopment and Housing	56,855	1,096	20,466		(35,293)		(35,293)	
Welfare	164,042		116,250		(47,792)		(47,792)	
Education	83,331	747	5,762		(76,822)		(76,822)	
Economic Development and Opportunity Environmental	34,137 930	577	107		(34,137) (246)		(34,137) (246)	
Bond Issuance Costs	3,008	3//	107		(3,008)		(3,008)	
Interest on Long-Term Debt	91,909				(91,909)		(91,909)	
Total Governmental Activities	2,120,208	234,562	184,117	61,254	(1,640,275)		(1,640,275)	
Business-Type Activities:			' <u> </u>					
Airport System	147,216	104,298		47,296		4,378	4,378	
Development Services	38,184	35,092				(3,092)	(3,092)	
Market Square	2,535	2,891				356	356	
Parking System	10,051	9,754				(297)	(297)	
Solid Waste Management Total Business-Type Activities	<u>123,390</u> 321,376	133,212 285,247		47,296		9,822 11,167	<u>9,822</u> 11,167	
Total Primary Government	\$ 2,441,584	\$ 519,809	\$ 184,117	\$ 108,550	(1,640,275)	11,167	(1,629,108)	
·	y 2,441,304	y 313,003	y 104,117	y 100,550	(1,040,273)	11,107	(1,023,100)	
Discretely Presented Component Units: CPS Energy	\$ 2,608,031	\$ 2,744,159	\$ -	\$ 54,936				\$ 191,064
SAWS	589,613	691,046		145,990				247,423
Brooks	37,086	21,822	222	1,392				(13,650)
Port Authority of San Antonio	37,382	39,119		7,347				9,084
SABC Soccer Public Facility Corporation	1,176	244						(932)
SA Energy Acquisition Public Facility Corporation	49,696	46,979						(2,717)
San Antonio Housing Trust Finance Corp.	244	979						735
San Antonio Housing Trust Foundation, Inc.	861	1,561						700 1,569
San Antonio Housing Trust Public Facility Corp. SA Tricentennial Celebration Commission	2,260 2,849	3,829 8	928					(1,913)
Total Component Units	\$ 3,329,198	\$ 3,549,746	\$ 1,150	\$ 209,665				431,363
·								
		General Revenues:						
		Taxes:			C17.04F		C17.04F	
		Property General Sales and	Heo		617,045 397,869		617,045 397,869	
		Selective Sales and			9,928		9,928	
		Gross Receipts Bu			32,109		32,109	
		Occupancy			100,648		100,648	
			rest on Delinquent Taxe	es	4,023		4,023	
		Revenues from Utilit			377,652		377,652	
		Investment Earnings			39,682	6,605	46,287	45,379
		Miscellaneous Special Items			116,883	5,663	122,546	6,946 (182,723)
		Adjustment for STP Pe	nsion Cost					(8,145)
		Transfers, net			2,956	(3,501)	(545)	(0,143)
		Total General Revenue	es and Transfers		1,698,795	8,767	1,707,562	(138,543)
		Change in Net Position	1		58,520	19,934	78,454	292,820
		Net Position - Beginnin	g of Fiscal Year (restate	d)	1,896,318	355,955	2,252,273	6,562,607
		Net Position - End of F	scal Year		\$ 1,954,838	\$ 375,889	\$ 2,330,727	\$ 6,855,427

Balance Sheet Governmental Funds

As of September 30, 2019

(In Thousands)

,				MAJ	OR FUNDS								
	G	ENERAL	DEBT SERVICE	PRI	E-K 4 SA	C HOTE	IVENTION ENTER EL FINANCE CORP.	ОВ	7 GENERAL SLIGATION BONDS	GOVE	NMAJOR RNMENTAL UNDS	GOV	TOTAL ERNMENTAL FUNDS
Assets: Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures Due From Other Funds Due From Other Governmental Agencies, Net Restricted Assets:	\$	29,323 293,856 150,013 6,866 218 15,563 1,648	\$ -	\$	-	\$	-	\$	-	\$	21,498 103,432 4,453 272 846 346	\$	50,821 397,288 154,466 7,138 1,064 15,909 1,648
Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures Due From Other Funds Due From Other Governmental Agencies, Net		191 2,120 10,251	27,932 3,744 8,913		5,930 1,324 3,535		21,790 171,099		31,131 351,979 1,552		121,490 462,695 78,138 4,855 689 69,520 22,525		208,464 820,538 271,277 4,855 689 73,496 22,525
Total Assets	\$	510,049	\$ 41,030	\$	10,789	\$	192,889	\$	384,662	\$	890,759	\$	2,030,178
Liabilities, Deferred Inflows of Resources, and Fund	Balances	:											
Vouchers Payable Accounts Payable - Other Accrued Payroll Accrued Leave Payable Unearned Revenue Due To Other Funds Due To Other Governmental Agencies Liabilities Payable From Restricted Assets:	\$	21,149 11,199 21,984 8,045 3,112 31,632 78	\$ -	\$	-	\$	-	\$	-	\$	2,765 4,962 196 371	\$	23,914 16,161 22,180 8,045 3,483 31,632 78
Vouchers Payable Accounts Payable - Other Accrued Payroll Accrued Leave Payable Unearned Revenue Amounts Held in Trust Due To Other Governmental Agencies					729 2,934		15,360				47,478 26,497 4,228 36 45,267 59,330 91		48,207 29,431 4,228 36 45,267 15,360 59,330 91
Total Liabilities		97,199			3,663		15,360				191,221		307,443
Deferred Inflows of Resources		47,808	8,564				171,090				8,660		236,122
Fund Balances: Nonspendable Restricted Committed Assigned Unassigned		7,084 2,392 108,420 21 247,125	32,466		7,126		6,439		384,662		11,730 545,629 135,757 4,225 (6,463)		18,814 978,714 244,177 4,246 240,662
Total Fund Balances		365,042	 32,466		7,126		6,439		384,662		690,878		1,486,613
Total Liabilities, Deferred Inflows of Resources and		,	 2=,:30		.,0		-,5		,		,		
Fund Balances	\$	510,049	\$ 41,030	\$	10,789	\$	192,889	\$	384,662	\$	890,759	\$	2,030,178

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds

As of September 30, 2019

Net Position of Governmental Activities

(In Thousands)

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Fund Balances - Total Governmental Funds		\$ 1,486,613
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Capital Assets: Land Construction In Progress Non-Depreciable Intangible Assets Depreciable Intangible Assets Buildings Improvements Infrastructure Machinery and Equipment Less: Accumulated Depreciation Total Governmental Capital Assets	1,418,662 271,543 206,062 4,058 1,381,356 1,034,952 3,566,111 379,068 (3,329,640)	4,932,172
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current year's expenditures, and therefore, are not reported in the governmental funds as revenues, but as deferred inflows of resources-unavailable revenue		
Revenues previously recorded as unavailable revenue in the fund financial statements		236,267
Long-term investments are not financial resources and therefore are not reported in the governmental funds		310
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.		125,402
Deferred outflows of resources related to pension, OPEB, loss on bond refunding, and asset retirement obligations Deferred inflows of resources related to pension and OPEB		572,108 (155,056)
Long-term liabilities are not due and payable in the current year, therefore are not reported in the governmental funds.		
Governmental Bonds Payable Unamortized Discount/(Premium) on Bonds, Net Capital Lease Liability Notes Payable Net OPEB and Pension Liability Accrued Interest Payable Pollution Remediation Payable Accrued Leave Payable Other Payable	(2,782,918) (186,322) (18,771) (6,323) (2,015,677) (17,642) (376) (214,936) (13)	(5,242,978)

\$ 1,954,838

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

Year-Ended September 30, 2019

(In Thousands)

(In Thousands)			MAJOR FUNDS				
	GENERAL	DEBT SERVICE	PRE-K 4 SA	CONVENTION CENTER HOTEL FINANCE CORP.	2017 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues: Taxes:							
Property General Sales and Use Selective Sales and Use Gross Receipts Business Occupancy	\$ 362,740 303,802 9,928 29,320	\$ 221,587	\$ -	\$ -	\$ -	\$ 32,263 94,067 2,789 100,648	\$ 616,590 397,869 9,928 32,109 100,648
Penalties and Interest on Delinquent Taxes Licenses and Permits	2,348 7,351	1,433				242	4,023 7,351
Intergovernmental Revenues from Utilities Charges for Services	6,376 377,652 68,062		6,391			211,986 130,191	224,753 377,652 198,253
Fines and Forfeits Miscellaneous	9,911 31,103	3,674	207			336 55,945	10,247 90,929
Investment Earnings Contributions	9,365 44	2,149	129	147 13,309	5,672	16,818 32,015	34,280 45,368
Total Revenues	1,218,002	228,843	6,727	13,456	5,672	677,300	2,150,000
Expenditures: Current:							
General Government	84,555	510				10,284	95,349
Public Safety	762,891	310				30,518	793,409
Public Works	70,225					60,350	130,575
Health Services	29,619					35,382	65,001
Sanitation						7,804	7,804
Welfare	38,454					117,118	155,572
Culture and Recreation	119,769					47,657	167,426
Convention and Tourism						61,192	61,192
Urban Redevelopment and Housing	25,350					24,000	49,350
Education			45,752			28,472	74,224
Economic Development and Opportunity	10,982					21,910	32,892
Environmental Capital Outlay						214 355,349	214 355,349
Debt Service: Principal Retirement	3,240	166,770		4,140		6,314	180,464
Interest	115	85,503		9,148		23,271	118,037
Issuance Costs		1,146			1,396	466	3,008
Total Expenditures	1,145,200	253,929	45,752	13,288	1,396	830,301	2,289,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,802	(25,086)	(39,025)	168	4,276	(153,001)	(139,866)
Other Financing Sources (Uses): Issuance of Long-Term Debt Refunding Debt Issued		193,395			215,115	64,870	279,985 193,395
Payments to Refunded Bond Escrow Agent Premium on Long-Term Debt Transfers In	22,754	(221,348) 29,293 18,066	37,411		35,764	8,850 427,317	(221,348) 73,907 505,548
Transfers Out	(80,654)	-			(96,509)	(321,713)	(498,876)
Total Other Financing Sources (Uses), Net	(57,900)	19,406	37,411		154,370	179,324	332,611
Net Change in Fund Balances	14,902	(5,680)	(1,614)	168	158,646	26,323	192,745
Fund Balances October 1	350,140	38,146	8,740	6,271	226,016	664,555	1,293,868
Fund Balances September 30	\$ 365,042	\$ 32,466	\$ 7,126	\$ 6,439	\$ 384,662	\$ 690,878	\$ 1,486,613

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year-Ended September 30, 2019

(In Thousands)

Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in Fund Balances - Total Governmental Funds		\$	192,745
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current year.			
Expenditures for Capital Assets Pollution Remediation Capitalization Donated Capital Assets Less: Current Year Depreciation Less: Current Year Deletions	334,885 142 3,045 (192,595) (22,544)		122,933
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.			4,816
The issuance of long-term debt (e.g. bonds, notes and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Bond, Note and Loan Amounts Issued (Premium)/Discount on Long-term Debt Payments to Escrow Agent Amortization of Bond Premiums/Discounts and Deferred Charges, Net Principal Payments	(473,380) (73,907) 221,348 28,675 180,464		(116,800)
The following expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Interest Expense Accrued Leave Payable Net OPEB and Pension Expenses Pollution Remediation Principal Amounts on Leases Other Expenses	(2,283) (4,401) (128,451) (180) 3,597 (5)		
Other expenses	(5)		(131,723)
Internal Service Funds are used by management to charge the cost of certain activities to			
individual funds. The change in net position remaining after allocation of business-type activities			(12.454)
of the Internal Service Funds is reported with governmental activities.		-	(13,451)
Change in Net Position of Governmental Activities		\$	58,520

Statement of Net Position Proprietary Funds As of September 30, 2019 (In Thousands)

(In Thousands)		BUSINESS-TYI			
		GOVERNMENTAL ACTIVITIES			
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Assets:					
Current Assets: Unrestricted Assets:					
Cash and Cash Equivalents	\$ 2,817	\$ 1,553	\$ 3,194	\$ 7,564	\$ 18,899
Investments	29,407	19,173	31,086	79,666	174,316
Receivables, Net	3,720	10,558	269	14,547	1,212
Materials and Supplies, at Cost	891	34	131	1,056	2,664
Deposits					230
Prepaid Expenses	70		286	286	45
Due From Other Governmental Agencies, Net	70			70	1,262
Total Unrestricted Assets	36,905	31,318	34,966	103,189	198,628
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	34,043	685	390	35,118	107
Investments	2,574	93	401 1	3,068	
Receivables, Net Construction Accounts:			1	1	
Cash and Cash Equivalents	1,688	54	2,159	3,901	
Investments	8,503	182	6,784	15,469	
Prepaid Expenses	278			278	
Receivables, Net	50	1	18	69	
Improvement and Contingency Accounts:	20.570		4.54	20 720	
Cash and Cash Equivalents Investments	29,578 95,886		161 1,545	29,739 97,431	
Receivables. Net	2,526		1,545 5	2,531	
Other Restricted Assets:	2,320		3	2,331	
Cash and Cash Equivalents	52			52	
Receivables, Net	1,174			1,174	
Due From Other Governmental Agencies, Net	68_			68_	
Total Restricted Assets	176,420	1,015	11,464	188,899	107
Total Current Assets	213,325	32,333	46,430	292,088	198,735
Noncurrent Assets:					
Capital Assets:					
Land	5,323	1,107	9,366 26.187	15,796	178
Buildings Improvements	540,364 581,990	11,283 9,529	26,187 14,276	577,834 605,795	178 514
Machinery and Equipment	29,735	30,851	13,217	73,803	276,100
Depreciable Intangible	352	,	,	352	250
Construction in Progress	19,225		4,042	23,267	-
Total Capital Assets	1,176,989	52,770	67.088	1,296,847	277,042
Less: Accumulated Depreciation	430,192	26,250	28,572	485,014	144,441
Net Capital Assets	746,797	26,520	38,516	811,833	132,601
Total Noncurrent Assets	746,797	26,520	38,516	811,833	132,601
Total Assets	960,122	58,853	84,946	1,103,921	331,336
Total Deferred Outflows of Resources	16,655	14,449	9,321	40,425	25,569

Statement of Net Position Proprietary Funds As of September 30, 2019 (In Thousands)

			E	USINESS-TYF ENTERPRI	_			 ERNMENTAL CTIVITIES
		IRPORT YSTEM	1	SOLID WASTE IAGEMENT	EN	NMAJOR TERPRISE FUNDS	 TOTAL	NTERNAL SERVICE FUNDS
Liabilities: Current Liabilities:								
Payable from Current Unrestricted Assets:								
Vouchers Payable	\$	4,985	\$	2,177	\$	482	\$ 7,644	\$ 18,916
Accounts Payable - Other		1,360		671		4,820	6,851	5,751
Claims Payable								22,297
Accrued Payroll		1,320		1,538		989	3,847	2,829
Accrued Interest Current Portion of Accrued Leave Payable		9 2,102		12 1,765		1 125	21 4,992	41 3,712
Unearned Revenue		2,102 1,459		1,765		1,125 38	4,992 1,497	3,/12
Current Portion of Capital Lease Liability		189		2,888		36	3,077	
Current Portion of Landfill Postclosure Costs		103		201			201	
Current Portion of Asset Retirement Obligations		8					8	175
Due To Other Funds								625
Due To Other Governmental Agencies						3	 3	
Total Payable from Current Unrestricted Assets		11,432		9,252		7,457	 28,141	 54,346
Payable from Current Restricted Assets:								
Vouchers Payable		3,023		7		1,421	4,451	
Accrued Interest		5,577		271		95	5,943	
Current Portion of Bonds and Certificates (net of		40.400		4.000				470
premium/discount)		18,199		1,868		1,551	21,618	179
Other Payables		2,180	-			26	 2,206	
Total Payable from Current Restricted Assets		28,979		2,146		3,093	 34,218	 179
Total Current Liabilities		40,411		11,398		10,550	 62,359	 54,525
Noncurrent Liabilities: Bonds and Certificates (net of current portion & discount/premium)		441,664		36,855		12,710	491,229	5,025
Claims Payable (net of current portion) Accrued Leave Payable (net of current portion)		922		563		24	1.509	33,048
Capital Lease Liability (net of current portion)		1,342		3,708		24	5,050	1,177
Net OPEB and Pension Liabilities		67,804		77,769		47,392	192,965	136,591
Pollution Remediation (net of current portion)		1,274		,		,	1,274	,
Asset Retirement Obligations (net of current portion)		306					306	567
Landfill Postclosure Costs (net of current portion)				842			 842	
Total Noncurrent Liabilities		513,312		119,737		60,126	 693,175	 176,408
Total Liabilities		553,723		131,135		70,676	 755,534	 230,933
Total Deferred Inflows of Resources		3,370		3,244		1,896	 8,510	4,983
Net Position: Net Investment in Capital Assets Restricted:		297,748				33,707	331,455	127,397
Debt Service		32,394		507		768	33,669	66
Capital Projects		128,719				7,593	136,312	
Unrestricted (Deficit)		(39,177)		(61,584)		(20,373)	 (121,134)	 (6,474)
Total Net Position	\$	419,684	\$	(61,077)	\$	21,695	\$ 380,302	\$ 120,989
Adjustment to reflect the consolidation of internal service f	und acti	vities related	to ente	prise funds.			 (4,413)	
			Net p	osition of busi	ness-ty	pe activities	\$ 375,889	

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds

Year-Ended September 30, 2019

(In Thousands)

			PE ACTIVITIES ISE FUNDS		GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Operating Revenues: Charges for Services	\$ 104,298	\$ 133,212	\$ 47,737	\$ 285,247	\$ 347,933
Total Operating Revenues	104,298	133,212	47,737	285,247	347,933
Operating Expenses: Personal Services Contractual Services Commodities Materials Claims	42,631 17,064 2,314	49,587 34,341 7,699	30,547 4,892 449	122,765 56,297 10,462	94,153 46,236 3,305 23,732 132,771
Other Depreciation	9,698 39,570	26,957 3,929	7,566 3,483	44,221 46,982	49,645 29,757
Total Operating Expenses	111,277	122,513	46,937	280,727	379,599
Operating Income (Loss)	(6,979)	10,699	800	4,520	(31,666)
Nonoperating Revenues (Expenses): Investment Earnings Other Nonoperating Revenue Gain on Sale of Capital Assets Interest and Debt Expense Other Nonoperating Expense	5,164 3,019 124 (22,573) (12,178)	471 1,546 36 (1,258) (204)	970 938 (667) (2,532)	6,605 5,503 160 (24,498) (14,914)	5,402 12,302 3,254 (264)
Total Nonoperating Revenues (Expenses), Net	(26,444)	591	(1,291)	(27,144)	20,694
Change in Net Position Before Capital Contributions and Transfers Capital Contributions	(33,423) 47,296	11,290	(491)	(22,624) 47,296	(10,972)
Transfers In (Out): Transfers In Transfers Out	(93)_	642 (3,394)	4,261 (4,917)	4,903 (8,404)	663 (4,379)
Total Transfers In (Out), Net	(93)	(2,752)	(656)	(3,501)	(3,716)
Change In Net Position	13,780	8,538	(1,147)	21,171	(14,688)
Net Position - October 1 (restated)	405,904	(69,615)	22,842		135,677
Net Position - September 30	\$ 419,684	\$ (61,077)	\$ 21,695		\$ 120,989
Adjustment to reflect the consolidation of internal service fu	(1,237) \$ 19,934				

Statement of Cash Flows Proprietary Funds Year-Ended September 30, 2019

(In Thousands)

(neadates)		GOVERNMENTAL ACTIVITIES			
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities: Cash Received from Customers Cash Payments to Suppliers for Goods and Services Cash Payments to Employees for Service Cash Received from Other Cash Receipts	\$ 107,000 (28,466) (36,428) 3,019	\$ 132,000 (69,855) (43,552) 1,546	\$ 47,907 (12,786) (26,855) 938	\$ 286,907 (111,107) (106,835) 5,503	\$ 346,653 (247,959) (83,957) 12,302
Net Cash Provided by Operating Activities	45,125	20,139	9,204	74,468	27,039
Cash Flows from Noncapital Financing Activities: Transfers In from Other Funds Transfers Out to Other Funds Due To Other Funds Due From Other Funds	(93)	642 (3,394) (196)	4,261 (4,917)	4,903 (8,404) (196)	663 (4,379) 625 1,149
Net Cash (Used for) Noncapital Financing Activities	(93)	(2,948)	(656)	(3,697)	(1,942)
Cash Flows from Capital and Related Financing Activities: Acquisitions and Construction of Capital Assets Contributed Capital Debt Issuance Costs	(49,774) 47,296	(2,734)	(3,948)	(56,456) 47,296 (44)	(43,694)
Interest and Fees Paid on Long-Term Debt Principal Payments on Long-Term Debt Principal Payments on Notes and Leases Proceeds from Issuance of Long-Term Debt	(22,747) (15,847)	(1,198) (1,878) (8,629)	(634) (1,141) 7,398	(24,579) (18,866) (8,629) 7,398	(236) (173)
Proceeds from Sale of Assets	16	77		93	5,862
Net Cash Provided by (Used for) Capital and Related Financing Activities	(41,056)	(14,362)	1,631	(53,787)	(38,241)
Cash Flows from Investing Activities: Purchases of Investment Securities Maturity of Investment Securities Investments Earnings	(206,039) 202,230 5,026	(19,448) 15,859 436	(45,644) 36,567 948	(271,131) 254,656 6,410	(194,677) 199,760 5,273
Net Cash Provided by (Used for) Investing Activities	1,217	(3,153)	(8,129)	(10,065)	10,356
Net Increase (Decrease) in Cash and Cash Equivalents	5,193	(324)	2,050	6,919	(2,788)
Cash and Cash Equivalents, October 1	62,985	2,616	3,854	69,455	21,794
Cash and Cash Equivalents, September 30	\$ 68,178	\$ 2,292	\$ 5,904	\$ 76,374	\$ 19,006
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	\$ (6,979)	\$ 10,699	\$ 800	\$ 4,520	\$ (31,666)
Depreciation Other Nonoperating Revenues Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:	39,570 3,019	3,929 1,546	3,483 938	46,982 5,503	29,757 12,302
(Increase) Decrease in Accounts Receivable (Increase) Decrease in Due from Other Governmental Agencies (Increase) in Materials and Supplies (Increase) in Prepaid Expenses Decrease in Deposits	2,153 3 (37)	(1,212) (10)	165 (67) (236)	1,106 3 (114) (236)	(504) (701) (553) (44) 136
Increase (Decrease) in Vouchers Payable (Decrease) in Claims Payable	297	(26)	37	308	9,630 (5,205)
Increase (Decrease) in Accounts Payable - Other Increase in Accrued Payroll Increase in Accrued Leave Payable	85 160 112	(744) 189 43	374 167 26	(285) 516 181	3,900 397 256
(Decrease) in Landfill Postclosure Liability Increase in Net OPEB Obligation and Pension Liability Increase in Asset Retirement Obligations (Increase) in Deferred Outflows of Resources	18,051 265 (9,542)	(78) 20,413 (12,022)	12,354 (7,259)	(78) 50,818 265 (28,823)	34,581 (20,190)
(Increase) in Deferred Outflows of Resources (Decrease) in Deferred Inflows of Resources Increase (Decrease) in Unearned Revenue Increase in Due to Other Governmental Agencies	(9,542) (2,578) 546	(2,588)	(7,259) (1,596) 15 3	(28,823) (6,762) 561 3	(20,190) (4,845) (212)
Net Cash Provided by Operating Activities	\$ 45,125	\$ 20,139	\$ 9,204	\$ 74,468	\$ 27,039

Statement of Fiduciary Net Position/Balance Sheet Fiduciary Funds

As of September 30, 2019

(In Thousands)

		NSION AND EALTH CARE FUNDS	 GENCY UNDS
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$	64,891	\$ 3,448
Security Lending Collateral		95,325	
Investments:		4 424 244	
Common Stock		1,131,214	4.500
U.S. Government Securities		64,394	4,563
Corporate Bonds		323,335	
Foreign Bonds		247,994	
Mutual Funds Hedge Funds		79,538 481,325	
Real Estate		279,853	
Alternative		705,538	
Receivables:		703,336	
Accounts		8,165	94
Accounts Accrued Interest		5,256	13
Accrued Revenue		6,098	13
Prepaid Expenses		15	
Total Current Assets		3,492,941	8,118
	-	3) 132/3 12	 0)220
Capital Assets:		640	
Machinery and Equipment		618	
Buildings		1,616	
Total Capital Assets		2,234	
Less: Accumulated Depreciation		1,059	
Net Capital Assets		1,175	
Total Assets	\$	3,494,116	\$ 8,118
Liabilities:			
Vouchers Payable	\$	5,239	\$ 10
Accounts Payable - Other		9,609	7,479
Claims Payable		3,809	
Accrued Payroll		280	
Due to Other Funds			629
Securities Lending Obligation		95,325	
Total Liabilities		114,262	\$ 8,118
Net Position:			
Restricted for Pension		3,015,157	
Restricted for Other Postemployment Benefits		364,697	
Total Net Position	Ś	3,379,854	

Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year-Ended September 30, 2019

(In Thousands)

Contributions: \$ 117,399 Employer \$ 56,353 Other Contributions 1,817 Total Contributions 175,569 Investment Earning (Loss): (192,954) Net (Decrease) in Fair Value of Investments (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Expenses (126,453) Less: Investment Expenses (15,879) Less: Securities Lending Expenses (1,654) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606		PENSION AND HEALTH CARE FUNDS				
Employer \$ 117,399 Employee 56,353 Other Contributions 1,817 Total Contributions 175,569 Investment Earning (Loss): (192,954) Net (Decrease) in Fair Value of Investments (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Expenses (126,453) Investment Management Fees and Custodian Fees (15,879) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (1,654) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	Additions:					
Employee 56,353 Other Contributions 1,817 Total Contributions 175,569 Investment Earning (Loss): (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Expenses (126,453) Less: Investment Expenses (15,879) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (1,43,986) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606			44= 000			
Other Contributions 1,817 Total Contributions 175,569 Investment Earning (Loss): (192,954) Net (Decrease) in Fair Value of Investments (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Earnings (126,453) Less: Investment Expenses (15,879) Investment Management Fees and Custodian Fees (1,654) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	. ,	\$				
Total Contributions 175,569 Investment Earning (Loss): (192,954) Net (Decrease) in Fair Value of Investments (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Earnings (126,453) Less: Investment Expenses (15,879) Investment Management Fees and Custodian Fees (1,587) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (1,43,986) Total Additions 31,583 Deductions 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	· ,		,			
Net (Decrease) in Fair Value of Investments (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Earnings (126,453) Less: Investment Expenses (15,879) Investment Management Fees and Custodian Fees (1,654) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (1,43,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	Total Contributions		•			
Net (Decrease) in Fair Value of Investments (192,954) Real Estate Income, Net 6,871 Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Earnings (126,453) Less: Investment Expenses (15,879) Investment Management Fees and Custodian Fees (1,654) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (1,43,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	Investment Earning (Loss):		_			
Interest and Dividends 57,208 Securities Lending 2,029 Other Income 393 Total Investment Earnings (126,453) Less: Investment Expenses (15,879) Investment Management Fees and Custodian Fees (1,654) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	<u> </u>		(192,954)			
Securities Lending Other Income 2,029 Other Income 393 Total Investment Earnings (126,453) Less: Investment Expenses (15,879) Investment Management Fees and Custodian Fees (1,654) Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (143,986) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	Real Estate Income, Net					
Other Income393Total Investment Earnings(126,453)Less: Investment Expenses(15,879)Investment Management Fees and Custodian Fees(15,879)Less: Securities Lending Expenses(1,654)Borrower Rebates and Lending Fees(1,43,986)Total Additions31,583Deductions:214,345Refunds of Contributions918Administrative Expense9,072Total Deductions224,335Change in Net Position(192,752)Net Position - Beginning of Fiscal Year3,572,606						
Total Investment Earnings Less: Investment Expenses Investment Management Fees and Custodian Fees Less: Securities Lending Expenses Borrower Rebates and Lending Fees Net Investment Earnings Total Additions Deductions: Benefits Refunds of Contributions Administrative Expense Administrative Expense Change in Net Position (126,453) (15,879) (15,879) (143,986) (143,986) 214,3986) 214,345 (214,	<u> </u>		,			
Less: Investment Expenses Investment Management Fees and Custodian Fees Less: Securities Lending Expenses Borrower Rebates and Lending Fees Net Investment Earnings Total Additions Deductions: Benefits Refunds of Contributions Administrative Expense Administrative Expense Change in Net Position - Beginning of Fiscal Year (15,879) (15,879) (15,879) (143,986) (143,	Other Income		393			
Investment Management Fees and Custodian Fees Less: Securities Lending Expenses Borrower Rebates and Lending Fees Net Investment Earnings Total Additions Deductions: Benefits Refunds of Contributions Administrative Expense Total Deductions Change in Net Position - Beginning of Fiscal Year (15,879) (15,879) (1,654) (143,986) (143,			(126,453)			
Less: Securities Lending Expenses (1,654) Borrower Rebates and Lending Fees (143,986) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	·		(15.879)			
Borrower Rebates and Lending Fees (1,654) Net Investment Earnings (143,986) Total Additions 31,583 Deductions: 214,345 Refunds of Contributions Administrative Expense 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606			(13,073)			
Total Additions 31,583 Deductions: 214,345 Benefits 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	0 1	-	(1,654)			
Deductions: 214,345 Benefits 214,345 Refunds of Contributions 918 Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	Net Investment Earnings		(143,986)			
Benefits214,345Refunds of Contributions918Administrative Expense9,072Total Deductions224,335Change in Net Position(192,752)Net Position - Beginning of Fiscal Year3,572,606	Total Additions	-	31,583			
Refunds of Contributions Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	Deductions:					
Administrative Expense 9,072 Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606	= 5.1.5.1.5		214,345			
Total Deductions 224,335 Change in Net Position (192,752) Net Position - Beginning of Fiscal Year 3,572,606						
Change in Net Position(192,752)Net Position - Beginning of Fiscal Year3,572,606	Administrative Expense		9,072			
Net Position - Beginning of Fiscal Year	Total Deductions	-	224,335			
<u> </u>	Change in Net Position		(192,752)			
Net Position - End of Fiscal Year \$ 3,379,854	Net Position - Beginning of Fiscal Year		3,572,606			
	Net Position - End of Fiscal Year	\$	3,379,854			

Statement of Net Position Discretely Presented Component Units As of September 30, 2019

(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 349,704		\$ 22,080	\$ 429,848
Investments	104,171		25,253	566,247
Receivables, Net Materials and Supplies, at Cost	255,875 154,887		7,110 54	336,259 160,764
Due from Other Governmental Agencies	154,007	7 5,823	999	999
Prepaid Expenses	55,523	3 4,673	28,055	88,251
Other Assets	55,525	.,075	1,487	1,487
Total Unrestricted Assets	920,160	578,657	85,038	1,583,855
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	13,046	16,473	22.114	51,633
Investments	•	149,180	8,847	158,027
Receivables, Net			85	85
Capital Projects Accounts:				
Cash and Cash Equivalents	54,233			107,952
Investments Ordinance Accounts:		253,156		253,156
Cash and Cash Equivalents	143,285	5		143,285
Investments	559,375			559,375
Other Restricted Accounts:	,-			,-
Cash and Cash Equivalents	23,762	2 1,734	13,022	38,518
Investments	547,859	,		604,501
Receivables, Net	5,753	3	736	6,489
Deferred Charges			60,147	60,147
Total Restricted Assets	1,347,313		104,951	1,983,168
Total Current Assets	2,267,473	3 1,109,561	189,989	3,567,023
Noncurrent Assets:				
Capital Assets: Land	104,991	113,123	86,279	304,393
Depreciable Intangible Assets	298,092		80,279	299,446
Infrastructure	230,032	1,554	122,955	122,955
Buildings			375,537	375,537
Utility Plant in Service	12,825,170			18,914,595
Machinery and Equipment		389,082	19,725	408,807
Construction in Progress	580,984		51,835	1,139,629
Water Rights and Other Non-Depreciable Intangible Assets Nuclear Fuel	107,531 1,001,284			356,782 1,001,284
Total Capital Assets	14,918,052		656,331	22,923,428
Less: Accumulated Depreciation	6,763,382		211,782	9,058,125
Net Capital Assets	8,154,670		444,549	13,865,303
Other Noncurrent Assets:		_		
Receivables, Net			3,592	3,592
Prepaid Expenses	220.000	-	162,638	162,638
Pension Regulatory Asset Other Noncurrent Assets	239,806 299,927			239,806 299,927
Total Other Noncurrent Assets	539,733		166,230	705,963
Total Noncurrent Assets	8,694,403		610,779	14,571,266
Total Assets	10,961,876		800,768	18,138,289
Deferred Outflows of Resources	731,136		2,420	818,347
	, 51,130	5-1,751	2,720	010,547

Statement of Net Position Discretely Presented Component Units As of September 30, 2019

(In Thousands)

	E	CPS ENERGY	N ANTONIO WATER SYSTEM	CON	NONMAJOR OMPONENT UNITS TOTAL				
Liabilities: Current Liabilities: Payable from Current Unrestricted Assets: Accounts Payable and Other Current Liabilities Unearned Revenues Current Portion of Long-Term Lease/Notes Payable Current Portion of Other Payables	\$	389,746 51,067	\$ 69,374 8,197	\$	18,680 2,646 11,250	\$	477,800 2,646 11,250 59,264		
Total Payable from Current Unrestricted Assets		440,813	 77,571		32,576		550,960		
Payable from Restricted Assets: Accounts Payable and Other Current Liabilities Accrued Interest on Bonds and Certificates Current Portion of Bonds and Certificates Current Portion of Commercial Paper Other Payables		136,720	41,841 16,153 87,060 3,880		335 7,544 34,900 40,609		42,176 23,697 258,680 3,880 40,609		
Total Payable from Restricted Assets		136,720	 148,934		83,388		369,042		
Total Current Liabilities		577,533	226,505		115,964		920,002		
Noncurrent Liabilities: Bonds and Certificates (net of current portion & premium/discount) Commercial Paper (net of current portion) Asset Retirement Obligations Long-Term Lease/Notes Payable (net of current portion) Net OPEB and Pension Liabilities Other Payables (net of current portion)		5,690,297 205,000 1,004,350 255,869 272,578	2,747,510 211,815 127,099 16,837		353,738 95,185 3,724		8,791,545 416,815 1,004,350 95,185 382,968 293,139		
Total Noncurrent Liabilities		7,428,094	3,103,261		452,647		10,984,002		
Total Liabilities		8,005,627	3,329,766		568,611		11,904,004		
Deferred Inflows of Resources		173,358	 23,847				197,205		
Net Position: Net Investment in Capital Assets Restricted for: Debt Service Capital Projects Operating and Other Reserves Unrestricted		2,123,616 11,921 766,708 611,782	2,353,841 118,788 209,204 56,642 368,348		232,939 267 2,690 (1,319)		4,710,396 130,709 976,179 59,332 978,811		
Total Net Position	\$	3,514,027	\$ 3,106,823	\$	234,577	\$	6,855,427		

Statement of Activities Discretely Presented Component Units Year-Ended September 30, 2019

(In Thousands)

				PROGRAM REVENUES							•	PENSE) REVEN																									
	E	EXPENSES		CHARGES FOR SERVICES		OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS		CPS ENERGY																								N ANTONIO WATER SYSTEM	CON	NMAJOR APONENT UNITS	 TOTALS
CPS Energy	\$	2,608,031	\$	2,744,159	\$	-	\$	54,936	\$	191,064	\$	-	\$	-	\$ 191,064																						
San Antonio Water System		589,613		691,046				145,990				247,423			247,423																						
Nonmajor Component Units		131,554		114,541		1,150		8,739						(7,124)	 (7,124)																						
Total	\$	3,329,198	\$	3,549,746	\$	1,150	\$	209,665		191,064		247,423		(7,124)	 431,363																						
					General R																																
					Investm Miscella	ent Earnings ineous				20,267		22,488		2,624 6,022	45,379 6,022																						
					Gain on Di	sposal of Cap nt for STP Pen				(8,145) (182,723)		924			 924 (8,145) (182,723)																						
					Total Gen	eral Revenues	and Spe	cial Items		(170,601)		23,412		8,646	 (138,543)																						
					Change in	Net Position				20,463		270,835		1,522	 292,820																						
					Net Position	on - Beginning	of Fiscal	Year (restated)		3,493,564		2,835,988		233,055	 6,562,607																						
					Net Positi	on - End of Fis	scal Year		\$	3,514,027	\$	3,106,823	\$	234,577	\$ 6,855,427																						

Comprehensive Annual Financial Report Notes to Financial Statements

Year-Ended September 30, 2019

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Note 1 Summary of Significant Accounting Policies

The financial statements of the City of San Antonio (the City) have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of significant accounting policies of the City.

Reporting Entity

In the evaluation of how to define the City for financial reporting purposes, management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus — an amendment of GASB Statements No. 14 and No. 34*. The underlying concept of the Statement is improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

The financial reporting entity consists of: (a) the primary government (in these financial statements the primary government is the City), (b) component units, which are legally separate organizations for which the City is financially accountable or the services rendered by the component unit are provided entirely or almost entirely to the City (blended), (c) component units, which are fiduciary in nature such as certain public employee retirement systems or pension trust funds with the City (fiduciary), and (d) component units, the nature and significance of their relationship with the City is such that exclusion from the reporting entity's financial statements would be misleading or incomplete (discretely presented).

Using the criteria of GASB Statement No. 61 outlined below, potential component units were evaluated for inclusion in or exclusion from the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. Based on their individual relationships with the City, some component unit financial statements were blended as though they are part of the City and others were discretely presented.

GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14 was issued in January 2016, and it established an additional criterion for determining whether or not a potential component unit should be blended. If a component unit is a not-for-profit corporation in which the primary government is the sole corporate member as identified in the corporation's articles of incorporation or bylaws, the component unit's financial statements are to be blended.

The following criteria (as set forth in GASB Statement No. 61) were used in the evaluation of potential component units of the City:

- 1) Legally separate
- 2) Financial accountability
 - a) Appointment of a voting majority
 - b) Imposition of will
 - c) Financial benefit to or burden on the City
 - d) Fiscal dependency with financial benefit to or burden on the City
- 3) The relationship with the City is such that exclusion would cause these financial statements to be misleading or incomplete
- 4) Service rendered by the potential component unit is provided entirely or almost entirely to the City
- 5) The City or its component units are entitled to, or have the ability to access the majority of the resources received or held by the separate organization.

Reporting Entity (Continued)

The criteria outlined on the previous page were excerpted from GASB Statement No. 61. For a more detailed explanation of the criteria established by the Statements, refer to the *Codification of Governmental Accounting and Financial Reporting Standards*, as of June 30, 2019, published by GASB, Section-2600. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, further clarifies that a "not-for-profit" may not be financially accountable to the City, but may be considered a component unit based on the nature and significance of its relationship with the City. Predicated upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity.

Blended Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 61, for inclusion in the reporting entity and are such that the financial statements are blended with those of the City.

Following is a brief description of the City's blended component units:

Convention Center Hotel Finance Corporation

P.O. Box 839966 San Antonio, TX 78283-3966 Contact: Margaret U. Villegas Telephone No. (210) 207-8632 The Convention Center Hotel Finance Corporation (CCHFC) was established in fiscal year 2005 in accordance with state laws for the purposes of, and to act on behalf of the City in, local economic development to stimulate business and commercial activity in the City. The CCHFC is governed by a board of directors, which is comprised of the City Council of San Antonio (City Council). CCHFC's governing board is the same as the City's governing board, met the financial benefit/burden criteria, and also met the operational responsibility criteria.

Hemisfair Park Area Redevelopment Corporation

630 E. Nueva St. San Antonio, TX 78205 Contact: Omar Gonzalez Telephone No. (210) 709-4750 The Hemisfair Park Area Redevelopment Corporation (HPARC) was established in fiscal year 2009 in accordance with state laws for the purposes of, and to act on behalf of the City in, assisting with acquiring property, planning, developing, constructing, managing and financing projects within Hemisfair Park and its surrounding area in order to promote economic development, employment, and to stimulate business, housing, tourism, and commercial activity within the City. The HPARC is governed by 11 members appointed by the City Council and it provides services entirely to the City. The City has the ability to impose its will.

Municipal Golf Association – San Antonio DBA Alamo City Golf Trail

2315 Avenue B San Antonio, TX 78215 Contact: Joe Nunez Telephone No. (210) 908-5921 Municipal Golf Association – San Antonio DBA Alamo City Golf Trail (MGA-SA) was established in fiscal year 2007 in accordance with state laws for the purposes of, and to act on behalf of the City in, operating and promoting the City's municipal golf facilities. MGA-SA is governed by a 15 member board of directors, which is comprised of seven members selected by MGA-SA according to the approved process contained in its by-laws; two exofficio member positions from City staff who are appointed by the City Manager; and six members appointed by the City Council. MGA-SA provides services entirely to the City and met the fiscal dependency and financial benefit/burden criteria.

Blended Component Units (Continued)

San Antonio Early Childhood Education Municipal Development Corporation DBA Pre-K 4 SA

7031 S. New Braunfels Ave. San Antonio, TX 78223 Contact: Dr. Sarah Baray Telephone No. (210) 206-2750

San Antonio Economic Development Corporation

100 W. Houston St., 19th Floor San Antonio, TX 78205 Contact: Alejandra Lopez Telephone No. (210) 207-8080

San Antonio Education Facilities Corporation

100 W. Houston St., 19th Floor San Antonio, TX 78205 Contact: Alejandra Lopez Telephone No. (210) 207-8080

San Antonio Health Facilities Development Corporation

100 W. Houston St., 19th Floor San Antonio, TX 78205 Contact: Alejandra Lopez Telephone No. (210) 207-8080 The San Antonio Early Childhood Education Municipal Development Corporation DBA Pre-K 4 SA was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City, in developing and running authorized programs for early childhood education services. Pre-K 4 SA is governed by a board of trustees appointed by the City Council. Pre-K 4 SA's debt, including leases, is expected to be repaid almost entirely with the resources of the City, a 1/8 cent sales tax increase approved by San Antonio residents. The City has the ability to impose its will.

The San Antonio Economic Development Corporation (EDC) was established in fiscal year 2010 as a nonprofit corporation to promote, assist, and enhance economic development activities for the City. EDC was organized for the purposes of undertaking any statute-authorized projects to benefit and accomplish the public purpose of promoting economic development in the City. The affairs of EDC are managed by a board of directors appointed by the City Council. The City Council may remove a director at any time without cause. EDC's budget is not effective until approved by the City Council. EDC provides services entirely to the City, as contracts or agreements cannot be executed without City Council approval. EDC met the fiscal dependency and financial benefit/burden criteria, and the City has the ability to impose its will.

The San Antonio Education Facilities Corporation (EFC), formerly the City of San Antonio Higher Education Authority, was established in 1984 in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities in accordance with, and subject to, the provisions of Section 53.35 (b) Texas Education Code (the Code), all to be done on behalf of the City and its duly constituted authority and instrumentality. The Code authorizes EFC to issue revenue bonds, for which the City is not obligated in any manner, to finance qualified projects that meet the purpose of the Code. The EFC is governed by a board of directors, which is comprised of the City Council. EFC met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will.

The San Antonio Health Facilities Development Corporation (HFDC) was established by Ordinance No. 55400, dated June 3, 1982, in accordance with state laws for the purposes of, and to act on behalf of the City as, a corporation under the Texas Health Facilities Development Act of 1981. The HFDC is authorized to issue tax-exempt health facility revenue bonds, for which the City is not obligated in any manner, to finance health related projects in support of the promotion, expansion, and improvement of health facilities. The HFDC is governed by a board of directors, which is comprised of the City Council. HFDC met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will.

Blended Component Units (Continued)

San Antonio Industrial Development Authority

100 W. Houston St., 19th Floor San Antonio, TX 78205 Contact: Alejandra Lopez Telephone No. (210) 207-8080 The San Antonio Industrial Development Authority (IDA) was established by Resolution No. 79-48-100, dated October 11, 1979, in accordance with state laws for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of the City as, a corporation under the Development Corporation Act of 1979. The IDA is authorized to issue tax-exempt industrial revenue bonds, for which the City is not obligated in any manner, to finance qualified projects, which may further the promotion and development of commercial, industrial, and manufacturing enterprises to advance and encourage employment and public welfare. The IDA is governed by a board of directors, which is comprised of the City Council. IDA met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will.

San Antonio Texas Municipal Facilities Corporation

P.O. Box 839966 San Antonio, TX 78283-3966 Contact: Margaret U. Villegas Telephone No. (210) 207-8632 The San Antonio Texas Municipal Facilities Corporation (TMFC) was established in fiscal year 2001 in accordance with state laws for the purposes of, and to act on behalf of the City in, acquiring, constructing, equipping, financing, operating, and maintaining land and other municipal facilities for the City. The TMFC is governed by a board of directors, which is comprised of the City Council. The City can impose its will, and TMFC also meets the operational responsibility criteria.

Starbright Industrial Development Corporation

P.O. Box 839966 San Antonio, TX 78283-3966 Contact: Margaret U. Villegas Telephone No. (210) 207-8632 The Starbright Industrial Development Corporation (SIDC) was established in fiscal year 2003 in accordance with state laws for the purposes of, and to act on behalf of the City in, the promotion and development of commercial, industrial, and manufacturing enterprises, to advance and encourage employment and public welfare, including but not limited to the acquisition of land. The SIDC is governed by a board of directors, which is comprised of the City Council. SIDC's governing board is the same as the City's governing board, SIDC met the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

Texas Public Facilities Corporation

P.O. Box 839966 San Antonio, TX 78283-3966 Contact: Margaret U. Villegas Telephone No. (210) 207-8632 Texas Public Facilities Corporation (TPFC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City in, effectuating the buyout of the City's existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds. The TPFC is governed by a board of directors, which is comprised of the City Council. TPFC's governing board is substantially the same as the City's governing board, and TPFC meets the operational responsibility criteria. The City has the ability to impose its will.

Blended Component Units (Continued)

Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio

c/o City of San Antonio 1400 S. Flores San Antonio, TX 78205 Contact: Veronica R. Soto Telephone No. (210) 207-6459

Visit San Antonio

203 S. St. Mary's Street, Ste. 200 San Antonio, TX 78205 Contact: Natalie Balderrama Telephone No. (210) 244-2099

Westside Development Corporation

630 S.W. 41st Street San Antonio, TX 78237 Contact: Leonard Rodriguez Telephone No. (210) 501-0192 The Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio (OUR SA) was created under the provisions of the Urban Renewal Law of the State of Texas. OUR SA is responsible for implementing the City's Urban Renewal Program and may designate for urban renewal in such areas as it deems advisable, subject to approval by the City Council. OUR SA receives a majority of its operating funds from the City. OUR SA is governed by a six-member board of commissioners appointed by the City Council. OUR SA provides services entirely to the City and has met the fiscal dependency and financial benefit/burden criteria.

Visit San Antonio (VSA) was established in fiscal year 2016 in accordance with state laws for the purposes of providing destination and marketing services, attracting leisure visitors, events and conventions to the City's Henry B. Gonzalez Convention Center and other owned facilities. VSA will also serve as a liaison to local businesses, including hoteliers, sports foundations, and other similar entities to attract visitors and events to the City. VSA has a 21 member board, of which the City Manager and two Council members are appointed by the Mayor. VSA provides services almost entirely to the City and meets the fiscal dependency and financial benefit/burden criteria.

Westside Development Corporation (WDC) was established in fiscal year 2006 in accordance with state laws for the purposes of promoting economic development and redevelopment opportunities in the west side of San Antonio. WDC seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, WDC functions as a land development corporation that has the power to buy, sell, and accept land as a nonprofit without the restrictions placed upon a municipality. WDC is governed by a board of directors nominated by a City Council committee and appointed by the City Council. The policy-setting oversight authority consists of 17 members, comprised of representatives of key stakeholders and Westside advocates. WDC provides services entirely to the City. The City has the ability to impose its will, and WDC has met the financial benefit/burden criteria.

The blended component unit with a different fiscal year-end from the City is Pre-K 4 SA with a fiscal year-end of June 30th. The financial data disclosed in the City's financial statements for WDC is as of fiscal year 2018, as the City has not received their fiscal year 2019 audited financial statements.

Fiduciary Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 61, for inclusion in the reporting entity and are such that the financial statements are presented as fiduciary funds of the City.

As set forth in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, the City excludes fiduciary funds and component units that are fiduciary in nature from the government-wide financial statements. The City's component units that are fiduciary in nature are the San Antonio Fire and Police Pension Fund and the San Antonio Fire and Police Retiree Health Care Fund. These component units are presented in the Statement of Fiduciary Net Position and Changes in Fiduciary Net Position.

San Antonio Fire and Police Pension Fund

11603 W. Coker Loop, Ste. 201 San Antonio, TX 78216 Contact: Warren Schott Telephone No. (210) 534-3262 The San Antonio Fire and Police Pension Fund (Pension Fund) is a single employer defined benefit plan established in accordance with state law. The Pension Fund is administered by a nine-member board of trustees, including two members of the City Council, the Mayor or his appointee, two active police officers, two active firefighters, and two uniformed retirees. The City and its active uniformed personnel are obligated to make all contributions to the Pension Fund in accordance with rates established by state laws. Benefit levels are also set by state laws. Services rendered by the Pension Fund are exclusively for the benefit of eligible firefighters and police officers, upon retirement. The Pension Fund provides services entirely to the City's active and retired uniformed personnel.

San Antonio Fire and Police Retiree Health Care Fund

11603 W. Coker Loop, Ste. 130 San Antonio, TX 78216 Contact: James Bounds Telephone No. (210) 494-6500 The City of San Antonio Firefighters' and Police Officers' Retiree Prefunded Group Health Plan was created in October 1989 in accordance with the provisions of the City's contracts with the local fire and police unions, respectively, to provide post-employment health care benefits to uniformed employees who retired on or after October 1, 1989. Pursuant to the passage of Senate Bill 1568 in 1997, a separate and distinct statutory trust, the San Antonio Fire and Police Retiree Health Care Fund (Health Fund), was created to provide these post-employment health care benefits for eligible uniformed employees of the City. The Health Fund is administered by a nine-member board of trustees, including two members of the City Council, the Mayor or his appointee, two active police officers, two active firefighters, and two uniformed retirees. The City, active uniform employees, and retirees on behalf of their dependents are obligated to make all contributions to the Health Fund in accordance with rates established by state laws. Benefits are established pursuant to legislation enacted by the State with the Health Fund Board's ability to modify those benefits within certain parameters. The Health Fund provides services entirely to the City's active and retired uniformed personnel.

It is management's belief that to exclude essential disclosures from the City's financial statements as they pertain to the Pension Fund and Health Fund would be misleading. Therefore, relevant disclosures have been included in the City's financial statements.

The Pension Fund and Health Fund's fiscal year-end is December 31st; financial information disclosed in the City's CAFR for both entities is as of December 31, 2018.

Discretely Presented Component Units

The relationship among the following component units and the City is such that they meet the criteria, as set forth in GASB Statement No. 61, for inclusion in the reporting entity as discretely presented component units.

Brooks

3201 Sidney Brooks San Antonio, TX 78235-5355 Contact: Eric Greer Telephone No. (210) 678-3319 Brooks is a special district and political subdivision of the State of Texas. It was established on September 27, 2001 as a defense base development authority in accordance with state laws for the purposes of, and to act on behalf of the City in, improving mission effectiveness, reducing the cost of providing quality installation support through improved capital asset management, and promoting economic development for Brooks Air Force Base and in the surrounding community. An 11 member board of directors appointed by the City Council governs Brooks for two-year terms and oversees the Brooks Technology and Business Park in support of the Brooks City-Base Project. The City's ability to impose its will on Brooks is through City Council having the power to remove board members.

CPS Energy

P.O. Box 1771 San Antonio, TX 78296-1771 Contact: Julie Johnson Telephone No. (210) 353-2462 CPS Energy, a municipally owned utility, provides electricity and natural gas to San Antonio and the surrounding areas. CPS Energy is governed by a board of trustees, which is comprised of four members appointed by City Council and has the City's Mayor as an ex-officio member. The City has the ability to impose its will on CPS Energy through the setting of user rates for services and charges and the issuance of bonds approved by the City Council.

Port Authority of San Antonio DBA Port San Antonio

907 Billy Mitchell Blvd. San Antonio, TX 78226 Contact: Teresa Alexander Telephone No. (210) 362-7834 The Port Authority of San Antonio DBA Port San Antonio (the Port) is a special district and political subdivision of the State of Texas that was originally established in 1996 as a local development authority under the Development Corp Act of 1979 for the purpose of monitoring the proposed closing of Kelly Air Force Base (Kelly). The Port was to conduct comprehensive studies of all issues related to the closure, conversion, redevelopment, and future use of Kelly, and submit and implement the plan to the appropriate agency or agencies of the federal government. The Port is authorized to issue bonds, for which the City is not obligated in any manner, to finance projects as permitted by state laws. The Port is governed by an 11 member board of directors, appointed at will by City Council.

SA Energy Acquisition Public Facility Corporation

P.O. Box 1771 San Antonio, TX 78296-1771 Contact: Julie Johnson Telephone No. (210) 353-2462 SA Energy Acquisition Public Facility Corporation (SAEAPFC) was established in 2007 in accordance with state laws for the purposes of, and to act on behalf of the City in, the financing and acquisition of electric energy and power, oil, gas, coal and other liquid, gaseous or solid hydrocarbon fuels for the electric and gas systems of the City. SAEAPFC is governed by a seven-member board of directors appointed by City Council for two-year terms. Board members are subject to removal by City Council for cause or at will. The issuance of bonds is approved by City Council.

Discretely Presented Component Units (Continued)

San Antonio Bexar County Soccer Public Facility Corporation

100 Military Plaza San Antonio, TX 78205 Contact: Patricia Muzquiz Cantor Telephone No. (210) 207-6556

San Antonio Bexar County Soccer Public Facility Corporation (SABC PFC) is a nonprofit corporation established in fiscal year 2016 in accordance with state laws for the purposes of, and to act on behalf of the City in, the renovation and operation of a facility and related property and infrastructure to be used for and to support professional soccer within the City. SABC PFC is governed by a four-member board of directors comprised of two appointees from the City and two from the County.

San Antonio Housing Trust Finance Corporation

2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 207-3908 The San Antonio Housing Trust Finance Corporation (HTFC) was established in 1997 under the Texas Housing Finance Corporations Act (the Act), in accordance with state laws for the purposes of, and to act on behalf of the City in, carrying out the purposes of the Act, including the issuance of single family and multi-family revenue bonds. HTFC's board of directors is appointed by City Council and consists of five City Council members.

San Antonio Housing Trust Foundation, Inc.

2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 207-3908 San Antonio Housing Trust Foundation, Inc. (HTF) is a nonprofit entity incorporated in 1990 under the laws of the State of Texas. HTF was organized for the purposes of supporting charitable, educational, and scientific undertakings, and specifically for providing housing for low- and middle-income families, promoting public health, safety, convenience, and welfare, revitalizing neighborhoods and the downtown area through appropriate housing activities, and providing administrative and other support for the operations of the City of San Antonio Housing Trust Fund, a Special Revenue Fund of the City. HTF is governed by an 11 member board of directors appointed by City Council.

San Antonio Housing Trust Public Facility Corporation

2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 207-3908 San Antonio Housing Trust Public Facility Corporation (HTPFC) was established in fiscal year 2010 as a nonprofit corporation organized for the purpose of assisting the City in financing, refinancing, or providing public facilities. HTPFC enables housing resources to be better coordinated and directed to accomplish the City's revitalization goals and gives the City another tool to establish housing in downtown and other areas targeted for development. HTPFC's board of directors is appointed by City Council and consists of five City Council members.

San Antonio Housing Trust Reinvestment Corporation

2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 207-3908 San Antonio Housing Trust Reinvestment Corporation (HTRC) was created to act as a duly constituted authority of the City and is authorized by the City Council to aid, assist, and act on behalf of the City to promote for the common good and general welfare of reinvestment zones. As HTRC had no activity through September 30th, an audit is not deemed necessary in fiscal year 2019.

Discretely Presented Component Units (Continued)

San Antonio Tricentennial Celebration Commission

P.O. Box 839966 San Antonio, TX 78283-3966 Contact: Melanie Keeton Telephone No. (210) 207-8090 The San Antonio Tricentennial Celebration Commission (Commission) was a public nonprofit local government entity incorporated in 2015. The Commission was organized for the purpose of aiding and acting on behalf of the City to provide a means of assisting with the planning, developing, identifying potential partners, fundraising, managing, and financing of projects involved with the City's 300th anniversary celebration in 2018. All powers of the Commission was vested in the Board of Directors. The Board consisted of not less than three nor more than 19 persons, provided that five came at the recommendation of the Bexar County Commissioners Court with the remainder of the Board chosen by City Council. Tricentennial ceased operations in fiscal year 2019.

San Antonio Water System

P.O. Box 2449 San Antonio, TX 78298-2449 Contact: Doug Evanson Telephone No. (210) 233-3803 On May 19, 1992, the consolidation of water systems, agencies and activities into one institution through a refunding of the then outstanding water and sewer bonds of the former City Water Board, Alamo Water Conservation and Re-Use District, and the City's Sewer and Stormwater System, resulted in the creation of the San Antonio Water System (SAWS). The City Council determined that the interests of the citizens and the customers would best be served by placing authority for management and control of SAWS, as consolidated, with a board of trustees. This board of trustees includes the City's Mayor as an ex-officio member, along with six members appointed by City Council for four-year staggered terms. The rates for user charges and bond issuance authorizations are approved by City Council.

It is management's belief that to exclude essential disclosures from the City's financial statements as they pertain to CPS Energy and SAWS would be misleading. CPS Energy and SAWS have been identified as major discretely presented component units as they both relate to total component units and to the primary government. Therefore, relevant disclosures have been included in the City's financial statements.

SAWS' fiscal year-end is December 31, 2018; while CPS Energy's and SA Energy Acquisition Public Facility Corporation's fiscal year-end is January 31, 2019. The Commission ceased operations and issued stub period financials ending August 1, 2019.

Essential disclosures related to the previously mentioned discretely presented, fiduciary, and blended component units are included in the complete financial statements of each of the individual component units. These statements may be obtained at the respective entity's administrative office.

Related Organizations

The City Council appoints members to the board of commissioners for the Housing Authority of the City of San Antonio (SAHA). However, the City's accountability for this entity does not extend beyond making appointments to its board and the coordination and approval of strategic plans.

Basic Financial Statements - GASB Statement No. 34

Government-Wide and Fund Financial Statements – The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The government-wide financial statements report information on all non-fiduciary activities of the primary government and its component units. MD&A introduces the basic financial statements and provides an analytical overview of the City's financial activities. Additionally, the effect of interfund activity has been removed from the statements.

The Statement of Net Position – Reflects both short-term and long-term assets and liabilities as well as deferred inflows and outflows of resources. In the government-wide Statement of Net Position, governmental activities are reported separately from business-type activities. Governmental activities are supported by taxes and intergovernmental revenues, whereas business-type activities are normally supported by user fees and charges for services. Long-term assets, such as capital assets, long-term obligations, such as debt, and any deferred inflows and outflows of resources are now reported in the governmental activities. The components of Net Position are presented in three separate categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Interfund receivables and payables within governmental and business-type activities have been eliminated in the government-wide Statement of Net Position, which minimizes the duplication within the governmental and business-type activities. The net amount of interfund transfers between governmental and proprietary funds is the balance reported in the Statement of Net Position. Discretely presented component units are also reported in the Statement of Net Position.

The Statement of Activities – Reflects both the gross and net cost format. The net cost (by function or business-type activity) is usually covered by general revenues (property tax, sales and use tax, revenues from utilities, etc.). Direct (gross) expenses of a given function or segment are offset by charges for services, operating and capital grants and contributions. Program revenues must be directly associated with the function of program activity. The presentation allows users to determine which functions are self-supporting and which rely on the tax base in order to complete their mission. Internal Service Fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental and business-type activities of the Statement of Activities.

Fund Accounting

A reconciliation detailing the change in net position between the government-wide financial statements and the fund financial statements is presented separately for governmental funds. In order to achieve a break-even result in the Internal Service Fund activity, differences in the basis of accounting and reclassifications are allocated back to user departments. These allocations are reflected in the government-wide statements. Any residual amounts of the Internal Service Funds are reported in the governmental activity column.

The proprietary funds have a reconciliation presented in the proprietary funds' Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position related to the Internal Service Fund allocation. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled.

Fund Accounting (Continued)

The City has three types of funds: governmental, proprietary, and fiduciary. The fund financial statements provide more detailed information about the City's most significant funds but not on the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements.

The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10.0% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10.0% criterion above in the governmental or enterprise fund is at least 5.0% of the corresponding element total for all governmental and enterprise funds combined.

The following is a brief description of the major governmental funds that are separately presented in the fund financial statements:

- The General Fund is always presented as a major fund.
- The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, except those that are accounted for in enterprise funds.
- The City has designated Pre-K 4 SA, a blended component unit, as a major fund due to the high-profile nature and fiscal transparency for the program, which was funded by a voter-increased sales tax.
- The Convention Center Hotel Finance Corporation, a blended component unit, accounts for the receipt and
 disbursement of resources within the local economy in order to stimulate business and commercial activity
 in the City. It was created to issue debt for the construction of the Grand Hyatt and to further promote
 tourism within the City.
- The 2017 General Obligation Bonds Fund, a capital projects fund, accounts for the receipt and disbursement
 of bond proceeds for physical infrastructure development and improvement projects approved in an
 \$850,000 bond election held on May 6, 2017.

The following is a brief description of the major enterprise funds that are separately presented in the fund financial statements:

- The Airport System accounts for the operation of the San Antonio International Airport and Stinson Municipal
 Airport. Financing for the Airport System's operations is provided by user fees, while financing for the Airport
 System's capital is primarily funded by City issued revenue bonds (repaid with user fees), grants and facility
 charges assessed to users.
- Solid Waste Management accounts for all revenues and expenses associated with the operations and maintenance of the City's solid waste and environmental management programs, required debt service for outstanding bonds, and construction and management of Solid Waste Management's assets.

Fund Accounting (Continued)

Governmental Funds

General Fund is the primary operating fund for the City, which accounts for and reports all financial resources of the general government not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service and capital projects. The specific revenue sources are the foundation for the fund's designation and are expected to continue to comprise a substantial portion of the inflows reported in the fund. If the fund no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources, the fund's remaining resources and activities are reported in the General Fund.

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest as well as financial resources that are being accumulated for principal and interest maturing in future years.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, except those financed by enterprise funds.

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

The governmental funds that have legally adopted budgets are the General Fund, Debt Service Fund, Special Revenue Funds (excluding HOME Program, Categorical Grant-In-Aid, HUD 108 Loan Program, Community Development Program, Tax Increment Reinvestment Zone, San Antonio Housing Trust, and most Community Services Funds), City Cemeteries, and Pre-K 4 SA.

Proprietary Funds

Enterprise Funds are used to account for and report operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the expenses (including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges.

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The City's self-insurance programs, data processing programs, other internal service programs, and Capital Management Services (CMS) are accounted for in these funds.

Fund Accounting (Continued)

Fiduciary Funds

The Trust and Agency Funds are used to account for and report assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The Fire and Police Pension Fund is a statutory trust fund established to provide pension benefits to eligible uniformed employees. The Fire and Police Retiree Health Care Fund is a statutory trust fund established to provide Other Post-Employment Retirement Benefits (OPEB) for retired uniformed employees and their dependents. The City's Retiree Health Care Fund meets the criteria of a fiduciary fund and manages OPEB for retired City civilian employees. The Agency Funds account for the City's sales and use tax to be remitted to the State of Texas, various fees for other governmental entities, unclaimed property, and various deposits held.

Fire and Police Pension Fund, Fire and Police Retiree Health Care Fund, and Retiree Health Benefits Insurance Fund are accounted for in essentially the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Measurement Focus and Basis of Accounting

Primary Government (City)

The government-wide financial statements present information about the City as a whole. Government-wide financial statements exclude both fiduciary funds and fiduciary component units. The Statement of Net Position and the Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The City recognizes revenue from property taxes in the period for which they were levied. Other taxes and fees are recognized as revenue in the year they are earned. Revenues from grants and similar items are recognized in the fiscal year the qualifying expenditures are made and all other eligibility requirements have been satisfied.

Program revenues are presented in the government-wide Statement of Activities. The City reports program revenues in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. They are presented separately as a reduction of the total expense to arrive at the net expense of each functional activity. Program revenues are revenues generated by transactions with outside parties who purchase, use, or directly benefit from a program. They also include amounts such as grants and contributions received from outside parties that restrict the use of those resources to specific programs.

- Charges for services are revenues generated by those who purchase goods or services from the City. Examples
 of charges for services include airport landing fees, solid waste collection and disposal fees, and flat rate
 parking fees. Fines and forfeitures, licenses and permits, and intergovernmental revenues as reported in the
 General Fund are also reported under charges for services.
- 2) Operating grants and contributions are those revenues that are restricted in the way they may be spent for operations of a particular program.
- 3) Capital grants and contributions are also restricted revenues whose resources may only be spent to purchase, build or use capital assets for specified programs.

Measurement Focus and Basis of Accounting (Continued)

Primary Government (City) (Continued)

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included in their balance sheets, and revenues are recognized in the accounting period in which they become available and measurable. Available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period.

Revenues from property taxes, sales and use taxes, occupancy taxes, gross receipts taxes, municipal court fines and fees, licenses, revenues from utilities, and investment earnings are susceptible to accrual. The City's availability period is no more than 60 days beyond the end of the fiscal year. Grant revenues are recognized when reimbursable expenditures are made, all other eligibility requirements imposed by the provider have been met, and the City receives reimbursement within 60 days of the fiscal year-end. Grant funds received in advance are recorded as unearned revenue until earned and available.

Gross receipts and sales and use taxes are considered available when received by intermediary collecting governments and are recognized at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are recognized in the accounting period in which the fund liability is incurred; however, accrued leave, debt service expenditures, claims and judgments, arbitrage rebates, pension, post-employment obligations, asset retirement obligation and pollution remediation are recorded only when the liability is matured.

The reported fund balance (net current assets) for each fund is considered a measure of current financial resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of current financial resources during the period.

Special reporting treatments are applied to governmental fund materials and supplies, prepaid expenditures, and deposits to indicate that they do not represent current financial resources, since they do not represent net current assets. Such amounts are generally offset by fund balance nonspendable accounts.

Proprietary, Pension, Health Funds, and governmental and business-type activities are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses and related liabilities, including claims, judgments, and accrued leave, are recognized when they are incurred. These funds are accounted for on a cost of services or economic resources measurement focus. Consequently, all assets and all liabilities (whether current or noncurrent), as well as deferred inflows and outflows of resources associated with its activity, are included in their Statement of Net Position. The reported proprietary fund net position is segregated into three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Measurement Focus and Basis of Accounting (Continued)

Primary Government (City) (Continued)

Proprietary funds report both operating and nonoperating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. The City defines operating revenues as those receipts generated by a specified program offering either a good or service. For example, parking garage and surface lot charges are operating revenues of the Parking System. This definition is consistent with GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, noncapital financing or investing activities. Operating expenses include personal services, contractual services, commodities, other expenses (such as insurance), and depreciation on capital assets. Revenues and expenses not fitting the above definitions are considered nonoperating.

CPS Energy

CPS Energy's operating revenues include receipts from energy sales, ancillary services and miscellaneous revenue related to the operation of electric and gas systems. Miscellaneous revenue includes late payment fees and rental income.

CPS Energy's revenues are recorded when earned. Customers' meters are read or periodically estimated, and bills are prepared monthly based on billing cycles. Rate tariffs include adjustment clauses that permit recovery of electric and gas fuel costs. CPS Energy has used historical information from prior fiscal years as partial bases to estimate and record earned revenue not yet billed. This process has involved an extrapolation of customer usage over the days since the last meter read through the last day of the monthly period. Also included in unbilled revenue is the over/under-recoveries of electric and gas fuel costs and regulatory assessments.

CPS Energy's electric fuel cost adjustment clause also permits recovery of regulatory assessments. CPS Energy recovers assessments from the Public Utility Commission of Texas (PUCT) for transmission access charges and from the Texas Independent System Operator, also known as the Electric Reliability Council of Texas (ERCOT), for its operating costs and other charges applicable to CPS Energy as a wholesale provider of power to other utilities. Regulatory assessments for fiscal year 2019 were \$86,202.

Operating expenses are recorded as incurred and include those costs that result from the ongoing operations of the electric and gas systems.

Nonoperating revenue consists primarily of investment income, including fair market value adjustments and rental income from the sale of communication towers. Certain miscellaneous income amounts from renting general property and providing various services are also recorded as nonoperating revenue when they are not directly identified with the electric or gas systems.

Measurement Focus and Basis of Accounting (Continued)

CPS Energy (Continued)

CPS Energy accounts for its legal obligation to decommission STP Units 1 and 2 in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*, which was adopted during fiscal year 2019. CPS Energy accounts for decommissioning by recognizing its pro rata share of an Asset Retirement Obligation (ARO) based on the best estimate of the current values of outlays expected to be incurred, determined by the most recent cost study. A new cost study is performed every five years, and in years subsequent to the latest study, the Statement requires the current value of CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. CPS Energy restated balances due to the implementation of GASB Statement No. 83. See Note 19 Prior Period Restatement for more information.

Additionally, due to requirements under the Code of Federal Regulations governing nuclear decommissioning trust funds, guidance pertaining to regulated operations provided in GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, has been followed. Under this guidance, the zero net position approach is applied in accounting for the Decommissioning Trusts. In accordance with Statement No. 62, the cumulative effect of activity in the Decommissioning Trusts has been recorded as a regulatory liability reported on the Statement of Net Position as Other Payables (net of current portion), since any excess funds are payable to customers. Going forward, prolonged unfavorable economic conditions could result in the assets of the Decommissioning Trusts being less than the estimated decommissioning liability. In that case, instead of an excess as currently exists, there would be a deficit that would be reported as decommissioning net costs recoverable. This amount would be a receivable from customers.

To reflect funding methodology, the Allowance for Funds Used During Construction (AFUDC) rate includes both a debt and an equity component. The blended rate is composed of 50.0% equity and 50.0% debt based on construction funding. The investment rate is reviewed quarterly to determine if any adjustments are necessary. Alternate AFUDC rates are applied to projects costing more than \$100,000, reflecting the method by which they are funded.

Periodically, federal or state grants are made available to CPS Energy as a subrecipient for a portion of grant funds allocated to the State of Texas or as direct awards. Grant receipts are recorded as nonoperating income and generally reimburse CPS Energy for costs, recorded as operating expenses, incurred in the administration of the program. Federal or state grants that subsidize in whole or a partial amount of capital assets are recognized as capital contributions. These accounting treatments result in no impact to CPS Energy's net position. Revenues associated with the grant-related programs are exempt from payments of a percentage of gross revenues made to the City. Grant funding received by CPS Energy is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenses disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Measurement Focus and Basis of Accounting (Continued)

San Antonio Water System (SAWS)

SAWS' revenues are recorded as goods or services are provided. Customers' meters are read and bills are prepared monthly based on billing cycles. SAWS uses historical information to estimate and record earned revenue not yet billed.

SAWS' principal operating revenues are charges to customers for water supply, water delivery, wastewater, and chilled water services. Operating expenses include the costs of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Nonoperating revenues consist primarily of interest income earned on investments. Nonoperating expenses consist primarily of interest expense, debt related costs, sales of capital assets, and payments to the City.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Primary Government (City)

Deferred outflows and inflows of resources in the Statement of Net Position are shown in the table below:

	Go	vernmental	Вι	usiness-Type	
Deferred Outflows of Resources:		Activities		Activities	 Total
Deferred Outflows of Resources related to Pensions	\$	366,833	\$	17,245	\$ 384,078
Contributions Subsequent to Measurement Date related to					
Pensions		85,322		6,889	92,211
Deferred Outflows of Resources related to OPEB		95,733		13,356	109,089
Contributions Subsequent to Measurement Date related to OPEB		24,700		196	24,896
Deferred Outflows of Resources related to ARO		262		257	519
Loss on bond refunding		24,827		2,482	 27,309
Total Deferred Outflows of Resources	\$	597,677	\$	40,425	\$ 638,102
Deferred Inflows of Resources:					
Deferred Inflows of Resources related to Pensions	\$	68,357	\$	1,267	\$ 69,624
Deferred Inflows of Resources related to OPEB		91,682		7,243	98,925
Total Deferred Inflows of Resources	\$	160,039	\$	8,510	\$ 168,549

Additional information concerning deferred outflows of resources and deferred inflows of resources related to pensions and OPEB can be found in Note 9 Pension and Retirement Plans and Note 10 Postemployment Retirement Benefits, respectively.

Deferred Outflows and Inflows of Resources (Continued)

Primary Government (City) (Continued)

Deferred inflows of resources in the governmental fund financial statements related to the unavailable revenues are shown in the table below:

	Gov	ernmental
Deferred Inflows of Resources:		Funds
Revenues associated with loan receivables	\$	10,434
Revenues associated with grants		8,305
Revenues associated with:		
Property Tax Collections		22,605
EMS Collections		14,906
Municipal Court Fines		5,922
Library Fines		1,065
Alarm Fees		1,039
Magistrate/Detention Fees		398
Fire Marshall Fees		197
Revenues associated with SAWS, CPS, and the Port contributions to projects		161
CCHFC - unavailable receipts for a loan from the Grand Hyatt Hotel		171,090
Total Deferred Inflows of Resources in the Balance Sheet - Governmental Funds		
Statement	\$	236,122

CPS Energy

Deferred outflows and inflows of resources are shown in the table below:

Deferred Outflows of Resources:		S Energy
Unrealized pension contributions	\$	58,700
Losses relating to pension		102,915
Unrealized contributions to the OPEB Plan		1,000
Losses related to OPEB		10,578
Unrealized losses on fuel hedges		4,606
Unamortized debt reacquisition costs		62,205
Unamortized costs for asset retirement obligations		491,132
Total Deferred Outflows of Resources	\$	731,136
Deferred Inflows of Resources:		
Unrealized gains related to pension	\$	147,795
Unrealized gains related to OPEB		23,154
Unrealized gains on fuel hedges		273
Sale of future revenues		2,136
Total Deferred Inflows of Resources	\$	173,358

Deferred Outflows and Inflows of Resources (Continued)

San Antonio Water System (SAWS)

Deferred outflows and inflows of resources are shown in the table below:

Deferred Outflows of Resources:	SAWS
Deferred charges on bond refunding	\$ 42,048
Decrease of fair value of hedging derivatives	9,332
Unrealized pension contributions	12,382
Unrealized OPEB contributions	15,308
Losses related to pension	5,721
Total Deferred Outflows of Resources	\$ 84,791
Deferred Inflows of Resources:	
Differences between expected and actual experience and	
changes of assumptions related to pension	\$ 17,807
Differences between expected and actual experience and	
changes of assumptions related to OPEB	6,040
Total Deferred Inflows of Resources	\$ 23,847

Current Year GASB Statement Implementations

In fiscal year 2019, the City implemented the following GASB Statements:

GASB Statement No. 83, Certain Asset Retirement Obligations, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The City implemented this Statement in fiscal year 2019. See Note 13 Other Obligations for more information.

Current Year GASB Statement Implementations (Continued)

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The City implemented this Statement in fiscal year 2019. See Note 7 Long-Term Debt for more information.

SAWS, a City discretely presented component unit, will implement GASB Statement No. 83 and GASB Statement No. 88 in fiscal year 2020.

Future GASB Statement Implementations

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City will assess and implement this Statement where necessary in fiscal year 2020.

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Future GASB Statement Implementations (Continued)

GASB Statement No. 87, Leases, will better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City will assess and implement this Statement where necessary in fiscal year 2021.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City will assess and implement this Statement where necessary in fiscal year 2021.

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 6, will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100.0% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100.0% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City will assess and implement this Statement where necessary in fiscal year 2020.

Future GASB Statement Implementations (Continued)

GASB Statement No. 91, Conduit Debt Obligations, will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City will assess and implement this Statement where necessary in fiscal year 2022.

GASB Statement No. 92, Omnibus 2020, will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments. The requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance, effective fiscal year 2020. The remaining components are effective for reporting periods beginning after June 15, 2020. The City will assess and implement this Statement were necessary in fiscal years 2020 and 2021.

The City has not fully determined the effects that implementation of these statements will have on the City's financial statements.

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Cash and Cash Equivalents and Investments

The City's investment practices are governed by state statutes and by the City's own Investment Policy. City cash is required to be deposited in Federal Deposit Insurance Corporation (FDIC) insured banks located within the State of Texas. A pooled cash and investment strategy is utilized, which enables the City to have one central depository. Investments are pooled into two primary categories: operating funds and debt service funds. The balances in these funds are invested in an aggregate or pooled amount, with principal and interest income distributed to each respective fund on a prorated basis. In addition, the City may purchase certain investments with the available balance of a specific fund for the sole benefit of such fund. Fair market value of the City's investments is determined by quoted market prices and valuations using interest rate curves and credit spreads applied to the terms of the debt instrument, while also considering the counterparty rating. The City's policy with respect to money market investments, which have a remaining maturity of one year or less at the time of purchase, is to report those investments at amortized cost, which approximates fair value. Amortization of premium or accretion of discount is recorded over the term of the investments. As of September 30, 2019, the City's investment portfolio did not contain any derivative or alternative investment products, nor was it leveraged in any way. Derivatives or alternative investment products are found only where noted in the Pension Fund and Health Fund. For a listing of authorized investments, see Note 4 Cash and Cash Equivalents, Securities Lending and Investments.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of approximately 90 days or less to be cash equivalents.

Materials and Supplies and Prepaid Items

Materials and supplies consist principally of expendable items held for consumption and are stated at cost, based on first-in first-out and lower of average cost or market methods. For governmental and proprietary fund types, the "consumption" method is used to account for certain materials and supplies. Under the consumption method, these acquisitions are recorded in materials and supplies accounts and charged as expenditures for governmental funds and as expenses for proprietary funds when used.

Prepaid items are goods and services that are paid in advance. These payments reflect costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. Using the consumption method, prepaid items are charged as expenditures for governmental funds and as expenses for proprietary funds as the goods or services are used.

Capital Assets and Depreciation

Primary Government (City)

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art, historical treasures, or capital assets received in a service concession agreement are valued at acquisition value. Capital assets recorded under capital leases are recorded at the present value of future minimum lease payments. Depreciation on all exhaustible capital assets of the City is charged as an expense with accumulated depreciation being reported in the Statement of Net Position. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Capital Assets and Depreciation (Continued)

Primary Government (City) (Continued)

The City has established capitalization thresholds for automotive equipment, computer software, computer equipment, machinery and equipment, buildings, improvements, infrastructure, and depreciable intangible (e.g. right of ways, easements, internally generated software). Some intangible assets may have an indefinite life. For those assets, depreciation is not calculated. Capital assets are tested for impairment when a significant unexpected decline in its service utility occurs. Losses are recorded net of any insurance recovery when the recovery is realizable in the respective fiscal year.

The estimated useful lives and capitalization thresholds applied are as follows:

	Useful Life	Capitalization
Assets	(Years)	Threshold
Automotive Equipment	5-10	\$ 5
Computer Software	5-10	5
Computer Equipment	5-10	5
Machinery and Equipment	5-20	5
Buildings	10-40	100
Depreciable Intangible	5-40	100
Improvements (other than buildings)	10-40	100
Infrastructure	10-100	100

CPS Energy

The costs of additions and replacements of assets identified as major components or property units are capitalized. Maintenance and replacements of minor items are charged to operating expense. Except for certain assets that may become impaired, the cost of a depreciable plant that is retired, plus removal costs and less salvage, is charged to accumulated depreciation. Per the financial reporting requirements of GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, any losses associated with capital asset impairments will be charged to operations, not to accumulated depreciation.

CPS Energy's utility plant is stated at the cost of construction, including expenses for contracted services; direct equipment, material and labor; indirect costs, including general engineering, labor, equipment and material overheads; and Allowance for Funds Used During Construction (AFUDC), or capitalized interest. AFUDC is applied to projects that require 30 days or more to complete.

Proceeds from customers to partially fund construction expenses are reported as capital grants and contributions in the Statement of Activities as increases in net position in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. The amount reported for capital grants and contributions was \$54,936 for the period ending January 31, 2019, including donated assets of \$5,150. The remaining portion of this balance, \$49,786 for fiscal year 2019 represents contributions received from customers as payments for utility extensions and services, as well as funding for community initiatives and other local partnership projects.

Capital Assets and Depreciation (Continued)

CPS Energy (Continued)

Except for nuclear fuel, which is amortized over units of production, CPS Energy computes depreciation using the straight-line method over the estimated service lives of the depreciable property according to asset type. Total depreciation as a percent of total depreciable assets, excluding nuclear fuel, was 3.4% for fiscal year 2019.

The estimated useful lives of depreciable capital assets are as follows:

Depreciable Capital Assets	Useful Life (Years)
Buildings and Structures	20-45
Utility Plant in Service:	
Generation	18-49
Transmission and Distribution	15-60
Gas	35-65
Machinery and Equipment	4-20
Intangibles:	
Software	10
Other	20-30
Mineral Rights and Other	20-40
Nuclear Fuel	Units of Production

Thresholds contained in CPS Energy's capitalization policy for fiscal year 2019 are as follows:

	Capitalization
Assets	Threshold
Land, Land Improvements and Certain Easements	Capitalize All
Buildings and Building Improvements	\$ 10
Computer Software:	
Purchased	50
Internally Developed	50
Enhancements/Upgrades	50
Computer Hardware	3
All Other Assets	3

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Capital Assets and Depreciation (Continued)

San Antonio Water System (SAWS)

SAWS' capital assets in service are capitalized when the unit cost is greater than or equal to \$5. Utility plant additions are recorded at cost, which includes materials, labor, direct internal costs, and interest capitalized during construction. Capital assets include intangible assets, which consist of purchased water rights and land capital easements, costs associated with acquiring additional Certificates of Convenience and Necessity related to new service areas, and development costs for internally generated computer software. Assets acquired through capital leases are recorded on the cost basis and included in utility plant in service. Assets acquired through contributions, such as those from developers, are recorded at estimated acquisition value at date of donation. Maintenance, repairs, and minor renewals are charged to operating expense; major plant replacements are capitalized.

Capital assets are depreciated on the straight-line method. This method is applied to all individual assets except distribution and collection mains and intangible assets. Groups of mains are depreciated on the straight-line method over an estimated average useful life of 50 years. Mains are included in the distribution and transmission system asset category and the collection system category. Intangible assets not considered to have indefinite useful lives are amortized over their estimated useful life. Capital assets are tested for impairment when a significant unexpected decline in its service utility occurs.

The following table shows an estimated range of useful lives used in providing for depreciation of capital assets:

	Useful Life
Assets	(Years)
Structures and Improvements	25-50
Pumping and Purification Equipment	10-50
Distribution and Transmission System	17.5-50
Collection System	50
Treatment Facilities	25
Machinery and Equipment	5-20
Furniture and Fixtures	3-10
Computer Equipment	5
Software	3-10
Intangible Assets (Definite Useful Life)	20

Accrued Leave

Primary Government (City)

In the governmental fund financial statements, the City accrues annual leave and associated employee related costs when matured for both civilian and uniformed employees. Sick leave is not accrued for civilian employees and is not payable upon termination. The City accrues the matured portion of its uniformed employees' accrued sick leave, holiday, and bonus pay in accordance with the respective collective bargaining agreements, which state that uniformed employees must provide notice in writing ahead of the first pay period in October to be eligible for buyback. Because notice is provided to the City by fiscal year-end, the City accrues uniformed employees' eligible buyback, as it is due and payable by September 30th.

Accrued Leave (Continued)

Primary Government (City)(Continued)

For governmental fund types, the matured current portion of the liability resulting from the accrual of these leave liabilities is recorded in the respective governmental fund and reported in the fund financial statements, while the entire liability is reported in the government-wide financials. The current and long-term portions of the liability related to proprietary fund types are accounted for in the respective proprietary funds.

CPS Energy

Employees earn vacation benefits based upon their employment status and years of service.

San Antonio Water System (SAWS)

It is SAWS' policy to accrue earned but unused employee vacation pay as well as the employer portion of Social Security taxes and required employer pension contributions related to the accrued vacation pay. Sick leave is not accrued and a terminating employee is not paid for accumulated sick leave.

<u>Insurance</u>

Activity for the City's self-insurance programs is recorded in the Internal Service Funds. Assets and obligations related to property and casualty liability, employee health benefits, workers' compensation, unemployment compensation, and employee wellness are included. Retired employee health benefit activity is reported in a Fiduciary Fund.

The City is insured for property loss on a primary basis through Factory Mutual Insurance Company. The City is completely self-insured for liability claims. Related liabilities are accrued based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported prior to the end of the fiscal year. The City determines and accrues loss liabilities based on an actuarial assessment of historical claim data and industry trends performed annually less expenditures issued after fiscal year-end and accrued during close out that were included in the reserve census data given to the actuaries.

The City also provides employee health insurance, which includes funding a prorated share of retiree health benefit costs, workers' compensation, and unemployment benefits under its self-insurance programs. The City purchases medical claims stop-loss insurance from HM Life Insurance Company. The stop-loss insurance covers civilian and uniformed active employees, non-Medicare eligible retirees, and eligible dependents for claims paid exceeding \$1,100.

Employee and retiree health benefit liabilities are determined and accrued based upon the City's estimates of aggregate liabilities for unpaid benefits utilizing claim lag data from the City's third-party administrator. The City additionally determines and accrues post-employment liabilities based on an actuarial assessment of historical claim data performed bi-annually and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the post-employment liability as additional contributions.

Insurance (Continued)

The City is a member of the Texas Municipal League Workers' Compensation Joint Insurance Fund and uses this fund as a mechanism for administering workers' compensation claims that occurred prior to September 30, 1986. Workers' compensation claims that occurred after October 1, 1986 are administered by third-party administrators. The City records all workers' compensation loss contingencies, including claims incurred but not reported. The City determines and accrues workers' compensation liabilities based on an actuarial assessment of historical claim data and industry trends performed annually. The City has been completely self-insured for workers' compensation claims since May 1, 2013.

Regarding unemployment compensation, the City is subject to the State of Texas Employment Commission Act. Under this Act, the City's method for providing unemployment compensation is to reimburse the State for claims paid by the State.

All insurance carriers providing coverage for the City are required to possess an A.M. Best Company rating of A- or better, where A- denotes Excellent. A.M. Best is an industry recognized rating service for insurance companies. For more detailed explanation of the City's self-insurance programs, see Note 14 Risk Financing.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 Pension and Retirement Plans for more information.

Fund Balance

Fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned based to the extent to which the City is bound to observe constraints imposed on the use of the resources in the governmental funds. The classifications are as follows:

- Nonspendable The nonspendable fund balance includes amounts that cannot be spent because they are
 either not in spendable form or legally or contractually required to be maintained intact. The "not in
 spendable form" criterion includes items that are not expected to be converted to cash, for example,
 inventories and prepaids.
- Restricted The fund balance is reported as restricted when constraints placed on the use of resources are
 either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or
 regulation of other governments or imposed by law through enabling legislation.
- Committed The committed fund balance includes amounts that can be used only for the specific purposes
 imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other
 purposes unless City Council removes or changes the specified use by taking the same type of action it
 employed to previously commit those amounts. Committed fund balance also incorporates contractual
 obligations to the extent that existing resources in the fund have been specifically committed for use in
 satisfying those contractual requirements.

Fund Balance (Continued)

- Assigned Amounts in the assigned fund balance are intended to be used by the City for specific purposes
 but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned
 amounts represent intended uses established by the City Council, City Manager, Executive Leadership Team,
 and Department Directors.
- Unassigned Unassigned fund balance is the residual classification for the General Fund. This classification
 represents fund balance that has not been assigned to other funds and does not have a specific purpose. In
 the governmental funds other than the General Fund, if expenditures incurred exceeded the amounts
 restricted, committed or assigned, the fund may report a negative unassigned fund balance.

Generally, the City would apply restricted, committed or assigned resources prior to unassigned resources when expenditure is incurred for purposes for which more than one of the classification of fund balance is available. See Note 16 Fund Balance Classifications for more detail.

Assets associated with cash and receivables received from restricted sources (grants, bond issuances, legislative items, or other third party restrictions) as well as associated obligations are categorized as restricted.

Allocation of Indirect Expenses

The City recovers indirect costs in the General Fund through the application of departmental indirect cost rates. These rates are developed and documented in the City's departmental indirect cost rate plan. In this plan, each department is classified by function. Indirect costs are budgeted by department and are used as a basis for the City's actual indirect cost allocation. Base rates are then applied to actual indirect costs recovered, and indirect costs are reclassified to reduce general government expenditures. For fiscal year 2019, general government expenditures in the General Fund were reduced by \$19,396, resulting in increased expenditures/expenses in other governmental functions and in business-type activities in the amounts of \$12,298 and \$7,098, respectively.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the debt. Deferred charges on refunding (the difference between the reacquisition price and the carrying value of the existing debt) are deferred and amortized over the shorter of the life of the original bonds or the life of the refunding bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Elimination of Internal Activity

Elimination of internal activity, particularly related to internal service fund and blended component unit transactions, is needed to make the transition from governmental funds to government-wide activities. The overriding objective in eliminating the effects of internal service fund activity is to adjust the internal charges to cause a break-even result. The main objective in eliminating the effect of funding and reimbursement of costs between the primary government and blended component unit is to remove duplication of same activities.

Elimination of Internal Activity (Continued)

Eliminating the effect of internal service fund activity requires the City to look back and adjust the Internal Service Funds' internal charges. Net income derived from internal service fund activity would cause a prorated reduction in the charges made to the participating funds/functions. Conversely, an internal service fund net loss would require a prorated increase in the amounts charged to the participating funds/functions.

Therefore, eliminations made to the Statement of Activities remove the doubling up effect of internal service fund activity. The residual internal balances between the governmental and business-type activities are reported in the Statement of Net Position and the internal balance amounts that exist within the governmental funds or within business-type funds are eliminated. The City reports internal service fund balances in both governmental and business-type activities, based on the prorated share of the amounts charged to the participating funds/functions.

The City has four Internal Service Funds: Other Internal Services (OISF), Information Services, Self-Insurance Funds, and CMS. Through tracking charges to the applicable departments in each fund, the net income or loss will be allocated back to the user department, based on actual charges incurred over time.

OISF reports on activities of four funds: Purchasing Fund, Equipment Renewal and Replacement Fund, Building Maintenance Fund, and Fleet Services Fund. The Purchasing Fund generates its revenue through fixed assessments charged to various funds each year for procurement services, as well as charge-backs for postage and printing. The Equipment Renewal and Replacement Fund charges fixed assessments associated with the replacement of vehicles and heavy equipment. Building Maintenance Fund charges user fees based on the space occupied by departments. Fleet Services Fund charges a monthly amount based on vehicle repair and maintenance and fuel purchases by each department.

Information Services charge a monthly amount based on the usage of data processing, telephone, and radio services by each department. The Self-Insurance Funds generates its revenues through fixed assessments charged to the various funds each year. The Employee Benefits Fund, a component of Self-Insurance Fund, additionally charges prorated user fees to employees. The CMS Fund generates revenues by charging a capital administrative fee for activities on projects being worked on. The fund additionally generates revenue through reimbursements of costs incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the City, Pension and Health Fund, CPS Energy, and SAWS to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Application of Restricted and Unrestricted Net Position

The City may receive funding from an organization whose expenditures are restricted to certain allowable costs. In situations where both restricted and unrestricted net position are expended to cover allowable expenses, the City will first expend the restricted net position and cover additional costs with unrestricted net position. The City reserves the right to selectively defer the use of restricted assets or reimburse unrestricted net position with allowable restricted assets.

Note 2 Property Taxes

Property taxes are levied and due upon receipt on October 1, based on the assessed value of the previous January 1. The taxes are attached as an enforceable lien on property as of January 1 of the subsequent year, and become delinquent the following February 1. Property tax billing and collections are performed via an inter-local agreement with the Bexar County Tax Assessor/Collector's Office.

The City is permitted by the Municipal Finance Law of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable valuation (amounts are not reflected in thousands). The tax rate approved by City ordinance for the fiscal year-ended September 30, 2019, was \$0.55827 per \$100 taxable valuation, which means that the City has a tax margin of \$1.94173 per \$100 taxable valuation (tax rate amounts are not reflected in thousands). This could raise an additional \$2,196,443 per year based on the net taxable valuation of \$113,117,850 before the limit is reached. In fiscal year 2019, the City has forgone property tax revenues as a result of abatement agreements it has entered into. For more information see Note 3 Tax Abatements.

The City has adopted a Tax Increment Financing (TIF) Program Policy and Implementation Manual for the utilization of tax increment as a financing mechanism and the creation of Tax Increment Reinvestment Zones (TIRZ) pursuant to Chapter 311 of the Texas Tax Code. The City has utilized TIF to fund in whole or in part eligible capital costs for public infrastructure related to economic development, commercial, and residential projects. As of September 30, 2019, there were 20 existing TIRZ with a total taxable captured value of \$4,271,247 for use by the City to fund capital costs of certain public infrastructure improvements in the TIRZ. For fiscal year 2019, this total taxable captured value produced \$21,663 in tax increment revenues. The existing TIRZ have initial terms ranging from 19 years to 38 years which are anticipated to expire by fiscal year 2045. It is estimated that the City will contribute approximately \$541,712 in tax increment revenues in aggregate over the life of these TIRZ projects.

Taxable

			Taxable	
TIRZ	Start Date	End Date	Captured Value	
Rosedale	12/17/1998	9/30/2019	\$ 7,642	
Mission Del Lago	8/19/1999	9/30/2032	193,418	
Houston Street	12/9/1999	9/30/2034	593,234	
Stablewood Farm	12/14/2000	9/30/2025	54,469	
Inner City	12/14/2000	9/30/2025	1,146,950	
Plaza Fortuna	12/13/2001	9/30/2025	5,889	
Lackland Hills	12/13/2001	9/30/2026	20,722	
Northeast Crossing	6/13/2002	9/30/2028	161,011	
Brooks City Base	12/9/2004	9/30/2039	445,963	
Mission Creek	12/9/2004	9/30/2029	54,415	
Hallie Heights	12/9/2004	9/30/2024	20,399	
Heather Cove	12/16/2004	9/30/2024	19,807	
Hunters Pond	6/1/2006	9/30/2031	34,819	
Verano ¹	12/6/2007	9/30/2045		
Westside	12/11/2008	9/30/2032	345,101	
Midtown	12/11/2008	9/30/2031	941,648	
Mission Drive In	12/11/2008	9/30/2027	91,678	
North East Corridor	12/4/2014	9/30/2034	123,699	
Hemisfair	2/2/2017	9/30/2037	10,383	
Tarasco ²	12/13/2018	9/30/2044		
			\$ 4,271,247	

 $^{^{\}rm 1}$ Verano TIRZ was active during fiscal year 2019 but had a total taxable captured value of zero.

 $^{^{\}rm 2}$ Fiscal year 2020 will be the first year of tax increment collections for the Tarasco TIRZ.

Note 3 Tax Abatements

GASB Statement No. 77, Tax Abatement Disclosures, defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or citizens of those governments.

The City utilizes the following tax abatement programs to provide powerful new resources and incentives to grow the economy in the region, revitalize targeted areas of the City and promote strong, balanced growth throughout the community.

The City has not entered into agreements with other governments that would reduce the reporting government's tax revenues. Other entities are not authorized to enter tax abatement agreements that reduce the City tax revenue without the City's consent.

City Tax Abatement Program

- **Purpose of program** Encourages a job creation environment to help attract, retain and expand targeted industries, increase employment and high-wage jobs, expand the tax base, and create long-term capital investment (including foreign direct investment) and new wealth opportunities in the community in accordance with the SA Tomorrow Comprehensive Plan.
- **Taxes being abated** This program offers a tax abatement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to ten years.
- Authority for entering program Chapter 312 of the Texas Tax Code.
- Eligibility criteria for recipients A new company or existing local company must meet or exceed all of the criteria; 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- Mechanism used to abate taxes Through a reduction of the property's assessed value or as a credit to the amount of taxes owed.
- How the dollar amount of the abatement was determined The amount and term of the tax
 abatement offered is dependent upon the location and industry of the project, other public incentives
 offered for the same project and the overall benefit to the City and community.
- Recapture Provisions Violations for employment of undocumented workers, failure to meet
 investment requirements, failure to meet and maintain the minimum number of employees, failure to
 pay property taxes if owed or for refunding agreements, failure to complete project in the agreed upon
 deadline, events of relocation or cessation of business activities within the term of the agreement, or
 failure to meet other specified terms of the agreement.
- Types of commitments made by recipients Varies by agreement, including investment in real and
 personal property, creating a minimum number of full time jobs, and commitment to maintain business
 activities for a set amount of time.
- Other commitments to the recipient No other commitments are made with this program.

Note 3 Tax Abatements (Continued)

Economic Development Incentive Fund (EDIF) Program

- Purpose of program Provide economic development grants and/or loans to eligible companies seeking to create or retain jobs and invest in San Antonio.
- Taxes being abated These programs decrease the property tax revenue up to 100.0% from real and/or
 personal property for the City by reducing the amount of the assessed value up to 15 years.
- Authority for entering program Chapter 380 of the Local Government Code.
- Eligibility criteria for recipients A new company or existing local company must meet or exceed all of the criteria; 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- Mechanism used to abate taxes Through a reduction of the property's assessed value or as a credit to the amount of taxes owed.
- How the dollar amount of the abatement was determined The amount of EDIF assistance for a
 business recruitment or retention/expansion project will be based on a determination of need for
 financial incentives from the City to ensure the attraction, retention and/or expansion of the eligible
 company or program. Staff will also conduct a fiscal benefit analysis on each such project and evaluate
 the total benefits from all financial incentive programs the City might offer for the project.
- Recapture Provisions Violations for employment of undocumented workers, failure to meet
 investment requirements, failure to meet and maintain the minimum number of employees, failure to
 pay property taxes if owed or for refunding agreements, failure to complete project in the agreed upon
 deadline, events of relocation or cessation of business activities within the term of the agreement, or
 failure to meet other specified terms of the agreement.
- **Types of commitments made by recipients** Varies by agreement, including investment in real and personal property, creating a minimum number of full time jobs, and commitment to maintain business activities for a set amount of time.
- Other commitments to the recipient Varies by agreement, may include grants (usually most significant, amount depends on financial availability), loans, and forgivable loans.

<u>Tax Increment Financing Program – Center City Housing Incentive Policy</u>

- **Purpose of program** Provides financial incentives for multi-family housing projects and focuses on housing redevelopment within the Greater Downtown Area.
- **Taxes being abated** This program offers a tax reimbursement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to 15 years.
- Authority for entering program Chapter 311 of the Texas Tax Code, Chapter 380 of the Local Government Code.
- Eligibility criteria for recipients All projects must create housing at a density of at least eight units per
 acre for adaptive reuse or historic rehabilitation projects, or 16 housing units per acre for all other
 projects. Rental projects must maintain first year rental rate for 10.0% of units throughout agreement
 term. All projects must receive design approval prior to commencement.
- Mechanism used to abate taxes Eligible projects will receive a tax reimbursement disbursed annually
 over the life of the agreement.
- How the dollar amount of the abatement was determined The amount of the tax abatement offered is dependent on the location of the property and increase of the property value over the term of the agreement from the base year's value.

Note 3 Tax Abatements (Continued)

<u>Tax Increment Financing Program – Center City Housing Incentive Policy (Continued)</u>

- Recapture Provisions Violations for employment of undocumented workers, failure to meet
 investment requirements, failure to meet and maintain the minimum number of employees, failure to
 pay property taxes if owed or for refunding agreements, failure to complete project in the agreed upon
 deadline, events of relocation or cessation of business activities within the term of the agreement, or
 failure to meet other specified terms of the agreement.
- Types of commitments made by recipients Varies by agreement, including investment in real and personal property (generally rental housing units).
- Other commitments to the recipient Varies by agreement, may include SAWS fee waivers (generally
 most significant up to \$500), City fee waivers, low interest loans, low interest forgivable loans, and
 mixed-use forgivable loans.

<u>Tax Increment Financing Program – Non-Center City Housing Incentive Policy</u>

- **Purpose of program** This program is to promote local economic development and to stimulate business and commercial activity.
- **Taxes being abated** This program offers a tax reimbursement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to 15 years.
- Authority for entering program Chapter 311 and 312 of the Texas Tax Code, Chapter 380 of the Local Government Code.
- **Eligibility criteria for recipients** All projects must create housing at a density of at least eight units per acre for adaptive reuse or historic rehabilitation projects, or 16 housing units per acre for all other projects. Rental projects must maintain first year rental rate for 10.0% of units throughout agreement term. All projects must receive design approval prior to commencement.
- Mechanism used to abate taxes Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.
- How the dollar amount of the abatement was determined The amount of the tax abatement offered
 is dependent on the location of the property and increase of the property value over the term of the
 agreement from the base year's value.
- Recapture Provisions Violations for employment of undocumented workers, failure to meet
 investment requirements, failure to meet and maintain the minimum number of employees, failure to
 pay property taxes if owed or for refunding agreements, failure to complete project in the agreed upon
 deadline, events of relocation or cessation of business activities within the term of the agreement, or
 failure to meet other specified terms of the agreement.
- Types of commitments made by recipients Varies by agreement, including investment in real and
 personal property, creating a minimum number of full time jobs, and commitment to maintain business
 activities for a set amount of time.
- Other commitments to the recipient Varies by agreement, may include SAWS fee waivers, (generally
 most significant up to \$500), City fee waivers, low interest loans, low interest forgivable loans, and
 mixed-use forgivable loans.

Notes to Financial Statements

Note 3 Tax Abatements (Continued)

Summary

A summary of these taxes forgone on the City's abatement programs for the year-ended September 30, 2019 follows:

Tax Abatement Program	Number of Agreements (Not in thousands)	Abate	nt of Taxes ed during scal year
City Tax Abatement Program	17	\$	4,121
Economic Development Incentive Fund Program	7		1,174
Center City Housing Incentive Policy	26		1,811
Non-Center City Housing Incentive Policy	8		840
	58	\$	7,946

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Summary of Cash and Cash Equivalents, Securities Lending and Investments

Totals from Statement of Net Position												
		City ¹		Fire and Police Pension Fund ^{2 4}		Fire and Police Retiree Health Care Fund ^{2 4}		CPS Energy ³				SAWS ⁴
Unrestricted:												
Cash and Cash Equivalents	\$	77,284	\$	57,717	\$	7,120	\$	349,704	\$	58,064		
Security Lending Collateral				95,325								
Investments		651,270		2,954,888		357,765		104,171		436,823		
Total Unrestricted		728,554		3,107,930		364,885		453,875		494,887		
Restricted:	•	_										
Cash and Cash Equivalents		280,883						234,326		71,926		
Investments		941,607						1,107,234		458,978		
Total Restricted		1,222,490						1,341,560		530,904		
Total Cash and Cash Equivalents,												
Securities Lending Collateral												
and Investments	\$	1,951,044	\$	3,107,930	\$	364,885	\$	1,795,435	\$	1,025,791		

¹ Agency and City Retiree Health Care Fund investments are included in the City's pooled cash and investments but are not available for City activities and are excluded from the primary government's Statement of Net Position. The Agency assets are presented above as Restricted Cash and Cash Equivalents of \$3,448 and Investments of \$4,563. The City Retiree Health Care Fund assets are presented above as Restricted Cash and Cash Equivalents of \$54 and Investments of \$538.

A summary of cash and cash equivalents, securities lending and investments for the primary government (City), Pension Fund, Health Fund, CPS Energy, and SAWS is presented below as of each entity's respective fiscal year-end. This information is provided in order to facilitate reconciliation between the Statement of Net Position and the following note disclosures:

	Summary of	f Cash a	and Cash Equ	uivalent	ts		
	City		ire and Police Ision Fund	Retir	and Police ee Health re Fund	CPS Energy	SAWS
Deposits with Financial Institutions Investments with Original Maturities	\$ 155,364	\$	237	\$	63	\$ 3,398	\$ 9,085
of Less than Ninety Days Cash with Other Financial Agents	151,986 50,408		57,480		7,057	580,583	120,878
Petty Cash Funds Cash on Hand	128 281					49	 27
Total Cash and Cash Equivalents	\$ 358,167	\$	57,717	\$	7,120	\$ 584,030	\$ 129,990

² The Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund are separately issued fiduciary component units and are excluded from the primary government's Statement of Net Position.

³ For the fiscal year-ended January 31, 2019.

⁴ For the fiscal year-ended December 31, 2018.

Summary of Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Summary of Investments										
		Fire and Police City Pension Fund		Fire and Police Retiree Health Care Fund			CPS Energy		SAWS	
U.S. Treasuries, Government Agencies,										
Money Market Mutual Funds, and										
Government Investment Pool	\$	1,742,836	\$	121,336	\$	7,057	\$	1,446,924	\$	1,016,679
Repurchase Agreements		1,177								
Corporate Bonds				323,335				138,496		
Foreign Bonds				247,994				12,579		
Common Stock				683,200		9,128		144,473		
Mutual Funds						79,538				
Real Estate				251,363		28,490		48,802		
Preferred Stock		850						714		
Hedge Funds				480,868		457				
International Equities - Common Stock				438,886						
Alternative Investment				465,386		240,152				
Total Investments		1,744,863		3,012,368		364,822		1,791,988		1,016,679
Less: Investments with Original Maturities										
of Less than Ninety Days included in										
Cash and Cash Equivalents		(151,986)		(57,480)		(7,057)		(580,583)		(120,878)
Total	\$	1,592,877	\$	2,954,888	\$	357,765	\$	1,211,405	\$	895,801

City monies are deposited in demand accounts at the City's depository. The City utilizes a pooled cash and investment strategy with each fund's cash balance and pro rata shares of highly liquid investments, including U.S. Treasury securities, U.S. government agency securities, and repurchase agreements with original maturities of 90 days or less, summarized by fund type and included in the combined Statement of Net Position as cash and cash equivalents. Overdrafts, which result from a fund overdrawing its share of pooled cash, are reported as interfund payables by the overdrawn fund and as interfund receivables of either the General Fund or another fund with a similar purpose.

The City's investment portfolio is managed in accordance with the Texas Public Funds Investment Act, as amended, and its own Investment Policy. Authorized investments include demand accounts, certificates of deposit, obligations of the U.S. Treasury and U.S. government agencies, commercial paper, repurchase agreements, money market mutual funds and government investment pools. The City maintains in its investment portfolio U.S. Treasury securities and U.S. government agency securities with original maturities greater than 90 days. Each fund's pro rata share of these investments with original maturities greater than 90 days is combined with similar nonpooled securities (i.e., securities purchased and held for specific funds), including U.S. Treasury securities and U.S. government agency securities, and are reported as investments in the combined Statement of Net Position, as of September 30, 2019.

Notes to Financial Statements

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City)

With regard to money market investments and government investment pools that have a remaining maturity of one year or less at the time of purchase, the City's policy is to report these investments at amortized cost. Amortized cost approximates fair value for these investments. The decrease in fair value for investments of the City with a remaining maturity of greater than one year at the time of purchase was \$2,022 for the year-ended September 30, 2019.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants, applies to all state and local governments that participate in external investment pools. The City participates in two such pools: TexPool and TexPool Prime. The City's investments managed through TexPool are recorded at amortized cost in accordance with GASB Statement No. 79. These investments consist exclusively of United States government securities, its agencies or instrumentalities, repurchase agreements collateralized by United States government securities, its agencies or instrumentalities, AAA-rated, no-load money market mutual funds, certificates of deposit guaranteed or insured by the Federal Deposit Insurance Company or the National Credit Union Share Insurance Fund, commercial paper rated at least A-1 or P-1 by (i) two Nationally Recognized Statistical Rating Organizations (NRSROs) or (ii) one NRSRO and fully secured by an irrevocable letter of credit by a national or state bank, and securities lending programs. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate TexPool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. Additional information regarding TexPool and TexPool Prime may be found at http://www.texpool.com/TexPool/home.do.

TexPool and TexPool Prime do not have any limitations or restrictions on participants' withdrawals that would have to be stated in the notes to the financial statements. All TexPool securities are reported within the highest category of credit ratings and are denominated in U.S. dollars. Per GASB Statement No. 40, *Deposit and Investment Risk Exposure*, TexPool is not exposed to custodial credit risk. Additionally, TexPool utilizes shadow pricing, which is consistently within 0.5% of amortized cost value per unit.

In accordance with GASB Statement No. 40, the following table and narrative addresses the interest rate risk exposure by investment type, using the weighted average maturity (WAM) method, custodial credit risk, interest rate risk, credit risk, and concentration of credit risk. The City does not hold any foreign securities; therefore, foreign currency risk is not applicable.

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Primary Government (City) (Continued)

City Investments							
	Carrying ¹ Amount	Fair ¹ Value	Allocation ²	Rating ³	WAM		
U.S. Government Agency Securities	\$ 386,776	\$ 387,068	22.2%	AA+/A-1+	.42 years		
U.S. Treasuries	1,203,229	1,204,959	69.0%	N/A	.65 years		
Money Market Mutual Funds	84,432	84,432	4.8%	AAAm	1 day		
Government Investment Pool	66,377	66,377	3.8%	AAAm	1 day		
Preferred Stock	850	850	0.1%	N/A	N/A		
Repurchase Agreement	1,177	1,177	0.1%	N/A	1 day		
Total City Investments	\$ 1,742,841	\$ 1,744,863	100.0%				

¹ The Carrying Amount and Fair Value include blended component units for SIDC, TMFC, CCHFC, and TPFC, which total \$22,694.

Custodial Credit Risk (Deposits) – Collateral pledged for demand accounts and certificates of deposit is required to be held in the City's name in the custody of a third-party institution that customarily provides such custodial services at 102.0% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the U.S. government and its agencies and obligations of the State and its municipalities, school districts, and district corporations.

Written custodial agreements are required which provide, among other things, that the collateral securities are held separate from the assets of the custodial banks. The City periodically determines that the collateral has a market value adequate to cover the deposits (not less than 102.0% of the deposit amount) and that the collateral has been segregated either physically or by book entry. At fiscal year-end, cash deposits for the City were entirely collateralized by the City's depository with securities consisting of U.S. government and its agencies or U.S. government guaranteed obligations held in book entry form by the Federal Reserve Bank in the City's name.

Custodial Credit Risk (Investments) – The City's investment securities are held at the City's depository bank's third-party custodian, The Bank of New York Mellon, in the depository bank's name as a custodian for the City. Assets pledged as collateral must generally be a type of security specifically authorized to be held as a direct investment; must be held by an independent third party; and must be pledged in the name of the City.

Interest Rate Risk – The City manages exposure to value losses resulting from rising interest rates by limiting the investment portfolio's weighted-average maturity to five years. Per the City's Investment Policy, investments are diversified across issuers and maturity dates so that fewer funds will be subject to interest rate risk occurrence at any given time. In addition, the City generally follows a laddered approach to investing, whereby blocks of roughly the same increments are invested at similarly increased maturity lengths. This approach provides security that all investments will not become due at one particularly advantageous or disadvantageous period of time, thereby spreading the risk. Weighted-average maturity is defined as the weighted-average time to the return of a dollar of principal. It is used as an estimate of the interest rate risk of a fixed income investment. The City invests in money market mutual funds and government investment pools with 100.0% overnight liquidity. Additionally, the City has entered into a repurchase agreement with 100.0% overnight liquidity.

² The allocation is based on fair value.

³ Standard & Poor's Rating

Primary Government (City) (Continued)

Credit Risk – The City's Investment Policy requires the purchase of securities that are of the highest credit quality, based on current ratings provided by nationally recognized credit rating agencies. The City deems investments in U.S. Treasury securities and U.S. government agency securities that are guaranteed to be without credit risk. To limit the City's credit risk, investments in other debt securities will consist of securities rated 'A' or better by at least two nationally recognized rating agencies. As of September 30, 2019, the City's investment portfolio, with the exception of the repurchase agreement, the money market mutual fund investments, and the government investment pools, consisted only of U.S. Treasury securities and U.S. government agency securities. Investments in U.S. government agency securities, including Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Federal Agricultural Mortgage Corporation and Federal Farm Credit Bank were rated 'AA+' (Long-term) and 'A-1+' (Short-term) by Standard & Poor's. The investments in the money market mutual fund and governmental investment pools were rated 'AAAm' by Standard & Poor's and the repurchase agreement were greater than 100.0% collateralized with U.S. government agency securities.

Concentration of Credit Risk – Although the City's Investment Policy does not limit the amount of the portfolio invested in any one U.S. government agency, the City manages exposure to concentration of credit risk through diversification. As of September 30, 2019, the U.S. government agency's 22.2% securities allocation was as follows: Federal National Mortgage Association 5.2%, Federal Home Loan Mortgage Corporation 1.7%, Federal Home Loan Bank 10.3%, Federal Agricultural Mortgage Corporation 1.6%, and Farm Federal Credit Bank 3.4%.

Fair Value Measurement – The City records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value and establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Fair value is defined by GASB Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Equity securities are examples of Level 1 inputs.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Government agency and U.S. Government Treasury securities are examples of Level 2 inputs.

Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

Primary Government (City) (Continued)

				Fair Value Measurements Using					
	9/30/2019		Level 1			Level 2	Level 3		
Investments by Fair Value Level		_							
Debt Securities									
Government Agency Securities	\$	387,068	\$	-	\$	387,068	\$	-	
Treasuries		1,204,959				1,204,959			
Total Debt Securities	\$	1,592,027	\$	-	\$	1,592,027	\$	-	
Private Equity									
Preferred Stock	\$	850	\$		\$	850	\$	-	
Total Private Equity	\$	850	\$	-	\$	850	\$	-	
Total Investments by Fair Value Level	\$	1,592,877	\$		\$	1,592,877	\$	-	

The City's investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty rating.

Fire and Police Pension Fund

Investments of the Pension Fund are administered by the Fire and Police Pension Fund Board of Trustees. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the exdividend date. Other investment income is recognized when earned. Investments of the Pension Fund are reported at fair value. Common and preferred stocks are valued based on published market prices and quotations from national security exchanges and securities pricing services. International stocks are then adjusted to reflect the current exchange rate of the underlying currency. Investments, for which no notional exchanges or pricing service exists, such as private equity, are valued by the investment partnership based on the valuation methodology outlined in the partnership agreement. Real estate may be valued by the manager or independent appraisers. Commingled assets that are not traded on a national exchange are valued by the commingled manager. The Pension Fund performs due diligence reviews of the investment pricing, process, and infrastructure of private equity, commingled, and real estate investments to assure that the asset values provided by the managers are reasonable.

Net appreciation/(depreciation) is determined by calculating the change in fair value of investments between the beginning of the period and the end of the period, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to the Pension Fund's investment operations, as well as internal administrative expenses associated with the Pension Fund's investment program.

The Pension Fund's assets are invested as authorized by Texas state law. The fair value of the Pension Fund's cash, security lending, and investments is \$3,107,930.

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Investment Policy – The Pension Fund's policy in regard to the allocation of invested assets is established and may be amended by the Pension Fund's Board of Trustees. The primary long-term objective will be to achieve a return of at least the actuarial return assumption. Preservation of capital and consistent capital appreciation are the key considerations in establishing acceptable levels of risk; however, since the Pension Fund enjoys a very long-term investment horizon, significant short-term fluctuations in value can be tolerated. Based on existing contribution rates and benefit payments, current income from investments should be addressed in the management of these assets. To pursue the foregoing objectives at an acceptable risk level, the following policy (i.e., long-term) allocation is considered appropriate as updated in September 2018 and compared to actual allocations at December 31, 2018.

	Target	2018 Actual
Investment Type	Allocation	Allocation
Large Cap U.S. Equities	15.0%	15.4%
Small Cap U.S. Equities	3.0%	3.1%
Developed International Equities	15.0%	13.8%
Emerging International Equities	6.0%	5.2%
Hedge Funds	10.0%	10.9%
Private Equity	7.0%	5.5%
Subtotal Equity	56.0%	53.9%
Risk Parity	5.0%	5.1%
High Yield	5.0%	3.5%
Bank Loans	5.0%	7.0%
Global Fixed Income	0.0%	2.7%
Unconstrained Fixed Income	3.0%	2.8%
Emerging Market Debt	7.0%	5.4%
Private Debt	7.0%	5.6%
Real Estate	9.0%	8.4%
Real Assets	3.0%	4.5%
Cash	0.0%	1.1%
Subtotal Fixed Income	44.0%	46.1%
Total Investments	100.0%	100.0%

Rate of Return – The money weighted rate of return (loss) for the year-ended December 31, 2018 was (4.0%). The return is net of investment expenses and adjusted for the changing amounts actually invested.

Investment Risk – The Pension Fund's investments have been categorized to address deposit and investment risks related to custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Notes to Financial Statements

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Custodial Credit Risk – Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the Pension Fund will not be able to recover the value of the investment or collateral in possession of the counterparty. The Pension Fund does not have an investment policy regarding custodial credit risk. The Pension Fund considers only demand deposits as cash. The Federal Depository Insurance Corporation (FDIC) covered cash on deposit up to \$250 at each financial institution. As of December 31, 2018, the Pension Fund had cash deposits held by investment managers in the amount of \$1,433 that were uninsured and uncollateralized.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of the Pension Fund's investment in a single issue. As of December 31, 2018, the Pension Fund did not have any single investment in any one organization which represented greater than 5.0% of plan net assets.

Credit Risk – Credit Risk is the risk that an issuer will not fulfill its obligations. Using Standard and Poor's rating system for fixed income securities as of December 31, 2018, 3.0% of the Pension Fund's bonds were rated 'AAA', 2.0% were rated 'AA', 7.0% were rated 'A', 14.0% were rated 'BB', 27.0% were rated 'BB', 31.0% were rated 'B', 4.0% were rated 'CCC', and 9.0% were unrated or not rated. 3.0% of the securities were invested in U.S. Government and Agencies, which are not rated.

Credit risk for derivative instruments held by the Pension Fund results from counterparty risk, which is essentially that the counterparty will be unable to fulfill its obligations, which are then assumed by the Pension Fund. Information regarding the Pension Fund's credit risk related to derivatives is found under the derivatives disclosures. Policies pertaining to credit risk associated with the Pension Fund's securities lending program are found under the securities lending disclosures.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of fixed income securities will adversely affect the fair value of an investment. Only the fixed income securities of the Pension Fund are subject to interest rate risk due to the possibility that prevailing interest rates could change before the securities reach maturity. The Pension Fund does not have an investment policy specifically regarding interest rate risk. Investment managers have full discretion in adopting investment strategies to deal with these risks, and all of the Pension Fund's fixed income portfolios are managed in accordance with guidelines that are specific as to the degree of interest rate risk taken.

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Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Securities that are subject to interest rate risk as of December 31, 2018 are shown in the table below.

			Weighted-	-Average
Investment Type	Fair Value		Maturity (WAM) (Years)	
Corporate Bonds	\$ 67	7,637	5.2	2
Corporate Convertible Bonds		472	6.0	6
Government Agencies	1	L,849	1.3	1
Government Bonds	59	9,685	13.	.2
Municipal/Provincial bonds	2	2,322	0.5	5
Commercial Mortgage Backed		170	11.	.1
Non-government-backed Collateralized Mortgage Obligation		740	25.	.8
Bank loans	201	L,886	5.2	2
Payden and Rygel ¹	83	3,902	4.5	5
Ashmore ²	68	3,520	9.5	5
GoldenTree ³	52	2,418		
Wellington emerging market debt ⁴	95	5,571		
Total Interest Rate Sensitive Securities	\$ 635	5,172		
Portfolio WAM (Weighted Average Maturity)			6.0	6

¹ Payden and Rygel, a commingled fund, invests opportunistically in any type of bond.

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² Ashmore is a commingled fund invested in emerging market debt.

³ GoldenTree is a commingled fund invested in high-yield corporate bonds. They report their portfolio effective duration as 4.3 as of December 31, 2018.

⁴ Wellington, a commingled fund, also invests in emerging market debt. Wellington also reports the effective duration of the portfolio in lieu of WAM. The effective duration for Wellington was 6.4 as of December 31, 2018.

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension Fund's exposure to foreign currency risk in U.S. dollars as of December 31, 2018 is shown in the table below.

Country	Equities	Bonds	Cash	Total	
Argentinian Peso	\$ 1,117	\$ -	\$ -	\$ 1,117	
Australian Dollar	15,559	4,448	50	20,057	
Brazilian Real	21,930	8,854		30,784	
British Pound	32,291	4,770	81	37,142	
Canadian Dollar	16,808			16,808	
Chilean Peso	2,065			2,065	
Chinese Yuan	41,183	1,713		42,896	
Colombian Peso	1,050	2,090		3,140	
Czech Republic Krona	117			117	
Danish Krone	3,361		34	3,395	
Egyptian Pound	117	526		643	
European Union Euro	94,987	11,174	106	106,267	
Hong Kong Dollar	26,762	134	22	26,918	
Hungarian Forint	700			700	
Indian Rupee	14,645			14,645	
Indonesian Rupiah	3,364	6,029		9,393	
Israeli New Shekel	2,153		35	2,188	
Japanese Yen	86,324		446	86,770	
Malaysian Ringgit	4,988	5,463		10,451	
Mexican Peso	6,661	13,561		20,222	
New Taiwan Dollar	18,640		65	18,705	
New Zealand Dollar	301		6	307	
Nigerian Naira	297			297	
Norwegian Krone	4,322		72	4,394	
Pakistani Rupee	370			370	
Peruvian Nuevo Sol	581			581	
Philippine Peso	701			701	
Polish Zloty	5,025	4,891		9,916	
Qatar Riyal	350			350	
Russian Ruble	8,065	2,604		10,669	
Singapore Dollar	5,531		450	5,981	
South African Rand	7,807	7,064		14,871	
South Korean Won	40,105	1,713		41,818	
Swedish Krona	9,862		50	9,912	
Swiss Franc	21,764		16	21,780	
Thai Baht	10,232	1,987		12,219	
Turkish New Lira	6,870			6,870	
UAE Dirham	583			583	
	\$ 517,588	\$ 77,021	\$ 1,433	\$ 596,042	

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Securities Lending – State statutes and Pension Fund policies allow for securities lending transactions. The Pension Fund has entered into an agreement with its custodial bank to lend the Pension Fund's securities to one or more borrowers for a fee. It is the policy of the Pension Fund and the custodian bank to require that collateral equal to 102.0% and 105.0% for domestic and international securities, respectively, of the loaned securities be maintained by the custodian bank. Collateral may be in the form of cash, U.S. government securities, and irrevocable letters of credit. Until such time as the loan is terminated, the borrower retains all incidents of ownership with respect to the collateral. In the event that the borrower fails to repay the borrowed securities when due and the value of the collateral is insufficient to replace the borrowed securities, the Pension Fund may suffer a loss. Management of the Pension Fund considers the possibility of such a loss to be remote. Cash open collateral is invested in a short-term investment pool with an average weighted maturity to the interest reset date of 27 days at December 31, 2018.

As of December 31, 2018, the Pension Fund had lending arrangements outstanding with a total market value of \$105,347 which were fully collateralized with cash and securities. Cash collateral of \$95,325 is recorded in the accompanying Statement of Fiduciary Net Position. Net income for the year-ended December 31, 2018, under the securities lending arrangement was \$375.

Cash Collateral Pool							
Repo Agreements	\$	40,037					
Variable Rate Certificates of Deposit		13,784					
Certificates of Deposit		12,440					
ABS Commercial Paper		10,314					
Commercial Paper		9,609					
Time Deposit		7,149					
Municipal Variable Rate Notes/Bonds		1,373					
Sweep Vehicle		619					
Total	\$	95,325					

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Derivatives and Structured Financial Instruments – The Pension Fund has only limited involvement with derivatives and other structured financial instruments. The Pension Fund's investment philosophy regarding the use of derivatives and other structured financial instruments is to use derivatives to replicate exposures to equity or fixed income securities. The Pension Fund held structured financial instruments which included equity options with a fair value of \$29 and commercial mortgage obligations with a fair value of \$994 as of December 31, 2018, which are included with investments in the Statement of Fiduciary Net Position. The Pension Fund also invests in hedge funds which may employ the use of derivatives to reduce volatility. The Pension Fund's total investment in hedge funds was \$480,868 as of December 31, 2018.

As of December 31, 2018, the Pension Fund held foreign currency forward contracts as follows:

		Market
	Unrealized	Value
Currency	Gain (Loss)	U.S. Dollars
Australian Dollar	\$ (55)	\$ (2,100)
British Pound	15	3,311
Canadian Dollar	(214)	(4,300)
Columbian Peso	(42)	(1,525)
European Union Euro	(1)	(540)
Japanese Yen	188	6,130
Japanese Yen	41	3,258
Japanese Yen		30
Norwegian Krone	(49)	(2,147)
Norwegian Krone	(49)	(2,144)
Norwegian Krone	(23)	(416)
Norwegian Krone		(66)
Swedish Krona	20	2,473
Swedish Krona	20	2,467
Swedish Krona	(29)	(5,188)
South African Rand	(3)	(805)
Total	\$ (181)	\$ (1.562)

The market value of the currency forwards is included with the investments on the Statement of Fiduciary Net Position. The loss realized during the year-ended December 31, 2018 was \$2,268. This loss is included with net increase (decrease) in fair value of investments on the Statement of Changes in Fiduciary Net Position.

Fair Value Measurement – The Pension Fund categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on valuation inputs used to measure the fair value of the investment.

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

						leasuremen	_	
	1	2/31/2018	Level 1			Level 2		Level 3
Investments by Fair Value Level								
Debt Securities								
Government Bonds	\$	59,685	\$	-	\$	59,685	\$	
Government Agencies		1,849				1,849		
Municipal/Provincial Bonds		2,322				2,322		
Corporate Bonds		68,121				68,121		
Bank Loans		201,886				201,886		
Commercial Mortgage Obligations		910				910		
Total Debt Securities	\$	334,773	\$	_	\$	334,773	\$	
Equity Securities		<u> </u>						
Domestic	\$	314,908	\$	313,829	\$	1,079	\$	
International	·	131,890		131,480	·	•		410
Total Equity Securities	\$	446,798	\$	445,309	\$	1,079	\$	410
Private Equity					<u> </u>	,	<u> </u>	
Venture	\$	27,698	\$	_	\$	_	\$	27,698
Buyout	,	76,902	,		,		7	76,902
Fund-of-funds - Diversified		59,318						59,318
Real Assets		134,916						134,916
Total Private Equity	\$	298,834	\$		\$		\$	298,834
Private Debt		250,054						230,03
Mezzanine	\$	23,923	\$	_	\$	-	\$	23,923
Distressed	·	59,533			·		·	59,533
Senior Debt		83,096						83,096
Total Private Debt	Ś	166,552	\$		\$	_	\$	166,552
Total Investments by Fair Value Level	\$ \$	1,246,957	\$	445,309	\$	335,852	\$	465,796
Investments Measured at the Net Asset Value (N	AV)							
Relative Value Hedge Funds	, \$	91,658						
Event Driven Hedge Funds		39,160						
Structured Credit		15,462						
Macro/Directional Hedge Funds		48,764						
Re-Insurance Hedge Funds		12,991						
Long/Short		93,155						
Commodity Trading Advisor		23,784						
Hedge Fund of Funds		3,935						
Risk Parity		151,959						
Commingled Funds:								
Domestic Debt		52,418						
Global Debt		247,994						
Domestic Equity		236,402						
Global Equity		438,886						
Real Estate		251,363						
Total Investments Measured at the NAV		1,707,931						
Total Investments Measured at Fair Value	\$	2,954,888						

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Debt and Equity Securities – Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equity securities classified in Level 3 of the fair value hierarchy were valued based on theoretical relationships to other assets similar to the ones in the portfolio.

Private Equity – The Pension Fund is invested in 43 private equity funds that are diversified across four main types of strategies. There are six venture capital funds, nine buyout funds, 15 real assets funds, and 13 diversified fund of funds. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair market value of the underlying investments. The methods used to determine fair value include discounted cash flow, small public company comparison and appraisal. The partnerships have a ten year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from \$5,000 to \$30,000. It is expected that the investee funds will call between 80.0% and 90.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive returned capital either from sales of or operations from the underlying investments. As of December 31, 2018, it is estimated that the unfunded commitments were approximately \$98,545 of which \$58,990 is expected to be called. These investments in the investee funds are diversified across vintage years so the investee funds are in different stages of their life cycles. The Pension Fund's allocation to this asset class requires that capital that is received from these investments will be reinvested in other investee funds as they become available. Even though these investments could be sold to other investors or secondary funds, the Pension Fund has no intention of doing so, so these investments are considered illiquid.

Private Debt — The Pension Fund is invested in 18 private debt funds, which include four funds focused on mezzanine lending to companies that have operations that have good growth potential, but limited access to bank loans or public debt or equity markets, nine funds focused on loans that are senior in the borrowers' capital structure, and five funds that concentrate on distressed debt where debt is purchased at a cost that is less than the value of the collateral. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair market value of the underlying investments. The methods used to determine fair value include discounted cash flows plus the value of any equity that investee funds receive as part of the lending arrangements. The partnerships have a ten year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from \$5,000 to \$30,000. It is expected that the investee funds will call between 70.0% and 80.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive repayment from the debt service of the underlying investments and in some cases extra capital from the sale of the equity received when underlying companies are sold or refinanced through public offerings.

As of December 31, 2018, it is estimated that unfunded commitments were approximately \$65,683 of which \$41,210 is expected to be called. These investments in the investee funds are diversified across vintage years so the investee funds are in different stages of their life cycles. The Pension Fund's allocation to this asset class requires that capital that is received from these investments will be reinvested in other investee funds as they become available. Even though these investments could be sold to other investors or secondary funds, the Pension Fund has no intention of doing so. As a result, these investments are considered illiquid.

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Investment Measured at the Net Asset Value – The Pension Fund is also substantially invested in investee funds where fair value is measured at the net asset value (NAV). These funds invest in stocks, bonds, derivatives in some cases and real estate. The stocks, bonds or derivatives, if they were held directly by the Pension Fund, would have readily determinable values that would fit into the fair value levels. Most of these would be in Level 1 or 2. Real estate investments would fall into Level 3 since there is not usually a ready market for the underlying assets. The investee funds have both active and inactive managers. Inactive managers invest in stocks that are in an index such that the return on the investment equals the return on the index. Active managers will invest in stocks or bonds with intent of either achieving a higher rate of return than the market or one of the indexes, or lowering the amount of the risk involved. The investee funds in this category include hedge funds, a risk parity fund, index funds, commingled funds, and real estate funds.

Hedge Funds - The Pension Fund's investments in hedge funds include relative value, event driven, macro/directional and diversified hedge fund-of-funds. These hedge funds all require notice between 30-90 days of the intent to redeem cash from them. They will only redeem cash at the end of calendar quarters. The Pension Fund is invested in four relative value hedge funds, two event driven hedge funds, seven macro/directional hedge funds, one reinsurance hedge fund, one structured credit hedge fund, one commodity trading advisor hedge fund, and one market neutral hedge fund. Relative value investing seeks to exploit relationships that are out of normal equilibrium. These investee funds are not concerned with the price of an asset such as a stock or bond by itself, but how that asset's price relates to other assets that historically display some correlation to the asset. Macro/directional hedge fund strategies base their investments, such as long and short positions in various equity, fixed income, currency, commodities and futures markets, primarily on the overall economic and political views of various countries, or their macroeconomic principles. Event driven hedge funds invest based on the expectation of a particular event such as a merger or acquisition and how that event is expected to affect the price of the underlying investment. One of the hedge funds that the Pension Fund invests in actually invests alongside a reinsurance company. Structured credit hedge funds may hedge interest rate exposure while making bets on credit spreads, and they may look for relative value between the senior and junior securities on the same corporate issuer. A commodity trading advisor will invest long and short in a basket of commodities based on expected supply and demand for the different commodities. Market neutral strategies are similar to long/short strategies except that they do not make a directional bet on the expected return of the market. They make long and short bets on specific company pairs that would be considered competitors of each other. The Pension Fund is winding down the remaining investments in hedge fund-of-funds, which invest in a diversified group of underlying hedge funds. In this category there are four hedge fund-of-fund remnants that are subject to a gate. Three of these gates have been in place since 2008 when the Pension Fund gave notice of redemption. One was redeemed in 2016. Most of the investments have been returned, \$2,817 is expected to be received in 2019, but there is no certainty when the remaining investment of \$1,118 will be returned. The gates were put in place to prevent having to sell the assets under duress.

Risk Parity Fund – The Pension Fund has one investee that is called risk parity which is similar to a hedge fund in that it attempts to mitigate large systemic risks such as hyperinflation, or market corrections by increasing exposure to low risk strategies while decreasing or hedging exposures to investments that are sensitive to those systemic risks.

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Commingled Fund – The Pension Fund's investments in commingled funds consist of bond investors and stock investors. The bond funds invest in domestic high yield bonds, opportunistic global bonds and emerging market bonds. The stock funds are invested in domestic large and small cap stocks and global and emerging market stocks. Commingled funds are chosen for these investments either because of the size of the investment, or because of the transfer of the complexity of investing internationally.

Real Estate Fund – Real estate investments are diversified by type of real estate such as residential, commercial office, industrial and retail. They are also diversified by stage of development such as opportunistic, value added and core properties. Finally they are diversified geographically. Two of the investee managers representing \$99,619 were open-ended funds that allow redemptions. 36 of the investee managers were limited partnerships with durations of ten to 15 years. These limited partnerships do not allow redemptions. They do distribute cash after the investment period, usually two to four years, from operations or sales of underlying properties. These investments are similar to the private equity partnerships and private debt partnerships; in that, funds are committed at the beginning of the investment and called by the partnerships as purchase opportunities present themselves. Commitments in this category are more likely to be called up. It is likely that 80.0% to 90.0% of the committed capital will ultimately be called. Unfunded commitments in this category were approximately \$69,333, of which approximately \$55,827 is expected to be called. Fair value for this asset class is determined by appraisals of the underlying properties. The Pension Fund's asset allocation requires that when capital is returned it is reinvested in new partnerships so that the percentage allotted to the asset class can be maintained. Like private equity and private debt limited partnerships, it is possible to sell partnership interests to other investors or secondary partnerships at a substantial cost to the Pension Fund. The Pension Fund has no intention of redeeming these investments prior to maturity. Consequently, these investments are considered illiquid.

Fire and Police Retiree Health Care Fund

The Health Care Fund Board of Trustees administers investments of the Health Fund. Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value.

Alternative investments are held in the form of nonmarketable limited partnerships interests, private real estate investment trusts, open-ended hedge funds, and index funds. These investments are subject to the terms of the respective partnerships' or other types of governing documents which may limit the Health Fund's withdrawal to specified times and conditions and restrict the transferability of the Health Fund's interest. The fair valuation of these investments is based on net position values as set by the fund managers or general partners. These net position values may differ from the value that would have been used had a readily available market for the investments existed; accordingly, such differences could be material.

All investment income, including changes in the fair value of investments, is reported as additions in the Statement of Changes in Fiduciary Net Position.

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

The Health Fund's assets are invested as authorized by the Investment Policy, as set by the Board of Investees. The Health Fund utilizes an investment consultant that makes recommendations to the Health Fund as to the appropriate target portfolio weightings among the major asset classes (e.g. stocks, mutual funds, limited liability partnerships, cash, etc.) within the Health Fund. Additionally, the Health Fund has contracted with certain investment managers to exercise full discretionary authority to buy, hold, and sell decisions for each security under management, subject to the guidelines as defined in the Investment Policy. All of the Health Fund's cash and investments, with the exception of alternative investments, are held by a custodian bank, Frost Bank of San Antonio, Texas.

Investments authorized by the Health Fund's Investment Policy include U.S. equities; including common stocks, securities convertible into common stock, and open or closed end mutual funds; international equity; certain fixed income assets; such as, corporate bonds and certificates of deposit; commercial paper; private equity; and, alternative investments; including, real estate, absolute return hedge funds, and natural resources. The cash portion of the Health Fund is invested in a short-term money market mutual fund administered by the custodian bank.

The fair value of the Health Fund's cash and investments at December 31, 2018 is \$364,885.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Health Fund's Investment Policy limits the maturities of money market mutual funds to two years at time of purchase. At December 31, 2018, the money market fund weighted average to maturity is 48 days. The Health Fund places no limit on maturities of Mutual Funds – Fixed Income.

Credit Risk – In accordance with the Health Fund's Investment Policy, investments in money market mutual fund must be rated at least 'A-2' by Standard and Poor's (S&P). At December 31, 2018, the money market mutual fund was rated 'AAAm' by S&P. The Health Fund's investments in Mutual Funds – Fixed Income are not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk (Investments) – The custodial credit risk for investments is the risk; in the event of failure of the counterparty to an investment transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2018, the Health Fund's common stock investments are held at Frost Bank's third-party custodian, Bank of New York. Since the investments are maintained separately from the bank's assets, in the event of failure of the bank, the investments held in trust would not be affected.

Concentration of Credit Risk – Concentration risk is the exposure to loss that can result from failing to diversify investments. Accordingly, a government should disclose investments that represent 5.0% or more of its total investments that are invested in a single issuer. Concentration risk does not arise in connection with U.S. government obligations and obligations explicitly guaranteed by the U.S. government; mutual funds; and, similar pooled investments which are designed, in part, to provide diversification. At December 31, 2018, the Health Fund held no investments which exceeded 5.0% of total investments.

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2018, one of the Health Fund's investments (an amount of \$4,519 or 1.3% of total investments) is exposed to foreign currency risk. The primary currency for this risk is the Euro.

Fair Value Measurement – The Health Fund categorizes its fair value measurements of its investments within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on valuation inputs used to measure the fair value of the investment.

The Health Fund uses the net asset value (NAV) per share as the fair value measurement for its alternative investments since they cannot be traded and, therefore, market-based information regarding their value does not exist. As such, these alternative investments are not categorized according to the fair value hierarchy. At December 31, 2018, the Health Fund's fair value measurements for its investments were as follows:

	Fair Value Measurement Using						
	12/31/2018		I	Level 1	Level 2	Level 3	
Investments by Fair Value Level Equity Securities							
U.S. Equity - Common Stock	\$	9,128	\$	9,128	\$ -	\$ -	
Mutual Fund - Fixed Income		60,085		60,085			
Mutual Fund - International Equity		19,453		19,453			
Total Investments by Fair Value Level	\$	88,666	\$	88,666	\$ -	\$ -	
Investments Measured at the Net Asset Value (NAV)							
Real Estate Funds	\$	28,490					
Natural Resource Funds		46,137					
Hedge Funds - Open-Ended Funds		457					
Private Equity Funds		82,132					
Global & Domestic Equity Funds		26,809					
Index Funds		85,074					
Total Investments Measured at the NAV	\$	269,099					
Total Investments	\$	357,765					
			Uı	nfunded	Redemption	Redemption	
Investments Measured at the NAV	Fa	air Value	Com	mitments	Frequency	Notice Period	
Real Estate Funds	\$	28,490	\$	13,380			
Natural Resource Funds		46,137		14,178	Annually	90-120 Days	
Hedge Funds - Open-Ended Funds		457			Annually	90-120 Days	
Private Equity Funds		82,132		21,815			
Global & Domestic Equity Funds		26,809			Monthly	15-30 Days	
Index Funds		85,074			Monthly	3 Days	

269,099

49,373

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Real Estate Funds – The Health Fund is invested in nine real estate funds, which are generally diversified through fund-to-fund strategies. Portfolios include investments in assets and distressed debt for residential and commercial real estate (domestic and international). Fair values have been determined using NAV per share of investments. Real estate investment funds represent 8.0% of the Health Fund's portfolio. For each of the funds, the Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that four funds (representing \$4,992 or 17.5% of real estate funds) will liquidate within three years; two funds (representing \$10,691 or 37.5% of real estate funds) will liquidate within five years; and, three funds (representing \$12,807 or 45.0% of real estate funds) will liquidate within nine years.

Natural Resources Funds – The Health Fund is invested in 11 natural resources funds. These funds are limited partnerships that use harvesting and fund-to-fund strategies. Portfolios for these funds include investments in domestic and international commodities; such as, oil, gas, iron, copper, minerals, metals, and energy sources. Fair values have been determined using NAV per share of investments. These natural resources investment funds represent 13.0% of the Health Fund's portfolio, and are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. One investment fund (representing \$2,446 or 10%) is eligible for redemption on an annual basis with a 90-120 day formal notice. For the other ten funds, management estimates that three funds (representing \$13,248 or 28.7% of natural resources funds) will liquidate within three years; three funds (representing \$14,476 or 31.4% of natural resources funds) will liquidate within five years; and, four funds (representing \$15,967 or 34.6% of natural resources funds) will liquidate within nine years.

Hedge Funds - Open-Ended Funds – The Health Fund is invested in one hedge fund. Portfolios for these funds include investments in common stock, preferred stock, United States government obligations, convertible securities, debt instruments, real estate assets, options, futures, swaps, and collateralized debt/securities. Fair values have been determined using NAV per share of investments. These hedge funds represent 1.0% of the Health Fund's portfolio. This fund is eligible for redemption on an annual basis with a 90-120 day formal notice.

Private Equity Funds – The Health Fund is invested in 12 private equity investment funds. Strategies for these funds include two buyout funds, four diverse fund-to-fund funds, two private debt funds, two secondary funds, and two venture capital funds. Portfolios for these funds include assets in multiple domestic and international industries. Fair values have been determined using NAV per share of investments. These private equity funds represent 23.0% of the Health Fund's portfolio, and are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that five funds (representing \$5,540 or 6.7% of private equity funds) will liquidate within three years; three funds (representing \$38,260 or 46.6% of private equity funds) will liquidate within five years; and, four funds (representing \$38,332 or 46.7% of private equity funds) will liquidate within nine years.

Global & Domestic Equity Funds – The Health Fund is invested in two commingled global and domestic equity funds which consist of bonds and stock investors. Portfolios for these funds include investments in international emerging markets in various industries. Fair values have been determined using NAV per share of investments. These investment funds represent 7.0% of the Health Fund's portfolio, and are eligible for redemption on a monthly basis with a 15-30 day formal redemption notice.

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Index Funds – The Health Fund is invested in five nonpublic index funds consisting of fixed income, domestic equities, international equities including emerging markets and developing markets, and treasury inflation protected securities (TIPS). Index funds seek to provide investment results that, before expenses, correspond generally to the total return of an index that tracks the performance of an investment class. Fair values have been determined using NAV per share of investments. These investment funds represent 23.0% of the Health Fund's portfolio, and are eligible for redemption with a three day notice.

Subscribed Capital Commitments – As of December 31, 2018, the Health Fund had non-binding commitments to invest capital in 24 investment companies under investment capital subscription agreements. These commitments are subject to periodic calls from the investment companies. The amount of this investment capital committed under the subscription agreements totaled to \$49,373. As of December 31, 2018, \$8,326 of this total had been called.

CPS Energy

CPS Energy's investments with a maturity date within one year of the purchase date are reported at amortized cost, which approximates fair value. Amortization of premium and accretion of discount are recorded over the terms of the investments. CPS Energy's investments with a maturity date of one year or longer from the purchase date are accounted for at fair value. As available, fair values are determined by using generally accepted financial reporting services, publications, and broker/dealer information. The specific identification method is used to determine costs in computing gains or losses on sales of securities. CPS Energy also reports all investments of the Decommissioning Trusts at fair market value.

Restricted funds are generally for uses other than current operations. They are designated by law, ordinance or contract and are often used to acquire or construct noncurrent assets. Restricted funds consist primarily of unspent bond or commercial paper proceeds, debt service required for the New Series Bonds, Junior Lien Obligations, Commercial Paper, the Flexible Rate Revolving Note and funds for future construction or contingencies. Restricted funds also include customer assistance programs that receive proceeds from outside parties and assets of the Decommissioning Trusts. Also included in the restricted funds classification is the Repair and Replacement Account, restricted in accordance with CPS Energy's bond ordinances.

CPS Energy's cash deposits at January 31, 2019 were either insured by federal depository insurance or collateralized by banks. For deposits that were collateralized, the collateral included letters of credit and securities. The securities were U.S. government, U.S. government agency, or U.S. government-guaranteed obligations held in book entry form by the Federal Reserve Bank of New York or other allowable banks in CPS Energy's name.

Separation – CPS Energy's cash, cash equivalents, and investments can be separated as those directly managed by CPS Energy and those managed through the Decommissioning Trusts.

For financial reporting purposes, cash, cash equivalents and investments managed directly by CPS Energy have been consistently measured as of the end of the fiscal year. The Decommissioning Trusts are reported on a calendar-year basis.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

Public Funds Investment Act (PFIA) – CPS Energy's investments and the investments held in the Decommissioning Trusts are subject to the rules and regulations of the PFIA. The PFIA regulates what types of investments can be made, requires written investment policies, mandates training requirements of investment officers, requires internal management reports to be produced at least quarterly, and provides for the selection of authorized broker-dealers and investment managers.

Investments of CPS Energy – CPS Energy's allowable investments are defined by CPS Energy Board Resolution, CPS Energy Investment Policy, bond ordinances, Commercial Paper ordinances and State law. These investments are subject to market risk, and their fair value will vary as interest rates fluctuate. All CPS Energy investments are held in trust custodial funds by independent banks.

SEC Rule 2a-7 Money Market Reform – On July 23, 2014, the Securities and Exchange Commission (SEC) adopted Rule 2a-7 that governs money market funds. This rule was effective beginning October 14, 2016, and requires a floating net asset value (NAV) for institutional prime money market funds, which allows the daily share price of these funds to fluctuate along with changes in the market-based value of the fund's assets. The PFIA requires money market funds to have a stable \$1 NAV. Therefore, prior to rule 2a-7 becoming effective, CPS Energy was required to transfer its investments in institutional prime money market funds to investment types that have a stable \$1 NAV to remain in compliance with PFIA requirements. Permissible alternative investment types identified include government money market funds, investment pools, short-term commercial paper and Treasury and Agency securities.

Investments of the Decommissioning Trusts – CPS Energy's investments in the Decommissioning Trusts are held by an independent trustee. Investments are limited to those defined by CPS Energy Board Resolution, the South Texas Project Decommissioning Trust Investment Policy, the Investment Committee, the Trust Agreements and State law, as well as Public Utility Commission of Texas (PUCT) and Nuclear Regulatory Commission (NRC) guidelines. Allowable investments for the Decommissioning Trusts include those directly permissible for CPS Energy (except for investment pools), as well as equities and corporate bonds (including international securities traded in U.S. dollars and on U.S. stock exchanges). In accordance with the Decommissioning Trusts' Investment Policy, total investments can include a maximum of 60.0% equity securities. In an effort to further reduce the overall risk of the portfolio, the target allocations for both Decommissioning Trusts are 63.5% fixed-income, 28.0% equities and 8.5% U.S. real estate investment trusts.

CPS Energy (Continued)

Permissible Investments						
Investment Description	CPS Energy Direct Investments	Decommissioning Trusts				
U.S. Government, U.S. Government Agency, or U.S.						
Government-guaranteed obligations	✓	✓				
Collateralized mortgage obligation issued by the U.S.						
Government	✓	✓				
Fully secured certificates of deposit issued by a state,						
national or savings bank domiciled in the State of Texas	\checkmark	✓				
Direct repurchase agreements	\checkmark	✓				
Reverse repurchase agreements	\checkmark	✓				
Defined bankers' acceptances and commercial paper	✓	✓				
No-load money market mutual funds	✓	✓				
Investment pools	✓	N/A				
Equities	N/A	✓				
Investment quality obligations	✓	✓				
Corporate bonds	N/A	✓				
International securities	N/A	✓				
No-load commingled funds	N/A	✓				
Securities lending programs	✓	✓				
Other specific types of secured						
or guaranteed investments	✓	✓				

Risk Exposure – CPS Energy's cash equivalents, equity and fixed-income investments are exposed to interest rate risk, credit risk (including custodial credit risk and concentration of credit risk), and foreign currency risk. Interest rate risk is the exposure to fair market value losses resulting from rising interest rates. Credit risk is the risk that an issuer of an investment will not fulfill its obligations (will be unable to make timely principal and interest payments on the security). Foreign currency risk is the exposure to fair market value losses arising from changes in exchange rates. Cash, cash equivalents and fixed-income investments are also exposed to inflation, liquidity, political, legal, event, reinvestment and timing (call) risks. Additionally, equity investments are exposed to political, legal, event, market and general economic risks. Due to market fluctuations, it is possible that substantial changes in the fair value of investments could occur after the end of the reporting period.

CPS Energy's investments and the investments in the Decommissioning Trusts are managed with a conservative focus. The investment policies are structured to ensure compliance with bond ordinances, the PFIA, the Public Funds Collateral Act, the NRC, the PUCT, other applicable state statutes, and CPS Energy Board of Trustee resolutions relating to investments. CPS Energy identifies and manages risks by following an appropriate investment oversight strategy, establishing and monitoring compliance with investment policies and procedures, and continually monitoring prudent controls over risks.

CPS Energy (Continued)

Investment Policies – In accordance with State law, the Decommissioning Trusts' Investment Policy allows for investment in additional types of securities, such as corporate bonds and equity securities. The policy provides guidelines to ensure all funds are invested in authorized securities in order to earn a reasonable return. The primary emphasis is placed on long-term growth commensurate with the need to preserve the value of the assets and, at the time funds are needed for decommissioning costs, on liquidity. The Investment Policy continues to follow the "prudent person" concept.

GASB Statement No. 40 – In accordance with GASB Statement No. 40, additional disclosures have been provided in this note that address investment exposure to interest rate risk, credit risk (including custodial credit risk and concentration of credit risk), and foreign currency risk, as applicable. CPS Energy's investments and those in the Decommissioning Trusts do not have custodial credit risk, as all investments are held either by an independent trustee or bank and are in CPS Energy's or the Decommissioning Trusts' names.

CPS Energy Investments – In accordance with GASB Statement No. 40, the following tables address concentration of credit risk and interest rate risk exposure by investment type using the weighted-average maturity (WAM) method. Since CPS Energy does not hold foreign instruments in its direct investments (those held by CPS Energy), foreign currency risk is not applicable.

Interest Rate Risk – In accordance with its Investment Policy, CPS Energy manages exposure to fair value losses resulting from rising interest rates by placing a limit on the portfolio's WAM. The Investment Policy limits the WAM to three years or less, which allows for the management of risk while optimizing returns. CPS Energy invests in money market mutual funds that have no fixed maturities.

Concentration of Credit Risk – In accordance with its Investment Policy, CPS Energy manages exposure to concentration of credit risk through diversification and by limiting investment in each federal agency to 35.0% and investment in any other issuer of debt securities to 5.0% of the total fixed-income portfolio. Additionally, negotiable certificates of deposit are limited to 35.0% of the total portfolio per issuer.

						Weighted-		
	(Carrying		Fair		Average		
Investment Type		Value		Value		Value	Allocation	Maturity (Years)
U.S. Treasuries	\$	27,574	\$	27,574	2.2%	1.5		
U.S. Agencies:								
Federal Agriculture Mortgage Corp.		24,891		24,891	2.0%	0.5		
Federal Farm Credit Bank		95,665		95,665	7.8%	3.3		
Federal Home Loan Bank		92,478		92,478	7.5%	4.4		
Federal Home Loan Mortgage Corp.		137,067		137,067	11.2%	3.9		
Federal National Mortgage Assn.		126,504		126,504	10.3%	4.6		
Small Business Administration		22,196		22,196	1.8%	5.7		
Municipal Bonds		134,567		134,565	11.0%	1.9		
Certificates of Deposit		10,000		10,000	0.8%	0.6		
Investment Pools		471,702		471,702	38.4%			
Money Market Mutual Funds		85,450		85,450	7.0%			
Total Fixed-Income Investments	\$	1,228,094	\$	1,228,092	100.0%	1.9		

CPS Energy (Continued)

Credit Risk – In accordance with its Investment Policy, CPS Energy manages exposure to credit risk by limiting long-term debt security investments to those with a credit rating of 'A' or better. As of January 31, 2019, CPS Energy held no debt securities with a long-term credit rating below 'A-', or equivalent, or short-term credit rating below 'A-1/P-1/F-1.'

	Carrying	Fair	
Credit Rating	 Value	Value	Allocation
U.S. Treasuries (AA+)	\$ 27,574	\$ 27,574	2.3%
AAA	565,293	565,293	46.8%
AA+	532,328	532,328	42.6%
AA	47,017	47,015	3.8%
AA-	17,357	17,357	1.4%
A+	2,680	2,680	0.2%
A			0.0%
A-			0.0%
Short-term:			
A-1 / P-1 / F-1			0.0%
Not rated ¹	 35,845	35,845	2.9%
Total Fixed-Income Investments	\$ 1,228,094	\$ 1,228,092	100.0%

¹ Money market deposit accounts, which meet PFIA/CPS Energy Investment Policy requirements.

Decommissioning Trust Investments – As mentioned previously, the Decommissioning Trusts report their assets on a calendar-year basis; therefore, the tables in this section are as of December 31, 2018. These tables address interest rate risk exposure by investment type, concentration of credit risk, credit risk, and foreign currency risk. All investments held by the Decommissioning Trusts are long-term in nature and are recorded at fair value.

Interest Rate Risk — Generally, the long-term nature of the liabilities and the limited need for daily operating liquidity allow interim fluctuations in fair value to occur without jeopardizing the ultimate value of the assets. Where long-term securities are held, the interim fair value of assets can be sensitive to changes in interest rates. As the general level of interest rates moves up and down, the interim fair value of longer-maturity bonds may change substantially.

To mitigate this interest rate risk, a limitation is placed on the weighted-average duration of the fixed-income portfolio. The overall portfolio duration is limited by the Investment Policy to a deviation of no more than +/- 1.5 years from the weighted-average duration of the Investment Committee's specified fixed-income index. The specified fixed-income index for the 28% Trust and the 12% Trust is Bloomberg Barclays US Aggregate, which was 5.9 for the period ending December 31, 2018.

Concentration of Credit Risk – In accordance with the Investment Policy, exposure to concentration of credit risk is managed through diversification and by limiting investments in each federal agency to 30.0% and investments in any other single issuer of debt securities to 5.0% of the total fixed-income portfolio. Likewise, equity investments are limited to 5.0% of the total portfolio for any one issuer. At December 31, 2018, total other debt securities (corporate and foreign issuers) amounted to 40.7% of the fixed-income portfolio for the 28% Decommissioning Trust and 41.3% for the 12% Decommissioning Trust.

CPS Energy (Continued)

The following table lists the fixed-income investment holdings by type:

	28% Trust					12% Trust	2% Trust		
Investment Type		Fair Value	Allocation	Weighted- Average Duration (Years)	Fair Value	Allocation	Weighted- Average Duration (Years)		
U.S. Treasuries	\$	49,303	18.5%	9.8	\$ 17,920	17.4%	12.2		
U.S. Agencies:									
Federal Farm Credit Bank			0.0%		475	0.5%	0.3		
Federal Home Loan Mortgage Corp.		41,657	15.6%	4.6	16,299	15.8%	3.7		
Federal National Mortgage Assn.		34,554	13.0%	5.5	11,204	10.9%	5.2		
Governmental National Mortgage Assn.		4,577	1.7%	6.8	2,585	2.5%	6.9		
Small Business Administration		4,597	1.7%	5.3	2,066	2.0%	5.4		
Municipal Bonds - Texas		1,054	0.4%	9.1	470	0.5%	8.8		
Municipal Bonds - Other States		6,200	2.3%	9.8	2,439	2.4%	9.8		
Corporate Bonds		98,313	36.8%	5.4	40,183	39.0%	5.4		
Foreign Bonds		10,264	3.9%	4.6	2,315	2.2%	3.7		
Money Market Mutual Funds		16,390	6.1%	N/A	 7,040	6.8%	N/A		
Total Fixed-income Portfolio	\$	266,909	100.0%	6.3	\$ 102,996	100.0%	6.4		
Combined Decommissioning Trust Funds Total	\$	369,905							

Credit Risk – In accordance with the Investment Policy, exposure to credit risk is managed by limiting all fixed-income investments to a credit rating of 'BBB-', or equivalent, or better from at least two nationally recognized credit rating agencies. If a security's rating falls below the minimum investment grade rating of 'BBB-' after it has been purchased, the Investment Policy allows investment managers to continue to hold the security as long as the total fair value of securities rated below investment grade does not exceed 5.0% of the total fixed-income portfolio. As noted in the table on the following page, which lists fixed-income investment holdings by credit rating, investments with a credit rating below 'BBB-' did not exceed 5.0% of the total fixed-income portfolio for the 28% Trust or the 12% Trust at December 31, 2018.

CPS Energy (Continued)

The following table lists the fixed-income investment holdings by credit rating:

	28% Trust				12% Tr	ust	
Credit Rating	Fa	ir Value	Allocation	Fair Value		Allocation	
U.S. Treasuries (AA+)	\$	49,303	18.5%	\$	17,920	17.4%	
AAA		32,636	12.2%		15,931	15.5%	
AA+		88,153	33.0%		34,809	33.8%	
AA		3,961	1.5%		1,093	1.1%	
AA-		4,119	1.5%		1,586	1.5%	
A+		8,502	3.2%		5,446	5.3%	
A		8,191	3.1%		2,901	2.8%	
A-		21,803	8.2%		9,263	9.0%	
BBB+		23,726	8.9%		7,553	7.3%	
BBB		14,268	5.3%		4,228	4.1%	
BBB-		8,170	3.0%		1,599	1.6%	
BB+		1,310	0.5%				
BB		481	0.2%		28	0.0%	
BB-		253	0.1%				
Not Rated ¹		2,033	0.8%		639	0.6%	
Total Fixed-income Portfolio	\$	266,909	100.0%	\$	102,996	100.0%	
Combined Decommissioning Trust Funds Total	\$	369,905					

¹ The Trusts' Investment Managers are given discretion to invest in unrated securities that are of suitable quality and in line with their investment strategy, as long as those do not exceed the 10.0% limit prescribed for the portfolio by the Trusts' Investment Policy.

Foreign Currency Risk — With the exception of dedicated foreign-equity portfolios, all investments authorized for purchase by the Decommissioning Trusts are in U.S. dollars. This reduces the potential foreign currency risk exposure of the portfolio. All foreign bonds outstanding were issued in the U.S. and amounted to \$12,579 as of December 31, 2018. In accordance with the Investment Policy, investments in international equity securities are limited to international commingled funds, American Depository Receipts and exchange traded funds that are diversified across countries and industries. The international equity portfolio will be limited to 20.0% of the total portfolio. At December 31, 2018, total foreign equity securities amounted to 12.6% of the 28% Trust's total portfolio. At December 31, 2018, total foreign equity securities held by the 12% Trust amounted to 11.4% of the Trust's portfolio.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

Fair Value Measurement – CPS Energy records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Valuation methods of the primary fair value measurements are disclosed below:

The majority of investments in equity securities are valued using Level 1 measurements. Investments in equity securities are typically valued at the closing price in the principal active market. For equity securities, these markets include published exchanges such as the National Association of Securities Dealers Automated Quotations and the New York Stock Exchange. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market.

Most investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating.

Commodity derivatives, such as futures, swaps and options, which are ultimately settled using prices at locations quoted through clearinghouses, are valued using Level 1 inputs. Options included in this category are those with identical strike price quoted through a clearinghouse.

Other commodity derivatives, such as swaps settled using prices at locations other than those quoted through clearinghouses and options with strike prices not identically quoted through a clearinghouse, are valued using Level 2 inputs. For these instruments, fair value is based on internally developed pricing algorithms using observable market quotes for similar derivatives. Pricing inputs are derived from published exchange transactions and other observable data sources.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. CPS Energy's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels.

CPS Energy's fair value measurements are performed on a recurring basis. The table on the following page presents fair value balances and their levels within the fair value hierarchy for CPS Energy as of January 31, 2019, and the Decommissioning Trust investment balances as of December 31, 2018. The CPS Energy and Decommissioning Trusts investment balances presented exclude amounts related to money market mutual fund investments, and short-term investments which are recorded at amortized cost. Financial instrument fair value balances are presented in Note 14 Risk Financing.

CPS Energy (Continued)

<u> </u>	Fair Value Measurement Using							
	1	/31/2019		Level 1		Level 2		Level 3
Assets								
Fair Value Investments								
CPS Energy								
Debt Securities								
US Treasuries	\$	27,574	\$	27,574	\$	-	\$	-
US Agencies								
Federal Agricultural Mortgage Corp		24,891				24,891		
Federal Farm Credit Bank		95,665				95,665		
Federal Home Loan Bank		92,478				92,478		
Federal Home Loan Mortgage Corp		137,067				137,067		
Federal National Mortgage Assn		126,504				126,504		
Small Business Administration		22,196				22,196		
Municipal Bonds		134,567				134,567		
Total CPS Energy Fair Value of Investments	\$	660,942	\$	27,574	\$	633,368	\$	-
Decomissioning Trust Investments								
28% Trust	12	2/31/2018		Level 1		Level 2		Level 3
Debt Securities								
US Treasuries	\$	49,303	\$	49,303	\$	-	\$	-
US Agencies								
Federal Farm Credit Bank								
Federal Home Loan Mortgage Corp		41,657				41,657		
Federal National Mortgage Assn		34,554				34,554		
Government National Mortgage Assn		4,577				4,577		
Small Business Administration		4,597				4,597		
Municipal Bonds - Texas		1,054				1,054		
Municipal Bonds - Other States		6,200				6,200		
Corporate Bonds		98,313				98,313		
Foreign Bonds		10,264				10,264		
Total 28% Trust Fair Value Fixed-Income		10,204				10,204		
Income Portfolio	\$	250,519	\$	49,303	\$	201,216	\$	_
Equity Securities				10,000	<u> </u>			
Common Stock	\$	108,210	\$	108,210	\$	_	\$	-
Real Estate Investment Trusts		36,065	,	36,065	т.		-	
Preferred Stock		714		,		714		
Total 28% Trust Fair Value Investments	\$	395,508	\$	193,578	\$	201,930	\$	-
12% Trust	12	2/31/2018		Level 1		Level 2		Level 3
Debt Securities		731/2010		LCVCII		LCVC12		LCVCIS
US Treasuries	\$	17,920	\$	17,920	\$		\$	
	Ą	17,920	Ą	17,920	Ş	-	Ş	-
US Agencies Federal Farm Credit Bank		475				475		
						_		
Federal Home Loan Mortgage Corp		16,299				16,299		
Federal National Mortgage Assn		11,204				11,204		
Government National Mortgage Assn		2,585				2,585		
Small Business Administration		2,066				2,066		
Municipal Bonds - Texas		470				470		
Municipal Bonds - Other States		2,439				2,439		
Corporate Bonds		40,183				40,183		
Foreign Bonds		2,315				2,315		
Total 12% Trust Fair Value Fixed-Income								
Income Portfolio	\$	95,956	\$	17,920	\$	78,036	\$	-
Equity Securities								
Common Stock	\$	36,263	\$	36,263	\$	-	\$	-
Real Estate Investment Trusts	_	12,737	_	12,737	_		_	
Total 12% Trust Fair Value Investments	\$	144,956	\$	66,920	\$	78,036	\$	-
Total Trust Fair Value Investments	\$	540,464	\$	260,498	\$	279,966	\$	_
Total Fair Value Investments	\$	1,201,406	\$	288,072	\$	913,334	\$	=
Total rain value investinents	٧	±,∠∪±,+∪∪	٧	200,072	٧	J1J,JJ4	ر	

Note: The difference of \$9,999 between Total Fair Value Investments of \$1,201,406 from investments of \$1,211,405 on Summary of Investments table is due to the exclusion of investments accounted for using amortized cost.

San Antonio Water System (SAWS)

SAWS is permitted by City Ordinance No. 75686, SAWS' Investment Policy, and Texas state law, to invest in direct obligations of the U.S. or its agencies and instrumentalities. Other allowable investments include direct obligations of the State of Texas or its agencies and instrumentalities; secured certificates of deposit issued by depository institutions that have their main office or a branch office in the State of Texas; defined bankers acceptances and commercial paper; collateralized direct repurchase agreements, reverse repurchase agreements; no-load money market mutual funds; investment pools; municipal bonds; and other types of secured or guaranteed investments. These investments are subject to market risk, interest rate risk, and credit risk, which may affect the value at which these investments are recorded. Under the provisions of GASB Statement No. 31, money market investments, including U.S. Treasury and agency obligations, with a remaining maturity at time of purchase of one year or less are reported at amortized cost, which approximates fair value. Investments other than money market investments are reported at fair value which is based on quoted market prices or quotes from bond broker dealers. A summary of SAWS' cash, cash equivalents, and investments can be found at the beginning of Note 4.

As of December 31, 2018, SAWS' funds are deposited in demand and savings accounts at Frost Bank, SAWS' general depository bank. As required by state law, all SAWS' deposits are fully collateralized and/or are covered by federal depository insurance. At December 31, 2018, the collateral pledged is being held by the Federal Home Loan Bank of Dallas under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2018, the bank balance of SAWS' demand and savings accounts was \$7,665 and the reported amount was \$9,112 which included \$27 of cash on hand.

Custodial Credit Risk (Investment) – Investments include securities issued by the United States government and its agencies and instrumentalities, municipal securities, money market funds, and investment pools. Securities purchased are held in safekeeping by SAWS' depository bank, Frost Bank and registered as securities of SAWS. Money Market Funds are managed by Frost Bank, UMB Bank, US Bank, and Bank of New York Mellon and are invested in securities issued by the U.S. government or by U.S. Agencies. Funds in investment pools are invested in TexPool Prime. TexPool Prime may invest in commercial paper and certificates of deposit, as well as obligations of the U.S. government or its agencies and instrumentalities, and repurchase agreements as allowed under the PFIA. All investments in money market funds and investment pools are reported at amortized cost. Amortized cost approximates fair value for these investments.

Interest Rate Risk – As a means of limiting its exposure to fair value losses due to rising interest rates, SAWS' investment policy limits its investment maturities to no more than five years. At December 31, 2018, the longest remaining maturity for any investment was slightly under five years and 58.9% of the investment portfolio matures in less than one year.

Credit Risk – In accordance with its investment policies, SAWS manages exposure to credit risk by limiting its investments in long-term obligations of other states and cities to those with a credit rating of 'A' or better. Additionally, any short-term investments require a rating of at least 'A-1' or 'P-1'.

San Antonio Water System (SAWS) (Continued)

Concentration of Credit Risk – SAWS' investment policy does not limit the amount it may invest in U.S. Treasury securities, government-guaranteed securities, or government-sponsored entity securities. However, in order to manage its exposure to concentration of credit risk, the investment policy does limit the amount that can be invested in any one government-sponsored issuer to no more than 50.0% of the total investment portfolio, and no more than 30.0% of the total investment portfolio in any non-government issuer unless it is fully collateralized. As of December 31, 2018, the percentage of SAWS' investment portfolio for government-sponsored issuers was as follows: 26.0% in Federal Home Loan Bank, 16.0% in Federal Farm Credit Bank, 10.0% in Federal National Mortgage Association, 9.0% in Federal Home Loan Mortgage Corporation, and 1.0% in Federal Agriculture Mortgage Corporation.

Custodial Credit Risk – SAWS' risk is completely mitigated by insurance coverage provided by the custodian that protects against loss of cash or securities held in custody, and collateral in the form of Treasury Securities over the FDIC limit. Texas public fund accounts are collateralized at 100.0%.

Fair Value Measurement – SAWS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Securities classified in Level 2 of the fair value hierarchy are valued using interest rate curves and credit spreads applied to the terms of the debt instruments (maturity and coupon interest) and consider the counterparty rating.

			Fair Value Measurement U					t Using		
	12	/31/2018	Lev	el 1		Level 2	Lev	el 3		
Investments by fair value level										
U.S. Treasury Securities	\$	262,910	\$	-	\$	262,910	\$	-		
U.S. Agency Notes		626,796				626,796				
Municipal Bonds		6,066				6,066				
Total Investments measured at fair value	\$	895,772	\$		\$	895,772	\$			

Restricted Cash and Investments – Cash and investments are restricted for a variety of purposes based on the requirement set forth in City Ordinance 75686, state law or SAWS policy. The following table summarizes both current and noncurrent restricted cash and investments by purpose at December 31, 2018.

	12/	/31/2018
Restricted for:		
Operations	\$	56,642
Debt Service		80,240
Debt Service Reserve		87,147
Construction - accrued liabilities		41,841
Construction - capital recovery fees		209,204
Construction - bond proceeds		55,830
Total Restricted Cash & Investments	\$	530,904

San Antonio Water System (SAWS) (Continued)

The requirements of City Ordinance 75686 stipulate that SAWS must accumulate and maintain a reserve equal to 100.0% of the maximum annual debt service requirements for senior lien debt obligations. Additional City ordinances require SAWS to maintain a debt service reserve equal to the average annual debt service on all junior lien debt obligations secured by a reserve fund. Not all SAWS junior lien debt obligations require the security of a debt service reserve. Increases in the required reserve amount may be deposited into a reserve account over a five year period. Ordinance 75686 allows for SAWS to provide surety policies equal to all or part of the required reserve. SAWS may use bond proceeds to make the required deposits related to new debt issued. Debt service reserve deposits are required to be maintained until a) the revenue bonds mature, b) the surety policy provider's credit ratings improve to the minimum ratings required under SAWS bond ordinance, or c) new surety policies are provided that meet the requirements of the bond ordinance.

The following table summarizes the cash and investments restricted for Debt Service Reserve at December 31, 2018, based on the allocation of the funds between junior lien and senior lien bond requirements.

	Dec	cember 31, 2018
Deposits with Financial Institutions	\$	-
Restricted for Junior Lien Bonds		18,441
Restricted for Senior Lien Bonds		68,706
Total Cash & Investments - Debt Service Reserve	\$	87,147

Funds restricted for construction include amounts needed to pay accrued construction liabilities, collected but unspent capital recovery fees and unspent bond proceeds. Funds restricted for accrued construction liabilities and unspent bond proceeds are completely offset by related liabilities. By state law, capital recovery fees are restricted for the construction of the infrastructure upon which the calculation of the fee is based.

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Fiduciary Funds

The fiduciary financial statements include three fiduciary funds related to SAWS employee benefit plans: the San Antonio Water System Retirement Plan (SAWSRP), the District Special Project Retirement Income Plan (DSPRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust).

While the SAWSRP and DSPRP plans have no specific policy relating to plan investments, plan trustees have instituted a plan to invest approximately 60.0% of plan assets in equity securities and the remainder in fixed income securities. Plan investments are not automatically rebalanced; however, contributions to the plan are invested in a manner to adhere to the investment plan.

In 2012, SAWS established an OPEB Trust for the exclusive purpose of providing benefits to eligible retirees and their dependents. It is the policy of the OPEB Trust to invest 50.0% - 70.0% of its assets in equity securities, 25.0% - 50.0% in fixed income securities and 0.0% - 5.0% in cash. OPEB Trust utilizes an investment manager to make recommendations as to the appropriate target portfolio weightings among major asset classes. Additionally, the investment manager has full discretionary authority to buy, hold, and sell investments subject to the guidelines as defined in the OPEB Trust's investment policy.

The following table summarizes fiduciary fund investments by plan and in total at December 31, 2018.

Investment Type	S	AWSRP	D:	SPRP	OPEB Trust	Total All Plans	Allocation Based on Fair Value
Collective, Pooled & Mutual Funds							
Domestic Equity	\$	73,450	\$	3,021	\$ 29,289	\$ 105,760	38.5%
International Equity		34,581		109	9,429	44,119	16.1%
Domestic Debt		79,684		354	22,648	102,686	37.4%
Real Estate		14,072				14,072	5.1%
Balanced / Asset Allocation		4,517				4,517	1.7%
Commodities				56		56	0.0%
Money Market Mutual Funds					1,323	1,323	0.5%
Standard Insurance Company:							
Guaranteed Long-term Fund				1,999		1,999	0.7%
Total Investments	\$	206,304	\$	5,539	\$ 62,689	\$ 274,532	100.0%

The Standard Insurance Company Guaranteed Long-term Fund is reported at contract value at December 31, 2018. Money market mutual funds are reported at amortized cost, which approximates fair value. The other fiduciary fund investments are reported at net asset value on December 31, 2018. Money market funds are reported as Cash and Cash Equivalents in the Statements of Fiduciary Net Position.

Fiduciary Fund investments are not subject to the PFIA. The investments are subject to the following risks:

Credit Risk – The individual investments held by the Collective, Pooled and Mutual funds at December 31, 2018, were not rated. The Standard Insurance Company Guaranteed Long-term Fund had a rating of A- by Standard & Poor's at December 31, 2018.

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Fiduciary Funds (Continued)

Concentration of Credit Risk – Concentration of credit risk for investments is the risk of loss attributable to the magnitude of an investment in a single issuer. As of December 31, 2018, more than 99.0% of fiduciary fund investments were in collective, pooled and mutual funds. The following funds exceeded 5.0% of fiduciary net position:

	December 31, 2018
Principal Core Plus Bond Separate Account-Z	24.6%
Principal LargeCap S&P 500 Index Separate Account-Z	14.1%
Principal MidCap S&P 400 Index Separate Account-Z	7.4%
Principal Diversified International Separate Account-Z	7.4%
Principal SmallCap S&P 600 Index Separate Account-Z	5.2%
Principal International SmallCap Separate Account-Z	5.2%
Principal U.S. Property Separate Account-Z	5.1%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of fixed income securities will adversely affect the fair value of an investment. The effective duration of the Domestic Debt funds was 5.6 years at December 31, 2018. The Standard Insurance Company Guaranteed Long-term Fund had an effective duration of 4.8 years at December 31, 2018.

Note 5 Capital Assets

Primary Government (City)

Capital assets were reduced by \$406 for impairment losses in fiscal year 2019 for governmental activities.

Capital asset activity for governmental activities, to include internal service funds, for the year-ended September 30, 2019 is as follows:

Сарі	tal A	ssets - Goveri	nmer	ntal Activitie	S					
		Beginning Balance	ı	ncreases	D	ecreases		Transfers		Ending Balance
Non-Depreciable Assets:	_				<u> </u>		_			
Land	\$	1,427,003	\$	3,584	\$	(11,998)	\$	73	\$	1,418,662
Other Non-Depreciable Assets	т	347	ŕ	-,	•	(347)	т	. 3	-	,,
Construction in Progress		251,310		289,627		(9,136)		(260,258)		271,543
Non-Depreciable Intangible Assets		176,579		29,381		(687)		789		206,062
Total Non-Depreciable Assets	\$	1,855,239	\$	322,592	\$	(22,168)	\$	(259,396)	\$	1,896,267
Depreciable Assets:			<u> </u>	· · · · · ·						
Intangible Assets		4,308								4,308
Buildings		1,341,146		320				40,068		1,381,534
Improvements		1,023,621		1,284				10,561		1,035,466
Infrastructure		3,366,519				(20)		199,612		3,566,111
Machinery and Equipment		617,111		57,801		(28,899)		9,155		655,168
Total Depreciable Assets	\$	6,352,705	\$	59,405	\$	(28,919)	\$	259,396	\$	6,642,587
Accumulated Depreciation:										
Intangible Assets		(3,974)		(82)						(4,056
Buildings		(438,660)		(36,550)						(475,210
Improvements		(363,289)		(47,668)						(410,957
Infrastructure		(2,087,946)		(86,793)						(2,174,739
Machinery and Equipment		(383,787)		(51,259)		25,927				(409,119
Total Accumulated Depreciation	\$	(3,277,656)	\$	(222,352)	\$	25,927	\$	-	\$	(3,474,081
Total Depreciable Assets, net	\$	3,075,049	\$	(162,947)	\$	(2,992)	\$	259,396	\$	3,168,506
Total Capital Assets, net	\$	4,930,288	\$	159,645	\$	(25,160)	\$	-	\$	5,064,773
Depreciation expense was charged to governmental fun	ctio	ns as follows:								
General Government			\$	16,683						
Public Safety				11,280						
Public Works				123,800						
Health Services				353						
Sanitation				25						
Welfare				1,171						
Culture and Recreation				22,830						
Convention and Tourism				15,044						
Urban Redevelopment and Housing				152						
Economic Development and Opportunity				296						
Education				961						
Depreciation on Capital Assets Held by City's Internal	Serv	ice								
Funds are Charged to Various Functions Based on As	sset	Usage		29,757						
Total Depreciation Expense for Governmental Activities			\$	222,352						

The capital assets of internal service funds are included in governmental activities. In fiscal year 2019, internal service funds capital assets increased by \$43,925, and decreased by \$18,707, of which \$344 was for impairments, resulting in an ending balance of \$277,042. Depreciation expense of \$29,757, less the \$16,091 in previously depreciated assets disposed of during the current year, resulted in an ending accumulated depreciation balance of \$144,441. Net book value is \$132,601.

Primary Government (City) (Continued)

No impairments were identified for business-type activities.

Capital asset activity for business-type activities for the year-ended September 30, 2019, is as follows:

	Ca	apital Assets	- Bus	iness-Type	Acti	vities				
	В	Beginning					_			Ending
Non-Depreciable Assets:		Balance	<u></u>	creases	De	ecreases		ransfers		Balance
Land:										
Airport System	\$	5,323	\$	-	\$	-	\$	-	\$	5,323
Solid Waste Management		1,107								1,107
Nonmajor Enterprise Funds		9,366								9,366
Total Land	\$	15,796	\$		\$		\$	-	\$	15,796
Construction in Progress:										
Airport System		18,044		32,607		(967)		(30,459)		19,225
Solid Waste Management		63				((63)		-
Nonmajor Enterprise Funds		9,107		4,042		(1,194)		(7,913)		4,042
Total Construction in Progress	\$	27,214	\$	36,649	\$	(2,161)	\$	(38,435)	\$	23,267
Total Non-Depreciable Assets	\$	43,010	\$	36,649	\$	(2,161)	\$	(38,435)	\$	39,063
Depreciable Assets:										
Intangible Assets:		252								252
Airport System Total Intangible Assets	<u> </u>	352 352	\$		<u> </u>		\$		<u> </u>	352 352
Buildings:	\$	332	<u> </u>		\$		<u>ې</u>		\$	332
Airport System		523,526		699				16,139		540,364
Solid Waste Management		11,283		055				10,133		11,283
Nonmajor Enterprise Funds		26,187								26,187
Total Buildings	\$	560,996	\$	699	\$		\$	16,139	\$	577,834
Improvements:	<u> </u>	300,330	<u> </u>	055	<u> </u>		<u> </u>	10,133	<u> </u>	377,034
Airport System		570,721		37				11,232		581,990
Solid Waste Management		9,529		0.				11,101		9,529
Nonmajor Enterprise Funds		14,276								14,276
Total Improvements	\$	594,526	\$	37	\$	_	\$	11,232	\$	605,795
Machinery and Equipment:		,-						, -		,
Airport System		25,927		1,818		(1,098)		3,088		29,735
Solid Waste Management		32,912		2,552		(4,676)		63		30,851
Nonmajor Enterprise Funds		5,208		96				7,913		13,217
Total Machinery and Equipment	\$	64,047	\$	4,466	\$	(5,774)	\$	11,064	\$	73,803
Total Depreciable Assets	\$	1,219,921	\$	5,202	\$	(5,774)	\$	38,435	\$	1,257,784
Accumulated Depreciation:										
Intangible Assets:										
Airport System		(29)		(71)						(100)
Total Intangible Assets	\$	(29)	\$	(71)	\$	-	\$	-	\$	(100)
Buildings:										
Airport System		(147,362)		(14,930)						(162,292)
Solid Waste Management		(1,911)		(397)						(2,308)
Nonmajor Enterprise Funds		(15,355)		(656)						(16,011)
Total Buildings	\$	(164,628)	\$	(15,983)	\$		\$	-	\$	(180,611)
Improvements:		((()
Airport System		(229,413)		(20,918)						(250,331)
Solid Waste Management		(4,397)		(384)						(4,781)
Nonmajor Enterprise Funds		(6,076)		(642)						(6,718)
Total Improvements	\$	(239,886)	\$	(21,944)	\$		\$		\$	(261,830)
Machinery and Equipment:		(44.246)		(2.654)		400				(47.460)
Airport System		(14,316)		(3,651)		498				(17,469)
Solid Waste Management		(20,648)		(3,148)		4,635				(19,161)
Nonmajor Enterprise Funds	<u>_</u>	(3,658)	<u> </u>	(2,185)		F 433				(5,843)
Total Machinery and Equipment		(38,622)	\$	(8,984)	\$	5,133	\$		\$	(42,473)
Total Accumulated Depreciation	\$	(443,165)	\$	(46,982)	\$	5,133	\$	- 20 425	\$	(485,014)
Total Capital Assets, net	\$ \$	776,756	<u>\$</u> \$	(41,780)	\$	(641)	\$	38,435	\$ \$	772,770
Total Capital Assets, net	Ş	819,766	<u> </u>	(5,131)	\$	(2,802)	\$		<u> </u>	811,833

Primary Government (City) (Continued)

The City capitalizes interest incurred on construction projects, in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. In fiscal year 2019, the City capitalized \$278 construction interest for the Airport System. Interest expense for Solid Waste Management and nonmajor enterprise funds were \$1,845 and \$582, respectively. Solid Waste Management and nonmajor enterprise funds did not capitalize interest. See Note 7 Long-Term Debt regarding the City's interest.

CPS Energy

CPS Energy's plant-in-service includes four power stations (units not in thousands) that are solely owned and operated by CPS Energy. In total, there are 17 generating units at these four power stations—two are coal-fired and 15 are gas-fired. Excluding STP (nuclear units), the following is a list of power stations and respective generating units in service at January 31, 2019:

	Generating	
Power Station	Units	Туре
Calaveras	4	Coal (2)/Gas (2)
Braunig	8	Gas
Leon Creek	4	Gas
Rio Nogales	1	Gas

Other notable capital assets in electric and gas plant include supporting coal yard assets, a fleet of railcars, a transmission network for the movement of electric power from the generating stations to substations, electric and gas distribution systems, and metering.

Included in general plant are two data centers; the main office complex; the construction and customer service centers; the Villita Assembly Building; and a fleet of automobiles, trucks and work equipment.

Intangible assets consist of easements, software, a tax exemption settlement and other intangible items.

In conjunction with the Rio Nogales plant purchase, CPS Energy entered into a Tax Exemption Settlement Agreement in which CPS Energy agreed to pay \$25,504 to certain parties to compromise, terminate claims and settle any disputes relating to the exemption of ad valorem taxes involving the parties to this agreement. The payment was recorded as an intangible asset that is being amortized over the life of the agreement, which runs through December 2041.

Impairments – In fiscal year 2012, CPS Energy announced plans to mothball its J.T. Deely Units 1 and 2 coal-fired power plants in fiscal year 2019 instead of the originally projected dates of fiscal year 2032 and fiscal year 2033, respectively. Therefore, depreciation for these two units was accelerated beginning in fiscal year 2013. To continue operating the units past the announced mothball dates, CPS Energy would need to install an estimated \$565,000 in flue gas desulfurization equipment (commonly referred to as scrubbers) to cut sulfur dioxide emissions in order to be compliant with more stringent environmental regulations that were expected to take effect in the future. In fiscal year 2019, a financial and operational efficiency analysis concluded it was not cost-effective to maintain the units even in a mothball status. Based on the analysis, CPS Energy decided to early retire the units at the end of fiscal year 2019 as an impairment due to changes in the duration of use of the units. CPS Energy recorded the impairment loss of \$182,723 as a special item on the Statement of Activities for the year-ended January 31, 2019.

CPS Energy (Continued)

During fiscal year 2019, an impairment loss of \$2,172 was recorded related to the Customer Relationship Management (CRM) Project due to permanent stoppage of the second phase of the software development activities. The CRM Project would have enabled scalability within the call center with advancements to the Salesforce software currently being utilized by CPS Energy.

Investment in STP Unit 1 and 2 – STP is currently a two-unit nuclear power plant located in Matagorda County, Texas. It is maintained and operated by the STP Nuclear Operating Company (STPNOC), a nonprofit Texas corporation special-purpose entity. It is financed and controlled by the owners – CPS Energy; the City of Austin; and NRG South Texas LLP, a wholly owned subsidiary of NRG Energy, Inc. CPS Energy's 40.0% interest in STP Units 1 and 2 is included in plant assets.

STP Capital Investment, Net		
	Janu	uary 31, 2019
STP Capital Assets, net		
Land	\$	5,701
Construction in progress, STP Units 1 and 2		32,369
Electrical and general plant		847,399
Intangibles		9,879
Nuclear Fuel		107,240
Total STP Capital Assets, net	\$	1,002,588
Total CPS Energy Capital Assets, net	\$	8,154,670
STP Capital Investments as a percentage		
of total CPS Energy Capital Assets, net		12.3%

CPS Energy (Continued)

The following table provides more detailed information on the activity of CPS Energy's net capital assets as presented on the Statement of Net Position, including capital asset activity for fiscal year 2019:

Capital Assets - CPS Energy											
	Beginning				Ending						
	Balance	Increases	Transfers	Decreases	Balance						
Non-Depreciable Assets:											
Land	\$ 97,125	\$ 539	\$ 7,330	\$ (3)	\$ 104,991						
Land Easements	106,217		1,314		107,531						
Construction in Progress	521,471	522,375	(462,398)	(464)	580,984						
Total Non-Depreciable Assets	\$ 724,813	\$ 522,914	\$ (453,754)	\$ (467)	\$ 793,506						
Depreciable Assets:											
Utility Plant in Service:											
Electric Plant	11,237,458	56,442	319,285	(535,371)	11,077,814						
Gas Plant	970,146	11,379	39,715	(26)	1,021,214						
General Plant	736,605	3,832	38,063	(52,358)	726,142						
Intangibles:											
Software	209,730		56,691	(6,901)	259,520						
Other	38,548	24			38,572						
Nuclear Fuel	972,268	29,016			1,001,284						
Total Depreciable Assets	\$ 14,164,755	\$ 100,693	\$ 453,754	\$ (594,656)	\$ 14,124,546						
Accumulated Depreciation											
and Amortization:											
Utility Plant in Service:											
Electric Plant ¹	(5,158,148)	(340,363)		366,211	(5,132,300)						
Gas Plant ¹	(374,646)	(22,280)		1,581	(395,345)						
General Plant ¹	(255,629)	(56,154)		50,042	(261,741)						
Intangibles:											
Software ¹	(54,073)	(25,411)		6,901	(72,583)						
Other ¹	(6,351)	(1,019)			(7,370)						
Nuclear Fuel	(850,365)	(43,678)			(894,043)						
Total Accumulated Depreciation		· · · ·			· · · · ·						
Depletion and Amortization	\$ (6,699,212)	\$ (488,905)	\$ -	\$ 424,735	\$ (6,763,382)						
Total Capital Assets, net	\$ 8,190,356	\$ 134,702	\$ -	\$ (170,388)	\$ 8,154,670						

¹ Salvage and removal costs are also included in the accumulated depreciation; therefore there is not a corresponding reduction in the asset.

Cash flow information – Cash paid for additions and net removal costs totaled \$585,812. This amount includes \$594,568 in additions to construction-in-progress and electric, gas and general plant, plus net salvage and removal costs of \$9,634, partially offset by \$12,772 in AFUDC and \$5,150 in donated assets.

Other – Depreciation and amortization expense for the period totaled \$445,227, while amortization of nuclear fuel of \$43,678 was included in fuel expense on CPS Energy's Statement of Revenues, Expenses and Changes in Net Position.

San Antonio Water System (SAWS)

SAWS interest expense during the construction period is capitalized as part of the cost of capital assets. For the year-ended December 31, 2018, interest capitalized was \$6,562. Capital asset activity for SAWS is as follows:

Capital Assets - San Antonio Water System										
		Beginning Balance	lı	ncreases		ransfers	D	ecreases		Ending Balance
Non-Depreciable Assets:										
Land	\$	106,995	\$	1,358	\$	4,867	\$	(97)	\$	113,123
Intangible Assets:										
Water Rights		248,677				204				248,881
Other		370								370
Construction in Progress		332,635		361,728		(182,551)		(5,002)		506,810
Total Non-Depreciable Assets	\$	688,677	\$	363,086	\$	(177,480)	\$	(5,099)	\$	869,184
Depreciable Assets:										
Utility Plant in Service:										
Structures and Improvements		990,234		265		(163,937)		(955)		825,607
Pumping and Purification		246,915		191		1,124		(16)		248,214
Distribution and Transmission System		2,624,318				57,464		(101,200)		2,580,582
Treatment Facilities		2,257,245		103		269,606		(91,932)		2,435,022
Total Utility Plant in Service	\$	6,118,712	\$	559	\$	164,257	\$	(194,103)	\$	6,089,425
Machinery and Equipment:										
Machinery and Equipment		293,596		8,077		8,065		(2,954)		306,784
Furniture and Fixtures		6,595								6,595
Computer Equipment		24,538		2,051		(139)		(2,993)		23,457
Software		47,187		149		5,297		(387)		52,246
Total Machinery and Equipment	\$	371,916	\$	10,277	\$	13,223	\$	(6,334)	\$	389,082
Intangible Assets		1,354								1,354
Total Depreciable Assets	\$	6,491,982	\$	10,836	\$	177,480	\$	(200,437)	\$	6,479,861
Accumulated Depreciation: Utility Plant in Service:										
Structures and Improvements		(259,147)		26,397				937		(231,813)
Pumping and Purification		(70,252)		(7,828)				16		(78,064)
Distribution and Transmission System		(824,043)		(49,774)				101,200		(772,617)
Treatment Facilities		(794,179)		(96,861)				91,932		(799,108)
Machinery and Equipment:										
Machinery and Equipment		(127,564)		(19,484)				2,926		(144,122)
Furniture and Fixtures		(6,065)		(82)						(6,147)
Computer Equipment		(19,079)		(1,994)				2,945		(18,128)
Software		(28,042)		(4,724)				387		(32,379)
Intangible Assets		(511)		(72)						(583)
Total Accumulated Depreciation	\$	(2,128,882)	\$	(154,422)	\$		\$	200,343	\$	(2,082,961)
Total Depreciable Assets, net	\$	4,363,100	\$	(143,586)	\$	177,480	\$	(94)	\$	4,396,900
Total Capital Assets, net	\$	5,051,777	\$	219,500	\$	-	\$	(5,193)	\$	5,266,084

In 2018, SAWS evaluated the distribution and transmission mains and retired \$200,437 of fully depreciated assets.

Note 5 Capital Assets (Continued)

San Antonio Water System (SAWS) (Continued)

Asset Impairment – SAWS periodically reviews its capital assets for possible impairment. As part of SAWS capital improvement program, SAWS incurs costs to design capital improvement projects. These costs are included in capital assets as Construction in Progress. Periodically the actual construction of these projects may not occur due to changes in plans. Once it has been determined that construction will not proceed, any capitalized costs are charged off to operating expenses. Design and project costs written off totaled \$5,002 in 2018.

Note 6 Receivables and Payables

Disaggregation of Receivables and Payables

Primary Government (City)

Net receivables at September 30, 2019 are as follows:

			Note and	Accrued		Total Net
	Accounts	Taxes	Loans	Interest	Other	Receivables
Governmental Activities	\$ 117,091	\$ 23,526	\$ 224,066	\$ 5,526	\$ 56,746	\$ 426,955
Business-Type Activities	17,614			708		18,322
Total	\$ 134,705	\$ 23,526	\$ 224,066	\$ 6,234	\$ 56,746	\$ 445,277

The receivable balances for Governmental Activities have been reduced by estimated allowances for doubtful accounts of \$66,624 against customer accounts, \$4,948 against property and occupancy taxes, \$39,319 against notes and loans, and \$31,958 against other receivables. The receivable balances for Business-Type Activities have been reduced by estimated allowances for doubtful accounts of \$111 against customer accounts and \$108 for other receivables.

Of the \$224,066 recorded in note and loans, \$223,759 is not expected to be collected within one year. Included in the \$223,759 is a loan receivable for \$171,090 associated with CCHFC that is expected to be paid off in 2039. The remaining \$52,669 note and loans receivables not expected to be collected within one year are related to General Fund, CDBG, and HOME funds, net of allowance for doubtful accounts of \$39,319. The \$39,319 allowance is comprised of forgivable non-interest bearing notes and loans and aged loans greater than 90 days that are collectible. The \$52,669 notes and loans have a corresponding unearned revenue or deferred inflow balance recorded within the respective funds.

Payables at September 30, 2019 are as follows:

	Accounts	Accrued Payroll	Total Payables
Governmental Activities Business-Type Activities	\$ 157,740 21,152	\$ 29,237	\$ 186,977 24,999
Total	\$ 178,892	\$ 33,084	\$ 211,976

CPS Energy

Disaggregation of Receivables – Net customer accounts receivable as of January 31, 2019, included \$20,107 for unbilled revenue receivables and \$182,449 for billed utility services. Interest and other receivables included \$17,948 for regulatory-related receivables; \$6,492 for interest receivable; and \$34,632 for other miscellaneous receivables.

Disaggregation of Payables – At January 31, 2019, accounts payable and accrued liabilities included \$251,825 related to standard operating supplier and vendor accounts payables, including fuels payable; \$51,488 for employee-related payables; \$53,011 for customer related payables; \$34,711 for STP-related payables; and \$49,778 for other miscellaneous payables and accrued liabilities.

Note 6 Receivables and Payables (Continued)

Disaggregation of Receivables and Payables (Continued)

San Antonio Water System (SAWS)

Disaggregation of Receivables – Gross customer accounts receivables as of December 31, 2018 included \$42,126 from customers; \$33,213 in unbilled revenue; \$3,784 in interest receivable; and \$1,593 receivable from other governmental agencies, less an allowance of \$7,442.

Disaggregation of Payables – At December 31, 2018, accounts payable and other current liabilities included \$43,345 in accounts payable; \$5,492 in vacation payable; \$4,966 in accrued payroll and benefits; \$41,841 in construction contracts; \$15,571 in customer deposits; and \$8,197 in claims payable.

Interfund Receivable and Payable Balances

Primary Government (City)

As of September 30, 2019, the interfund receivable and payable balances represent short-term loans resulting from timing differences between the dates that transactions are recorded in the accounting system and short-term borrowings at fiscal year-end. The General Fund reported \$15,563 due from other funds as result of overdraws of pooled cash. All interfund balances are expected to be paid within one year.

Different fiscal year-ends exist between the City and Pre-K 4 SA component unit, (September 30th and June 30th, respectively); therefore, interfund receivables and payables do not eliminate by \$2,811. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to Pre-K 4 SA represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30; however, Pre-K 4 SA's due from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2019. These transactions are in accordance with legislative and contractual requirements.

Due to negative cash, the Bexar County Hotel/Motel Collections Fund, a fiduciary agency fund, had to borrow cash from the General Fund in the total amount of \$629. Interfund receivables and payables will not eliminate by this amount.

Note 6 Receivables and Payables (Continued)

Interfund Receivable and Payable Balances (Continued)

Primary Government (City) (Continued)

The following is a summary of interfund receivables and payables for the City as of September 30, 2019:

	 rom Other Funds	To Other Funds
General Fund:		
Debt Service Fund	\$ -	\$ 441
Nonmajor Governmental Funds	14,309	31,191
Internal Service Funds	625	
Fiduciary Funds	 629	
Total General Fund	\$ 15,563	\$ 31,632
Debt Service Fund:		
General Fund	 441	
Total Debt Service Fund	\$ 441	\$
Pre-K 4 SA:		
Nonmajor Governmental Funds	 3,535	
Total Pre-K 4 SA	\$ 3,535	\$
Nonmajor Governmental Funds:		
General Fund	31,191	14,309
Pre-K 4 SA		6,346
Nonmajor Governmental Funds	 38,675	 38,675
Total Nonmajor Governmental Funds	\$ 69,866	\$ 59,330
Internal Service Funds: General Fund		625
Total Internal Service Funds	\$ 	\$ 625
Total	\$ 89,405	\$ 91,587

Note 7 Long-Term Debt

Primary Government (City)

Governmental Activity Long-Term Debt

Issuances

The City's debt management and on-going capital improvement financing for infrastructure and "quality of life" purposes resulted in the issuance of additional indebtedness during fiscal year 2019.

On January 22, 2019, the City issued \$24,570 in General Improvement Refunding Bonds, Series 2019. The series included a premium of \$2,118, which was used to fund an escrow account for the redemption, discharge and defeasance of the HUD 108 Loan. As a result of the defeasance, the City will realize a total decrease of \$3,289 in debt service payments and total deferred charges of \$722. Through this defeasance, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,768. The Bonds have maturities ranging from 2019 to 2025, with interest rates ranging from 2.0% to 5.0%.

On August 29, 2019, the City issued \$383,940 in General Improvement and Refunding Bonds, Series 2019. The refunded portion of \$168,825 for the bond included a premium of \$27,175, which was used to fund an escrow account for the redemption, discharge, and defeasance of the refunded obligations. As a result of the defeasance, the City will realize a total decrease of about \$32,112 in debt service payments and total deferred charges of \$7,520. Through this defeasance, the City obtained an economic gain of \$25,065. The remaining proceeds of \$215,115 included a premium of \$35,764, and were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks, recreation, and open spaces; library museum and cultural facilities; public safety facilities; and neighborhood initiatives. The Bonds have maturities ranging from 2020 to 2040, with interest rates ranging from 3.0% to 5.0%.

On August 29, 2019, the City also issued \$36,425 in Combination Tax and Revenue Certificates of Obligation, Series 2019. The Certificates allocated \$6,190 from proceeds to the Development Services Fund and the remaining \$30,235 were issued to finance improvements to the public safety radios and system replacement and street maintenance projects. The governmental activities portion of the proceeds from the Certificates included a premium of \$6,210 and have maturities ranging from 2020 to 2039, with interest rates ranging from 4.0% to 5.0%.

Additionally, on August 29, 2019 the City issued \$34,535 in Tax Notes. The Tax Note proceeds included a premium of \$2,640, and were issued to finance improvements to information technology systems, municipal facilities, and street maintenance projects. The Tax Notes have maturities ranging from 2020 to 2022, with an interest rate of 5.0%.

Note 7 Long-Term Debt (Continued)

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

Pledges and Significant Terms

The City's General Obligation Bonds, Certificates of Obligation, and Tax Notes are secured by ad valorem taxes levied upon all taxable property located within the City, within the limitations prescribed by law. The Certificates of Obligations are additionally secured by a lien on and pledge of certain revenues of the City's municipal parks system not to exceed \$1 during the entire period the Certificates of Obligation or interest thereon remains outstanding in order to permit the Certificates of Obligation to be sold for cash. The total outstanding debt that is secured by an ad valorem tax pledge is \$2,041,830. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for City non-payment.

The Municipal Drainage Utility System Revenue Bond is secured by a lien on Stormwater revenues. Remedies for nonpayment of debt is limited to the right of bondholders to file a mandamus action to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for City non-payment.

Texas Municipal Facility Corporation Lease Revenue Bonds are paid by annually appropriated lease payments made by the City's Development Service Fund which equal the annual debt service on the bonds. Payment of debt service on the bonds is solely dependent upon the payment by the City (as the "lessee" under the related lease agreement) of lease payments under the lease. In the event the City fails to appropriate for the payment of lease payments during any fiscal year, the lease will terminate at the end of the fiscal year for which sufficient appropriations have been made, and the City must, upon the expiration of such fiscal year, surrender possession and control of the assets to the lessor or the trustee. Remedies available under the lease upon a failure of the City to pay lease payments from appropriated funds could include some of the following: (i) immediate acceleration of all lease payments due or to become due during the current fiscal year, (ii) termination of the City's leasehold interest in the assets, (iii) the right of the trustee to take possession and control of the asset, and to sell, or lease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement, (iv) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (v) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the lease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25.0% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the lease and take possession and control of the asset, and to sell, or lease, sublease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement.

Note 7 Long-Term Debt (Continued)

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

Pledges and Significant Terms (Continued)

Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds are secured by net operating revenues to be received from the Convention Center Hotel operations. In the event the net operating revenues are insufficient to pay all debt service, City tax revenues will be pledged in the following order of priority: first, from the Convention Center Hotel State HOT revenues; second, from Convention Center Hotel State sales tax revenues; third, from Convention Center Hotel 7.0% local HOT revenues; and fourth, from available 2.0% Expansion HOT revenues. Remedies granted to the trustee under the indenture for nonpayment of the bonds include (i) immediate acceleration of all debt service (upon consent of the bond insurer), (ii) filing a mandamus action to compel the issuer to perform its covenants and duties under the indenture, (iii) prohibit withdrawal of money from certain funds held in the indenture without the bond insurer's consent, (iv) request a court to appoint the trustee or another entity as the receiver of the trust estate, commence foreclosure under the deed of trust by private sale or judicial foreclosure upon consent of the bond insurer, (v) transfer money from certain funds held under the indenture to the debt service fund as permitted under the indenture, (vi) enter into agreements or other arrangements as the bond insurer determines to be necessary or appropriate to retain the developer under the existing ground lease or make modifications to the ground lease (subject to the issuer's and City's consent and the delivery of an opinion of Bond Counsel that such agreement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any of the taxexempt bonds), (vii) take such actions, including the filing and prosecution of lawsuits, upon direction of the bond insurer, as may be required to enforce for the benefit of the registered owners and the bond insurer the terms of any agreements or instruments relating to the hotel project or the bonds, or any part thereof, which the trustee, at the written direction of the bond insurer, may be entitled to enforce, (viii) exercise any right of the issuer to give any consent or notice, to take any act or refrain from taking any act, and otherwise act in the full place and stead of the issuer in any transaction document), and (ix) take such other steps to protect and enforce its rights and the rights of the registered owners of the bonds, whether by action, suit or proceeding in aid of the execution of any power granted under the indenture or for the enforcement of any other appropriate legal or equitable remedy, including, but not limited to, proceeding by suit, at law or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the principal and redemption price of and interest then due on the bonds.

The Starbright Industrial Development Corporation Contract Revenue Bonds are secured with a pledge of utility revenue received by the City from CPS Energy. Remedies for nonpayment by the City of sums due under the Economic Development Contract between the City and the issuer are limited to the right of the trustee to pursue any remedies authorized by applicable law. Remedies for nonpayment of debt are limited to the right of the trustee, on behalf of the bondholders, to file a mandamus action to compel the issuer's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate or default rate of interest for issuer or City non-payment.

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

Pledges and Significant Terms (Continued)

Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds are paid by annually appropriated lease payments from any money that has not been encumbered to secure the payment of any indebtedness of the City and that may lawfully be used with respect to any payment obligated or permitted under the lease agreement, including but not limited to unencumbered and lawfully available revenues derived by the City from hotel occupancy taxes levied by the City, annual ad valorem taxes levied for maintenance and operation purposes, the 1.0% general sales and use tax levied by the City, and transfers from City-owned utility systems. The finance plan is to utilize hotel occupancy taxes; no other sources are intended to be used. In the event the City (as the "sublessee" under the related lease agreement) fails to appropriate for the payment of lease payments during any fiscal year, (i) the sublease will terminate at the end of the fiscal year for which sufficient appropriations have been made (but the primary lease will remain in existence and will not terminate), (ii) the City must, upon the expiration of such fiscal year, surrender possession and control of the Convention Center facilities to the trustee, and (iii) the City will be prohibited from conducting any operations or activities at the Convention Center facilities. Remedies available under the lease agreement upon a failure of the City to pay lease payments from appropriated funds include, (i) terminating the sublease upon the trustee giving 30 days written notice to the City, after which the City must surrender possession and control of the Convention Center facilities to the trustee, (ii) with or without terminating the sublease, (a) immediate acceleration of all lease payments due or to become due during the current fiscal year, and (b) the right of the trustee to take possession and control of the Convention Center facilities and exclude the City from using the Convention Center facilities, (iii) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (iv) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the sublease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the sublease and take possession and control of the Convention Center facilities, and to sublease the Convention Center facilities for a period up to but not exceeding the remaining term of the primary lease.

The Revenue Notes are secured by a commitment of the City to pay principal and interest on the Notes when due from any and all lawful and available sources, subject to annual appropriation by the City Council.

Prior Years' Defeased Debt

In prior years, the City advance refunded, prior to maturity, certain General Obligation Bonds, Revenue Bonds, Certificates of Obligation and Tax Notes. The refunding bonds were utilized to purchase securities, which are direct obligations of the United States of America (the Purchased Securities). The Purchased Securities plus cash were deposited into irrevocable escrow accounts in amounts scheduled to mature in principal amounts that, when added to interest earned on the Purchased Securities plus remaining balances in the escrow fund, are fully sufficient to make timely payment on the principal, premium if any, and interest scheduled to come due on the refunded obligations. The refunded obligations represent a legal defeasance and are no longer a liability of the City; therefore, they are not included in the City's financial statements. As of September 30, 2019, \$187,415 of previously defeased bonds is outstanding.

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

The following table is a summary of changes for the year-ended September 30, 2019 for governmental activity:

Governmental Activity Long-Term Debt Time of Original Issuance													
	Tim	e of Original Iss	uance	-									
Issue	Original Amount	Final Principal Payment	Interest Rates (%)		Balance Outstanding tober 1, 2018		dditions During Year		Deletions During Year	Sor	Balance Outstanding stember 30, 2019		
Tax-Exempt General Obligation Bonds:	Amount	rayillelit	nates (70)		10000 1, 2010	_	Teal		Teal	361	tellibel 30, 2013		
Series 2010 Refunding	\$ 155,71	0 2023	2.000-5.000	\$	82,385	\$	-	\$	(26,660)	\$	55,725		
Series 2010A	8,80		5.000		8,800				(6,285)		2,515		
Series 2011	59,48		2.000-5.000		43,480				(2,545)		40,935		
Series 2012 Refunding	33,41		2.000-5.000		18,085				(1,865)		16,220		
Series 2012	148,60		2.000-5.000		107,100				(7,000)		100,100		
Series 2013	114,43		2.000-5.000		91,130				(4,185)		86,945		
Series 2014	227,03		2.000-5.000		178,920				(8,080)		170,840		
Series 2014 Refunding	51,95		0.500-5.000		16,790				(3,670)		13,120		
Series 2015 Refunding	233,22		4.000-5.000		153,880				(4,855)		149,025		
Series 2016 Refunding	193,87		3.000-5.000		180,405				(19,150)		161,255		
Series 2017	88,07		4.000-5.000		76,490				(2,805)		73,685		
Series 2017	154,85		3.000-5.000		154,850				(21,860)		132,990		
Series 2019 Refunding (HUD)	24,57		2.000-5.000		134,630		24 570				21,090		
Series 2019 Refunding	383,94						24,570 383,940		(3,480)				
-		_	3.000-5.000		1 112 215	<u>,</u>		ċ	(112 440)	<u>,</u>	383,940		
Total Tax-Exempt General Obligation Bonds	\$ 1,877,95	<u> </u>		\$	1,112,315	\$	408,510	\$	(112,440)	\$	1,408,385		
Taxable General Obligation Bonds:	4 404 55				404 ==0				(407.445)				
Series 2010B BABs	\$ 191,55	_	4.314-6.038	\$	191,550	\$		\$	(187,415)		4,135		
Total Taxable General Obligation Bonds	\$ 191,55	0		\$	191,550	\$		\$	(187,415)	\$	4,135		
Tax-Exempt Certificates of Obligation:													
Series 2010	\$ 38,37		4.000-5.000	\$	2,170	\$	-	\$	(2,170)	\$	-		
Series 2011	79,78	0 2031	2.000-5.000		59,685				(3,385)		56,300		
Series 2012	19,34	0 2032	1.000-5.000		15,425				(845)		14,580		
Series 2013	15,14	5 2028	2.000-5.000		10,990				(905)		10,085		
Series 2015	36,36	0 2035	1.500-5.000		32,765				(1,260)		31,505		
Series 2016	78,27	0 2036	2.000-5.000		72,985				(2,690)		70,295		
Series 2017	67,29	5 2037	3.000-5.000		56,285				(2,225)		54,060		
Series 2018	109,23	5 2038	4.000-5.000		109,235				(3,655)		105,580		
Series 2019	30,23	5 2039	4.000-5.000				30,235				30,235		
Total Tax-Exempt Certificates of Obligation	\$ 474,03	5		\$	359,540	\$	30,235	\$	(17,135)	\$	372,640		
Taxable Certificates of Obligation:		_				_							
Series 2015	\$ 43,82	0 2035	0.880-4.162	\$	38,580	\$	_	\$	(1,765)	\$	36,815		
Series 2016	24,83		0.921-3.278		24,145				(695)		23,450		
Series 2018	8,60		2.580-4.050		8,600			\$	(305)		8,295		
Total Taxable Certificates of Obligation	\$ 77,25	_		\$	71,325	\$		\$	(2,765)	\$	68,560		
Tax Notes:		_			1 = / = = =	<u> </u>		<u> </u>	(=): 00)				
Series 2014B	\$ 5,97	0 2021	2.000-3.000	\$	2,680	\$	_	\$	(865)	\$	1,815		
Series 2016	27,41		3.000-5.000	Y	9,535	Y		Y	(9,535)	Ÿ	1,013		
Series 2017	18,72		5.000		12,735						6,525		
Series 2017 Series 2018	28,07		4.000-5.000						(6,210)				
Series 2019					28,070		24 525		(13,810)		14,260		
	34,53		5.000		F2 020	_	34,535	_	(20, 420)		34,535		
Total Tax Notes	\$ 114,71	<u>U</u>		\$	53,020	\$	34,535	\$	(30,420)	\$	57,135		
Revenue Bonds:				_									
Series 2013 Municipal Drainage	\$ 70,68		3.000-5.000	\$	56,875	\$	-	\$	(3,965)	\$	52,910		
Series 2010 Municipal Facility Corp Ref	9,09		1.000-3.250		2,135				(1,050)		1,085		
Series 2011 Municipal Facility Corp	27,92		2.000-5.000		24,350				(645)		23,705		
Series 2005A Convention	129,93	0 2039	4.750-5.000		129,930						129,930		
Series 2005B Convention	78,21		4.500-5.310		51,730				(4,140)		47,590		
Series 2013 Starbright Industrial Dev Corp	20,89	0 2033	1.078-4.750		18,180				(965)		17,215		
Series 2012 Public Facilities Corp ¹	550,37	4 2042	3.000-5.100		544,724	_		_	(2,995)		541,729		
Total Revenue Bonds	\$ 887,10	9		\$	827,924	\$	-	\$	(13,760)	\$	814,164		
Bonds from Direct Placements:	-	_											
Taxable Certificates of Obligation, Series 2016	\$ 47,00	0 2046	2.640	\$	47,000	\$	-	\$	-		47,000		
Tax Notes, Series 2014	1,40		1.800		635				(205)		430		
Revenue Notes, Series 2013A	20,90		2.320		6,575				(3,240)		3,335		
									(-, -)		-,		
Total Bonds from Direct Placements	\$ 69,30	0		\$	54,210	\$	-	\$	(3,445)	\$	50,765		

¹ A portion of the Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012 was sold as Capital Appreciation Bonds (CABS). Interest on the CABS accretes from date of delivery and will be payable only at maturity or redemption. The interest accreted has resulted in an increase of \$2,051 in revenue bonds payable, resulting in an ending balance of \$12,242. This increase is reflected in the combined Statement of Net Position but is not reflected in this table.

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

Annual Requirements

The annual requirements to amortize all General Obligation Bonds, Certificates of Obligation, Tax Notes, Revenue Bonds, and Bonds from Direct Placements outstanding as of September 30, 2019 are as follows:

				Principa	l and	Interest F	Requ	irements							
			G	eneral				Certific	ates	of					
		0	bliga	tion Bonds ¹				Obliga	ation	2		Tax N	lote	s	
Year-Ending					D	irect								,	
September 30,	1	Principal	ı	nterest	Sul	bsidy ³	F	Principal	ı	nterest	P	rincipal	Interest		
2020	\$	100,265	\$	61,262	\$	(59)	\$	20,610	\$	19,237	\$	32,720	\$	2,673	
2021		101,730		57,549				21,335		18,492		12,380		1,189	
2022		93,700		52,738				22,270		17,553		12,035		602	
2023		88,860		48,224				23,310		16,534					
2024		86,455		43,986				24,360		15,467					
2025-2029		385,855		160,413				135,830		59,549					
2030-2034		349,755		75,921				129,560		28,694					
2035-2039		194,270		19,683				63,925		5,935					
2040		11,630		349											
Total	\$	1,412,520	\$	520,125	\$	(59)	\$	441,200	\$	181,461	\$	57,135	\$	4,464	

¹ Includes both Tax-Exempt and Taxable General Obligation Bonds.

Principal and Interest Requirements

		Revenu	ie Bo	nds	В	Bonds from Direct Placements							
Year-Ending								_					
September 30,	P	rincipal		Interest		Principal		Interest					
2020	\$	14,450	\$	34,006	\$	4,755	\$	1,269					
2021		14,090	33,329			1,460		1,194					
2022		16,970		32,640		1,275		1,159					
2023		19,125		31,803		1,310		1,125					
2024		21,485		30,854		1,345		1,090					
2025-2029		147,395		136,704		7,280		4,892					
2030-2034		200,830		100,331		8,305		3,864					
2035-2039		209,999		131,939		9,475		2,692					
2040-2044		169,820	13,935		13,935 10,815			1,355					
2045-2046						4,745		126					
Total	\$	814,164	\$ 545,541		\$	50,765	\$	18,766					

² Includes both Tax-Exempt and Taxable Certificates of Obligation.

³ The City issued Build America Bonds (BABs) in fiscal year 2010. These BABs are eligible for Direct Subsidies or rebates from the Federal Government for issuing the debt as taxable instruments. In fiscal year 2019, the City collected \$3,588 in Direct Subsidies. The BABs were partially refunded in fiscal year 2019.

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

In May 2017, the citizens authorized the City to sell \$850,000 in debt for the 2017-2022 Bond Program. The program includes 180 projects designed to improve and enhance existing, as well as acquire or construct, streets, bridges, and sidewalks; drainage and flood control; parks, recreation, and open spaces; library, museum and cultural facilities; public safety facilities; and neighborhood improvements. The Bonds are pledged with and will be repaid from ad valorem tax revenue the City collects on an annual basis.

Authorized but Unissued General Obligation Debt

Authorization		A	Amount	Bono	ls Previously	Bond	s Authorized
Date	Purpose	Αι	uthorized		Issued ¹	bu	t Unissued
5/6/2017	Streets, Bridges, and Sidewalks	\$	445,263	\$	263,219	\$	182,044
5/6/2017	Drainage and Flood Control		138,988		78,954		60,034
5/6/2017	Parks, Recreation, and Open Space		187,313		121,631		65,682
5/6/2017	Library, museum, and Cultural Facilities		24,025		14,593		9,432
5/6/2017	Public Safety Facilities		34,411		20,593		13,818
5/6/2017	Neighborhood Improvements		20,000		20,000		
Total		\$	850,000	\$	518,990	\$	331,010

¹ The amount issued of \$518,990 includes the par value of the bonds in the amount of \$458,035, the premium of the bonds in the amount of \$64,147, and less the cost of issuance of \$3,192.

Debt Limitation

The amount of debt that the City may incur is limited by City Charter and by the Constitution of the State of Texas. The City Charter establishes a limitation on the general obligation debt supported by ad valorem taxes to an amount not to exceed 10.0% of the total assessed valuation. The total assessed valuation for the fiscal year 2019 was \$132,647,906 which provides a debt ceiling of \$13,264,791. The total outstanding debt that is secured by an ad valorem tax pledge is \$2,041,830 including \$83,545 that is reported in business-type activities.

The Constitution of the State of Texas provides that the ad valorem taxes levied by the City for debt service and maintenance and operation purposes shall not exceed \$2.50 for each \$100 of assessed valuation of taxable property. There is no limitation within the \$2.50 rate for interest and sinking fund purposes; however, it is the policy of the Attorney General of the State of Texas to prohibit the issuance of debt by a city if such issuance produces debt service requirements that exceed the amount that can be paid from \$1.50 tax rate calculated at 90.0% collections. The Debt Service component is determined by the City's debt service requirements. The fiscal year 2019 Debt Service rate was 21.150 cents per \$100 of taxable valuation. (Figures in this paragraph are not in thousands).

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

Notes Payable

In September 2004, City Council authorized the submission of a \$57,000 HUD 108 loan application to HUD, which was received August 2006. Proceeds of the loan were utilized to fund various capital improvement projects including streets and drainage projects, and to fund improvements to public health facilities, parks, libraries, and community recreation and cultural facilities. The loan's outstanding balance of \$25,692 was refunded on January 22, 2019, with the General Improvement Refunding Bonds, Series 2019 issuance.

In June 2015, a loan was authorized in the amount of \$6,100 to finance the costs of acquiring and renovating the Frost Tower and Parking Garage that will be used to consolidate City administration into a single facility. Remedies for nonpayment of debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year as well as the declaration of the loan, or any part thereof, immediately due and payable. The loan amount outstanding as of September 30, 2019 is \$6,100.

In 2016, Hemisfair Park Area Redevelopment Center (HPARC), a blended component unit of the City, entered into two five-year, 4.5% interest, loan agreements totaling \$511 to finance the construction of two parking lots. The loans allow for accelerated payments which they intend to make from the proceeds of parking lot revenues. As of September 30, 2019, the loan has an outstanding balance of \$223.

	Principal and Interest Requirements													
	Not	tes from Di	rect Plac	cements	Note	s from Dir	ect Borrowings							
Year-Ending														
September 30,	Pı	rincipal	Int	erest	Pri	incipal	Int	erest						
2020	\$	6,100	\$	205	\$	34	\$	9						
2021						189		5						
Total	\$	6,100	\$	205	\$	223	\$	14						

Interfund Borrowings

In 2016, the City authorized proceeds from the Combination Tax and Revenue Certificates of Obligation, Taxable Series 2016 to finance improvements to Hemisfair Park including continuing restoration of historic buildings, a civic park, landscaping and other improvements. HPARC will repay the interfund borrowing from revenues generated from its operations.

The following is a summary of changes for the fiscal year-ended September 30, 2019:

	Time	of Original Is	suance																								
	Final				Balance			Balance Additions Deletions					ance														
	Original	Principal	Interest	Out	tstanding	During			During During			Outstanding															
Issue	Amount	Payment	Rates (%)	Octo	October 1, 2018		October 1, 2018		Year		Year		Year		Year		Year		Year		Year		Y	ear		Septemb	er 30, 2019
Series 2016	\$ 18,275	2036	1.365-3.278	\$ 18.275		\$ -		\$ -		\$ -		-	\$	-		\$	18,275										

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

The City has authorized loans to MGA-SA to finance improvements to City owned golf courses. MGA-SA will repay the interfund borrowing with interest from revenues generated by its golf operations. Since MGA-SA is a blended component unit, activity between the Community Service Funds and MGA-SA are eliminated as part of government-wide reporting.

The following is a summary of changes in the loans for the fiscal year-ended September 30, 2019:

	Time	of Original I	ssuance							
Issue			Out	alance standing per 1, 2018	Additions During Year	D	letions uring Year	Out	alance standing ber 30, 2019	
Series 2010	\$ 1,185	2025	3.676	\$	630	\$ -	\$	(80)	\$	550
Series 2015	4,000	2025	1.500-5.000		2,965			(365)		2,600
Series 2016	3,275	2031	2.000-5.000		2,945			(165)		2,780
2017 Note	300	2020	0.000		200			(100)		100
Series 2018	1,315	2033	4.000-5.000		1,315			(60)		1,255
Total	\$ 10,075			\$	8,055	\$ -	\$	(770)	\$	7,285

Leases

The City leases property and equipment from others. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, is classified as operating leases. Both notes through direct borrowing and operating lease payments are recorded as expenditures when matured in the governmental fund financial statements. Total expenditures for operating leases for the fiscal year-ended September 30, 2019 were approximately \$12,862.

The City has entered into various lease purchase agreements through direct borrowings for energy/water saving conservation improvements, various emergency services equipment, and helicopters. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the date of inception. These assets are pledged as collateral for the associated debt. The leases may contain a provision that in an event of default, a portion or an entire amount of the lease payable is immediately due. Payments on each of the lease purchases will be made from budgeted annual appropriations to be approved by the City Council.

		Principal and Interest Requirements Capital Leases from Direct Borrowings												
Year-Ending														
September 30,	P	rincipal	In	terest		Total								
2020	\$	4,209	\$	502	\$	4,711								
2021		3,623		399		4,022								
2022		3,420		294		3,714								
2023		3,135		188		3,323								
2024		1,980		111		2,091								
2025-2027		2,404		74		2,478								
Total	\$	18,771	\$	1,568	\$	20,339								

Primary Government (City) (Continued)

Governmental Activity Long-Term Debt (Continued)

The assets acquired through capital leases for governmental activities are as follows:

Machinery and Equipment	\$ 46,131
Less: Accumulated Depreciation	(27,155)
Total	\$ 18,976

As of September 30, 2019, the City had future minimum lease payments under operating leases with a remaining term in excess of one year for governmental activities as follows:

	Operating
Year-Ending September 30,	Leases
2020	\$ 12,678
2021	9,456
2022	5,967
2023	2,378
2024	2,092
2025-2029	2,605
2030-2034	2,491
2035-2039	1,112
2040-2044	264
2045-After	2,178
Future Minimum Lease Payments	\$ 41,221

Business-Type Activity Long-Term Debt

Business-Type Activity long-term debt applies to those City operations that relate to business and quasi-business activities where net income and capital maintenance are measured (Enterprise Funds). Long-term debt, which is to be repaid from enterprise fund resources, is reported in the respective proprietary fund. The long-term indebtedness of the City's Enterprise Funds is presented in the discussion that follows.

Issuances

On August 29, 2019, \$6,190 of the \$36,425 in Combination Tax and Revenue Certificates of Obligation, Series 2019 was allocated to Development Services, and were issued to improve the City's Enterprise Land Management System. The proceeds from the allocated portion of the Certificates included a premium of \$1,357 and have maturities ranging from 2020 to 2039, with interest rates ranging from 4.0% to 5.0%.

Primary Government (City) (Continued)

Business-Type Activity Long-Term Debt (Continued)

Pledges and Significant Terms

The Airport System includes the City of San Antonio International Airport, Stinson Municipal Airport, and all land, buildings, structures, equipment, and facilities pertaining thereto. The Airport System's long-term debt consists of Airport System Revenue Improvement Bonds (GARB), Passenger Facility Charge and Subordinate Lien Bonds (PFC), and Customer Facility Charge Revenue Bonds (CFC). GARBs are payable from and secured solely by an irrevocable first lien on and pledge of the gross revenues of the Airport System. Gross revenues of the Airport System include all revenues of any nature derived from contracts or use agreements with airlines and other users of the Airport System and its facilities. PFCs are payable from and secured by an irrevocable first lien on and pledge of the subordinate net revenues. CFCs are payable from and secured by an irrevocable first lien on and pledge of the CFC revenues. Remedies for nonpayment of debt related to GARB, PFC, and CFC is limited to the right of bondholders to file a mandamus action to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate or default rate of interest for City non-payment. The Tax Notes, Taxable Series 2017, are payable from Airport System Revenues and secured by an ad valorem tax pledge.

Solid Waste Management operation includes the collection and processing of refuse, recycling, and brush. Long-term debt is allocated to Solid Waste Management on a pro rata basis from proceeds received from the issuance of general obligation bonds and certificates of obligation for Solid Waste Management related improvements and is paid from revenues derived from the operation of Solid Waste Management. The allocated debt is secured by an advalorem tax pledge.

The Development Services operation includes coordinating land and building development throughout the City. Long-term debt is allocated to Development Services on a pro rata basis from proceeds received from the issuance of certificates of obligation and is paid from revenues derived from the operation of Development Services. The allocated debt is secured by an ad valorem tax pledge.

The Parking System operation includes the ownership and operation of parking facilities, parking lots, parking meters, and retail/office space. Long-term debt is allocated to the Parking System on a pro rata basis from proceeds received from the issuance of taxable general obligation bonds and is paid from revenues derived from the operation of the Parking System. The allocated debt is secured by an ad valorem tax pledge.

The total outstanding debt that is secured by an ad valorem tax pledge allocated to business-type activities is \$83,545. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate or default rate of interest for City non-payment.

Capitalized Interest Costs

Interest costs incurred on revenue bonds and other borrowing totaled \$23,203 for the Airport System. For fiscal year 2019, the amount of \$278 was capitalized for the Airport System and included as an addition to construction in progress. Solid Waste Management and nonmajor enterprise funds did not have any capitalized interest in fiscal year 2019.

Primary Government (City) (Continued)

Business-Type Activity Long-Term Debt (Continued)

Line of Credit

The Tax Notes, Taxable Series 2017, is part of an active line of credit for use by the Airport System with an unused amount of \$64,000.

The following table is a summary of changes for the year-ended September 30, 2019 for business-type activity debt:

				Long-Term Deb	t							
		Time o	f Original Issu	ıance								
Issue		Original Amount	Final Principal Payment	Interest Rates (%)		Balance Outstanding ctober 1, 2018	D	ditions uring Year		eletions During Year		Balance Outstanding tember 30, 2019
Airport System:												
Revenue Bonds:												
Series 2005 PFC	\$	38,085	2030	3.375-5.250	\$	24,050	\$	-	\$	(1,500)	\$	22,550
Series 2007		82,400	2032	4.950-5.250		60,725				(3,055)		57,670
Series 2007 PFC		74,860	2032	5.000-5.250		52,435				(2,635)		49,800
Series 2010A Refunding		42,220	2040	2.000-5.250		38,020				(910)		37,110
Series 2010 PFC Refunding		37,335	2040	2.000-5.375		31,035				(845)		30,190
Series 2012 Refunding		70,135	2027	2.000-5.000		47,510				(4,420)		43,090
Series 2012 PFC Refunding		25,790	2027	2.000-5.000		17,745				(1,600)		16,145
Series 2015		38,805	2045	5.000		38,805						38,805
Series 2015 CFC		123,900	2045	2.910-5.871		123,900				(700)		123,200
Bonds from Direct Placements:												
Taxable Tax Notes, Series 2017		36,000	2024	3.080		36,000						36,000
Subtotal	\$	569,530			\$	470,225	\$	-	\$	(15,665)	\$	454,560
Solid Waste Management:												
Tax-Exempt General Obligation Bonds:												
Series 2010 Refunding	\$	545	2021	2.000-5.000	\$	430	\$	-	\$	(150)	\$	280
Series 2014 Refunding		245	2023	5.000		175				(10)		165
Series 2015 Refunding		1,290	2028	4.000-5.000		1,290						1,290
Series 2016 Refunding		300	2026	3.000-5.000		240				(25)		215
Tax-Exempt Certificates of Obligation:												
Series 2016		6,585	2036	2.000-5.000		6,170				(210)		5,960
Series 2017		6,065	2037	3.000-5.000		5,075				(190)		4,885
Series 2018		22,375	2038	4.000-5.000		22,375				(685)		21,690
Subtotal	\$	37,405			\$	35,755	\$		\$	(1,270)	\$	34,485
Development Services:										(=/=:=/	-	
Tax-Exempt Certificates of Obligation:												
Series 2019	Ś	6,190	2039	4.000-5.000				6,190				6,190
Subtotal	\$	6,190			\$		\$	6,190	\$	-	Ś	6,190
Parking System:		3,233					<u> </u>	-,	7			0,230
Taxable General Obligation Bonds:												
Series 2008 Refunding		10,120	2024	5.820-6.570		8,015				(1,145)		6,870
Subtotal	\$	10,120		2.020 0.070	\$	8,015	\$		\$	(1,145)	\$	6,870
Total	\$	623,245			\$	513,995	\$	6,190	\$	(18,080)	\$	502,105
IULAI	\$	023,243			Ş	313,335	Ş	0,190	<u>ې</u>	(10,000)	ې	302,105

Primary Government (City) (Continued)

Business-Type Activity Long-Term Debt (Continued)

The annual requirements to amortize long-term debt for the City's Enterprise Funds related to General Obligation Bonds, Certificates of Obligation, Tax Notes, Revenue Bonds, and Bonds from Direct Placements outstanding at September 30, 2019 are as follows:

Principal and Interest Requirements Airport System

		Airport Syste	Bonds from Direct Placements							Solid Waste Management					
Year-Ending September 30,	Principal	Interest	Total	P	rincipal	Interest		Total		Principal		li	nterest		Total
2020	\$ 17,355	\$ 21,573	\$ 38,928	\$	-	\$	1,109	\$	1,109	\$	1,340	\$	1,622	\$	2,962
2021	18,340	20,770	39,110		9,000		1,109		10,109		1,405		1,558		2,963
2022	19,465	19,913	39,378		9,000		832		9,832		1,480		1,488		2,968
2023	20,635	19,001	39,636		9,000		554		9,554		1,545		1,413		2,958
2024	21,890	17,977	39,867		9,000		277		9,277		1,625		1,335		2,960
2025-2029	112,510	72,767	185,277								8,900		5,405		14,305
2030-2034	82,150	46,836	128,986								10,250		3,220		13,470
2035-2039	59,355	28,976	88,331								7,940		882		8,822
2040-2044	55,065	12,457	67,522												
2045	11,795	670	12,465												
Total	\$ 418,560	\$ 260,940	\$ 679,500	\$	36,000	\$	3,881	\$	39,881	\$	34,485	\$	16,923	\$	51,408

Principal and Interest Requirements

		De	velop	ment Ser	vice	s '	Parking System							
Year-Ending September 30,	Pr	incipal	In	iterest		Total	Pr	incipal	In	terest		Total		
2020	\$	190	\$	263	\$	453	\$	1,215	\$	433	\$	1,648		
2021		200		275		475		1,290		358		1,648		
2022		210		265		475		1,370		280		1,650		
2023		220		255		475		1,450		195		1,645		
2024		230		244		474		1,545		102		1,647		
2025-2029		1,335		1,034		2,369								
2030-2034		1,700		666		2,366								
2035-2039		2,105		259		2,364								
Total	\$	6,190	\$	3,261	\$	9,451	\$	6,870	\$	1,368	\$	8,238		

Primary Government (City) (Continued)

Business-Type Activity Long-Term Debt (Continued)

Leases

The City has entered into various lease purchase agreements through direct borrowings for the acquisitions of refuse collections trucks, brush grappler trucks, brush tractor/trailer combinations, wheel loaders, roll off trucks, toter carts, and energy/water saving conservation improvements. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the date of inception. Payments on each of the lease purchases will be made from budgeted annual appropriations to be approved by the City Council. These assets are pledged as collateral for the associated debt. The leases may contain a provision that in an event of default, a portion or an entire amount of the lease payable is immediately due. While the garbage containers met the criteria for capital lease recognition, these items were expensed in the initial period leased, as their individual costs were below the City's capitalization threshold.

Principal and Interest Requirements Capital Leases from Direct Borrowings

al			
Total			
3,222			
2,575			
961			
808			
351			
620			
8,537			

The assets acquired through capital leases for business-type activities are as follows:

Machinery and Equipment	\$ 24,022
Less: Accumulated Depreciation	(14,186)
Total	\$ 9,836

As of September 30, 2019, the City had future minimum payments under operating leases with a remaining term in excess of one year for business-type activities as follows:

	Op	erating
Year-Ending September 30,	L	eases
2020	\$	633
2021		573
2022		433
2023		381
Future Minimum Lease Payments	\$	2,020

Primary Government (City) (Continued)

Governmental and Business-Type Activities Long-Term Debt

Long-term obligations and amounts due within one year:

	Beginning Balance (Restated)			Increases		Decreases		Ending Balance		ue Within One Year
Governmental Activities:										
Bonds Payable:										
Tax-Exempt General Obligation Bonds	\$	1,112,315	\$	408,510	\$	(112,440)	\$	1,408,385	\$	96,130
Taxable General Obligation Bonds		191,550	·	•	·	(187,415)	·	4,135		4,135
Tax-Exempt Certificates of Obligation		359,540		30,235		(17,135)		372,640		16,900
Taxable Certificates of Obligation		71,325		•		(2,765)		68,560		3,710
Tax Notes		53,020		34,535		(30,420)		57,135		32,720
Revenue Bonds		827,924				(13,760)		814,164		14,450
Bonds from Direct Placements		54,210				(3,445)		50,765		4,755
Gross Bonds Payable	\$	2,669,884	\$	473,280	\$	(367,380)	\$	2,775,784	\$	172,800
Unamortized (Discount) / Premium	\$	144,657	\$	73,907	\$	(32,146)	\$	186,418	\$	27,259
Net Bonds Payable	\$	2,814,541	\$	547,187	\$	(399,526)	\$	2,962,202	\$	200,059
Other Payables:										
Capital Leases from Direct Borrowings	\$	22,889	\$	100	\$	(4,218)	\$	18,771	\$	4,209
Notes from Direct Placements		6,100						6,100		6,100
Notes from Direct Borrowings		25,953				(25,730)		223		34
Accrued Leave Payable		223,499		85,049		(80,642)		227,906		78,624
Net Pension Liability ¹		693,260		921,565		(403,778)		1,211,047		
Net OPEB Liability 2		838,200		168,814		(65,793)		941,221		
Claims Payable Liability		60,551		131,013		(136,219)		55,345		22,297
Pollution Remediation Liability 4		196		320		(140)		376		376
Asset Retirement Liability ⁴		807				(65)		742		175
Other Payable		11		2		(/		13		
Total Other Payables	\$	1,871,466	\$	1,306,863	\$	(716,585)	\$	2,461,744	\$	111,815
Total Governmental Activities	\$	4,686,007	\$	1,854,050	\$	(1,116,111)	\$	5,423,946	\$	311,874
Business-Type Activities:										
Bonds Payable:										
Tax-Exempt General Obligation Bonds	\$	2,135	\$	-	\$	(185)	\$	1,950	\$	200
Taxable General Obligation Bonds		8,015				(1,145)		6,870		1,215
Tax-Exempt Certificates of Obligation		33,620		6,190		(1,085)		38,725		1,330
Revenue Bonds		434,225				(15,665)		418,560		17,355
Bonds from Direct Placements		36,000						36,000		
Gross Bonds Payable	\$	513,995	\$	6,190	\$	(18,080)	\$	502,105	\$	20,100
Unamortized (Discount) / Premium	\$	11,082	\$	1,357	\$	(1,697)	\$	10,742	\$	1,518
Net Bonds Payable	\$	525,077	\$	7,547	\$	(19,777)	\$	512,847	\$	21,618
Other Payables:							,			
Capital Leases from Direct Borrowings	\$	16,939	\$	-	\$	(8,812)	\$	8,127	\$	3,077
Accrued Leave Payable		6,320		5,185		(5,004)		6,501		4,992
Net Pension Liability ¹		78,444		61,273		(27,721)		111,996		
Net OPEB Liability ²		63,703		19,104		(1,838)		80,969		
Accrued Landfill Postclosure Costs ³		1,121		•		(78)		1,043		201
Pollution Remediation Liability 4		1,274				(- /		1,274		
Asset Retirement Liability 4		314						314		8
Total Other Payables	\$	168,115	\$	85,562	\$	(43,453)	\$	210,224	\$	8,278
Total Business-Type Activities	\$	693,192	\$	93,109	\$	(63,230)	\$	723,071	\$	29,896
				,	<u> </u>	,,		-,	-	

NOTE: Interest accreted increased by \$2,051 due to the bond payment's maturity schedule, resulting in an ending balance of \$12,242, which increases governmental activities' revenue bonds payable. This increase is reflected in the combined Statement of Net Position but is not reflected in this table.

 $^{^{\}rm 1}$ $\,$ See Note 9 Pension and Retirement Plans for a description of the pension program.

² See Note 10 Post-employment Retirement Benefits for a description of the post-employment program.

³ See Note 12 Commitments and Contingencies for a description of the Landfill Postclosure Care Costs.

⁴ See Note 13 Other Obligations for a description of the Pollution Remediation Liability and Asset Retirement Liability.

Primary Government (City) (Continued)

Governmental and Business-Type Activities Long-Term Debt (Continued)

Accrued Leave

The following is a summary of accrued leave payable for the fiscal year-ended September 30, 2019:

Governmental Activities												
	Sho	rt-Term	Sh	Short-Term Total								
Fund Type	Αv	ailable	Re	Remaining		ort-Term	Lo	ong-Term	Total			
Governmental Funds	\$	8,081	\$	66,831		74,912	\$	148,105	\$	223,017		
Internal Service Funds				3,712		3,712		1,177		4,889		
Total Governmental Activities	\$	8,081	\$	70,543	\$	78,624	\$	149,282	\$	227,906		

Covernmental Activities

The General Fund accounts for approximately 68.6% of the City's employees; therefore, most of the accrued leave payable has been liquidated from the General Fund. When a City employee terminates, the fund that salary was last charged to, will be the same fund that will pay their accrued leave. However, there is an exception for some grant funds due to expenses being unallowable, which will be paid by the General Fund.

Business-Type Activities

Fund	Sho	rt-Term	Lor	ng-Term	Total
Airport System	\$	2,102	\$	922	\$ 3,024
Solid Waste Management		1,765		563	2,328
Nonmajor Enterprise Funds		1,125		24	1,149
Total Business-Type Activities	\$	4,992	\$	1,509	\$ 6,501

Conduit Debt Obligations

The City facilitates the issuance of bonds to enable IDA, EFC and the EZDC, component units of the City, to provide financial assistance to various entities for the acquisition, construction, or renovation of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired property transfers to the entity served by the bond issuance. As of September 30, 2019, the aggregate principal amounts payable are as follows: seven series of EFC Revenue Bonds in the amount of \$172,723; two series of IDA Revenue Bonds in the amount of \$39,900.

To provide for the acquisition and construction of certain airport facilities, the City has issued Special Airport Facilities Revenue Refunding Bonds, Series 1995. The bond is payable pursuant to lease agreements, which stipulate that various commercial entities are obligated to pay amounts to a third-party trustee in lieu of lease payments to the City. These payments are sufficient to pay for the principal, premium, interest, and purchase price of the bond when they become due. The aggregate principal amount outstanding for the Special Airport Facilities Revenue Refunding Bonds, Series 1995 at September 30, 2019 was \$1,200.

Primary Government (City) (Continued)

Governmental and Business-Type Activities Long-Term Debt (Continued)

The City facilitates the issuance of single-family and multi-family bonds to enable the San Antonio Housing Trust Finance Corporation, a component of the City, to provide affordable housing to the citizens of San Antonio. The bonds are payable solely out of the revenues and receipts derived from any residential development or home mortgage financed by the bonds. As of September 30, 2019, the amount of conduit debt was \$281,232.

The City also facilitates the issuance of tax-exempt revenue bonds for SA Energy Acquisition Public Facility Corporation (SAEAPFC) to enter into long-term prepaid purchases of natural gas. SAEAPFC, in turn, sells contracted volumes of the prepaid gas to CPS Energy on a monthly basis at a discounted rate, which is passed on to CPS Energy's gas customers through reduced utility costs. The bonds are secured by the gas supplier and are payable primarily from the contracted volume sales and associated gas swap payments. As of September 30, 2019, SAEAPFC has one series of tax-exempt revenue bonds with an aggregate principal amount outstanding of \$231,310.

Neither the City, the State of Texas, nor any political subdivision of the State of Texas is obligated in any manner for repayment of the aforementioned bonds, loans or leases. Accordingly, the bonds, loans, and leases are not reported as liabilities in the accompanying financial statements.

CPS Energy

To support its long-term capital financing needs, CPS Energy uses several types of debt instruments. As of January 31, 2019, these included fixed-rate and variable-rate bonds, as well as commercial paper. Relative to the bond instruments, provisions may be included that allow for refunding after specified time periods during the bond term.

Subject to applicable timing restrictions that may prevent early payoff, CPS Energy also has the option to defease or extinguish debt. A defeasance occurs when funds are placed in an irrevocable trust to be used solely for satisfying scheduled payments of both interest and principal of the defeased debt, which fully discharges the bond issuer's obligation. At the time of an extinguishment, since the issuer no longer has the legal obligation, the defeased debt is removed from the Statement of Net Position, the related unamortized costs are expensed, and the gain or loss is immediately recognized.

Current refundings involve issuing new debt (refunding bonds) to redeem existing debt (refunded bonds) that can be called within 90 days of the call date of the refunded bonds. Advance refunding of bonds involves issuing new debt to redeem existing debt that cannot be called within 90 days of issuing the refunding bonds. In these circumstances, the refunding bond proceeds are irrevocably escrowed with a third party. These proceeds, and income thereon, are used to pay the debt service on the refunded bonds until the refunded bonds can be called. Refunding bonds are generally issued to achieve debt service savings. In December 2017, Congress passed the Tax Cuts & Jobs Act, which preserved tax-exempt financing for municipal bonds but eliminated the use of advanced refundings at the end of calendar year 2017.

Bond premiums and discounts are amortized using the effective interest method over the life of the related debt.

CPS Energy (Continued)

As of January 31, 2019, the bond ordinances for New Series Bonds contained, among others, the following provisions:

Revenue deposited in CPS Energy's General Account shall be pledged and appropriated to be used in the following priority for:

- Maintenance and operating expenses of CPS Energy;
- Payment of the New Series Bonds;
- Payment of prior lien bonds, including junior lien obligations;
- Payment of the notes and the credit agreement (as defined in the ordinance authorizing commercial paper);
- Payment of any inferior lien obligations issued, which are inferior in lien to the New Series Bonds, the prior lien bonds and the notes and credit agreement;
- An annual amount equal to 6.0% of the gross revenue of CPS Energy to be deposited in the Repair and Replacement Account;
- Cash payments and benefits to the General Fund of the City not to exceed 14.0% of the gross revenues of CPS Energy; and
- Any remaining net revenues of CPS Energy in the General Account to the Repair and Replacement Account, which is used to partially fund construction costs.

The maximum amount in cash to be transferred or credited to the City's General Fund from the net revenues of CPS Energy during any fiscal year shall not exceed 14.0% of the gross revenues of CPS Energy, less the value of gas and electric services of CPS Energy used by the City for municipal purposes and the amounts expended during the fiscal year for additions to the street lighting system and other authorized exclusions. The percentage of gross revenues of CPS Energy to be paid over, or credited to, the City's General Fund each fiscal year shall be determined (within the 14.0% limitation) by the governing body of the City.

The net revenues of CPS Energy are pledged to the payment of principal and interest on the New Series Bonds, which are classified as senior lien obligations. All New Series Bonds and the interest thereon shall have a first lien upon the net revenues of CPS Energy.

The junior lien obligations are composed of two categories of debt: fixed interest rate and variable interest rate. The junior lien fixed interest rate Series Bonds are similar to the senior lien New Series Bonds, as they have fixed and set interest rates for the life of the bonds. The junior lien, Variable-Rate Note bonds are variable interest rate debt instruments of the City. The junior lien obligations are payable solely from, and equally and ratably secured by, a junior lien on and pledge of the net revenues of CPS Energy, subject and subordinate to liens and pledges securing the outstanding senior lien obligations and any additional senior lien obligations hereafter issued, and superior to the pledge and lien securing the currently outstanding commercial paper obligations, all as fully set forth in the ordinances authorizing the issuance of the junior lien obligations.

CPS Energy (Continued)

The City agrees that it will at all times maintain rates and charges for the sale of electric energy, gas, or other services furnished, provided, and supplied by CPS Energy to the City and all other consumers, which shall be reasonable and nondiscriminatory and which will produce income and revenues sufficient to pay:

- All operation and maintenance expenses, depreciation, replacement and betterment expenses, and other costs as may be required by Chapter 1502 of the Texas Government Code, as amended;
- The interest on, and principal of, senior lien bonds, as defined in the New Series Bond ordinances, as and when
 the same shall become due, and for the establishment and maintenance of the funds and accounts created for
 the payment and security of the senior lien bonds;
- The interest on, and principal of, the prior lien bonds, including the junior lien obligations and any additional
 junior lien obligations hereafter issued (all as defined in the New Series Bond ordinances), as and when the
 same shall become due, and for the establishment and maintenance of the funds and accounts created for the
 payment and security of the junior lien obligations and any additional junior lien obligations;
- To the extent the same are reasonably anticipated to be paid with available revenues (as defined in the
 ordinance authorizing the commercial paper), the interest on and principal of all notes (as defined in said
 ordinance), and the credit agreement (as defined in said ordinance); and
- Any inferior lien obligations or any other legal debt or obligation of CPS Energy as and when the same shall become due.

Revenue Bonds

On November 15, 2018, CPS Energy issued \$218,285 of New Series 2018 Senior Lien Revenue Refunding Bonds. Bond proceeds, including the \$25,259 premium associated with the bonds, were used to refund \$99,130 par value of the New Series 2009D Revenue Refunding Bonds and convert the outstanding \$142,285 Series 2012A, Series 2012B and Series 2012C Variable-Rate Junior Lien Revenue Refunding Bonds from variable-interest-rate debt to fixed-interest-rate debt. The refunding transaction, resulted in net present value debt service savings of \$3,618, or 3.6% of the par amount of the bonds being refunded. The true interest cost for this issue, which has maturities in 2020, 2021, 2027, and 2028, is 2.8%.

On December 20, 2018, CPS Energy issued \$130,220 of New Series 2018A Senior Lien Revenue Refunding Bonds. Proceeds, including the \$20,934 premium associated with the bonds, were used to refund \$60,000 and \$90,000 par value of the Commercial Paper Notes Series A and Series C, respectively. The true interest cost for this issue, which has maturities in 2026 through 2048, is 3.7%.

On December 20, 2018, CPS Energy issued \$134,870 of Series 2018 Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds, including the \$1,157 premium associated with the bonds, were used to refund \$135,000 par value of the Commercial Paper Series C. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in 2043 through 2048, is 6.5%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 2.8% and a stepped rate of 8.0%, which is only applicable if the bonds are not remarketed before their expiration date.

On January 24, 2019, \$52,515 of New Series 2015 Senior Lien Revenue Refunding Bonds and \$25,120 of New Series 2016 Senior Lien Revenue Refunding Bonds were legally defeased with cash. Under the defeasance, the debt obligations were technically voided, as the cash was escrowed with a third party to service the debt. As a result, \$3,139 was recorded as cost of defeasance representing the additional cash put into escrow for the interest that would have been incurred between fiscal year 2020 through fiscal year 2022.

CPS Energy (Continued)

Revenue Bonds (Continued)

Long-Term Debt Activity

		LOI	ig-Termi Debi	Activity						
				Balance						Balance
		Final	Interest	Outstanding	Ad	ditions	0	ecreases		utstanding
	Original	Principal	Rates	February 1,	D	uring		During	Ja	anuary 31,
Issue	Amount	Payment	(%)	2018		Year		Year		2019
Revenue and Refunding Bonds:										
2009A Tax Exempt New Series	442,005	2034	4.863	16,120				(16,120)		
2009C Taxable New Series ¹	375,000	2039	3.944	375,000						375,000
2009D Tax Exempt New Series	207,940	2021	3.720	147,450				(147,450)		
2010A Taxable New Series ¹	380,000	2041	3.834	380,000						380,000
2010A Taxable Junior Lien ¹	300,000	2041	3.806	300,000						300,000
2010B Taxable Junior Lien ¹	200,000	2037	4.101	200,000						200,000
2012 Taxable New Series	521,000	2042	4.382	521,000						521,000
2012 Tax Exempt New Series	655,370	2025	2.552	655,370						655,370
2012A Tax Exempt Junior Lien	48,170	2027	Variable	47,135				(47,135)		
2012B Tax Exempt Junior Lien	47,815	2027	Variable	47,650				(47,650)		
2012C Tax Exempt Junior Lien	47,660	2027	Variable	47,500				(47,500)		
2013 Tax Exempt Junior Lien	375,000	2048	4.753	375,000						375,000
2014 Tax Exempt Junior Lien	200,000	2044	4.142	200,000						200,000
2014 Tax Exempt Junior Lien	262,530	2020	1.220	158,545				(77,340)		81,205
2015A Tax Exempt Junior Lien	125,000	2033	Variable	124,555						124,555
2015B Tax Exempt Junior Lien	125,000	2033	Variable	123,275						123,275
2015 Tax Exempt Senior Lien	320,530	2032	2.992	306,080				(68,380)		237,700
2015 Tax Exempt Senior Lien	235,000	2039	3.476	235,000						235,000
2015C Tax Exempt Junior Lien	100,000	2045	Variable	100,000						100,000
2015D Tax Exempt Junior Lien	100,000	2045	Variable	100,000						100,000
2016 Tax Exempt Senior Lien	544,260	2034	2.144	544,260				(25,120)		519,140
2017 Tax Exempt Senior Lien	40,685	2047	1.126	18,735				(12,250)		6,485
2017 Tax Exempt Senior Lien	267,320	2047	3.804	267,320						267,320
2017 Tax Exempt Senior Lien	194,980	2047	3.619	194,980						194,980
2018 Tax Exempt Senior Lien	218,285	2028	2.745			218,285				218,285
2018A Tax Exempt Senior Lien	130,220	2048	3.654			130,220				130,220
2018 Tax Exempt - Junior Lien	134,870	2048	Variable			134,870				134,870
Bonds Outstanding				\$ 5,484,975	\$	483,375	\$	(488,945)	\$	5,479,405
Bond Current Maturities				(169,895)				33,175		(136,720)
Bond (Discount)/Premium				358,688		47,350		(58,426)		347,612
Revenue Bonds, Net				\$ 5,673,768	\$	530,725	\$	(514,196)	\$	5,690,297
Tax Exempt Commercial Paper (TEC	CP)		Variable	160,000		330,000		(285,000)		205,000
				\$ 5,833,768	\$	860,725	\$	(799,196)	\$	5,895,297
					_		Ė		_	

¹ Direct Subsidy Build America Bonds

In fiscal year 2019, after a sequestration reduction totaling \$1,672 the total subsidy received for the 2009C and 2010A Senior Lien Build America Bonds (BABs) and the 2010A and 2010B Junior Lien BABs was \$24,459.

CPS Energy (Continued)

Revenue Bonds (Continued)

As of January 31, 2019, principal and interest amounts due for all revenue bonds outstanding for each of the next five years and thereafter to maturity are:

CPS Energy
Principal and Interest Requirements

			Direct	
Year	 Principal	 Interest	Subsidy	 Total
2020	\$ 136,720	\$ 263,845	\$ (24,512)	\$ 376,053
2021	161,160	268,081	(24,512)	404,729
2022	180,495	265,394	(24,512)	421,377
2023	208,790	262,676	(24,512)	446,954
2024	212,780	258,574	(24,512)	446,842
2025-2029	882,955	1,152,170	(125,798)	1,909,327
2030-2034	1,001,950	925,255	(129,494)	1,797,711
2035-2039	1,305,815	622,255	(80,964)	1,847,106
2040-2044	1,020,054	258,945	(9,093)	1,269,906
2045-2048	 368,686	 51,291		 419,977
Totals	\$ 5,479,405	\$ 4,328,486	\$ (467,909)	\$ 9,339,982

The above table includes senior lien and junior lien bonds. Interest on the senior lien bonds and the junior lien fixed-rate bonds are based upon the stated coupon rates of each series of bonds outstanding. The direct subsidy associated with the BABs has been presented in a separate column and includes the impact of sequestration. CPS Energy has taken the position that the BABs direct subsidy should be deducted when calculating total debt service since the subsidy is received directly by the trustee to be used solely for BABs debt service payments.

The Series 2018 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 2.8% through their term rate period's expiration in fiscal year 2023. A stepped rate of 8.0% is assumed in the table above for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

Pursuant to guidance provided in GASB Statement No. 65, debt reacquisition costs meet neither the definition of an asset nor a liability and are therefore required to be classified as deferred outflows or inflows of resources on the Statements of Net Position. The debt refundings that occurred in fiscal year 2019 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$6,002. Debt reacquisition costs reported as deferred outflows of resources totaled \$62,205 at January 31, 2019. These amounts are amortized as components of interest expense using the effective interest method over the shorter of the remaining life of the refunding or the refunded debt.

CPS Energy, as a rate-regulated entity and in accordance with guidance found in GASB Statement No. 62, establishes regulatory assets for debt issuance costs that would otherwise be required to be expensed in accordance with GASB Statement No. 65. This regulatory accounting treatment results in the amortization of these costs over the life of the related debt. Debt issuance costs, which are reported within other noncurrent assets on the Statements of Net Position, totaled \$35,534 at January 31, 2019.

CPS Energy (Continued)

Flexible Rate Revolving Note

In fiscal year 2010, the City Council adopted an ordinance authorizing the establishment of the Flexible Rate Revolving Note (FRRN) Private Placement Program, under which CPS Energy may issue taxable or tax-exempt notes, bearing interest at fixed or variable rates in an aggregate principal amount at any one time outstanding not to exceed the currently effective limit of \$100,000, increased in fiscal year 2019 from \$26,000. This ordinance provides for funding to assist in the interim financing of eligible projects that include the acquisition or construction of improvements, additions, or extensions to CPS Energy, including capital assets and facilities incident and related to the operation, maintenance, and administration of fuel acquisition and development and facilities for the transportation thereof; capital improvements to CPS Energy; and refinancing or refunding of any outstanding obligations secured by the net revenues of CPS Energy; or with respect to the payment of any obligation of CPS Energy pursuant to any credit. Under the program, maturity dates cannot extend beyond November 1, 2028.

On May 10, 2010, CPS Energy issued a \$25,200 taxable Flexible Rate Revolving Note, Series A, under its taxable Note Purchase Agreement with JPMorgan Chase Bank, N.A., which currently serves as the note purchaser under the program. On May 11, 2010, the proceeds from the note, along with cash, were used to defease \$25,700 in principal amounts of the allocable portion of the debt associated with the common facilities of STP Units 1 and 2 that were assigned to Nuclear Innovation North America, Inc. (NINA) in March 2010 when CPS Energy reduced its ownership share of STP Units 3 and 4 to 7.6%. The FRRN balance was paid off in fiscal year 2019 and there were no amounts outstanding under this program as of January 31, 2019.

At January 31, 2019, no outstanding balance was due under the taxable Note Purchase Agreement and therefore, no amounts were collateralized. The current taxable Note Purchase Agreement will expire on December 31, 2019, but through an annual renewal process may be extended through November 1, 2028.

The ordinance defines events of default to include the City's failure to pay principal and interest on the notes; a continuing default, such as a covenant breach, under the ordinance or the program notes; the City's liquidation, dissolution, or entrance into bankruptcy; or an appointment of a third party to handle the CPS Energy's financial affairs. Each of the foregoing could invoke a finance-related consequence, as FRRN program noteholders' default remedies include, but are not limited to, the ability to seek judicial relief and compel performance of the ordinance's provisions. The ordinance is silent as to termination events. As set forth in the ordinance, the remedy of acceleration is only available to holders of program notes secured by the Program Note Security Fund (as defined in the ordinance), which holds collateral available to pay costs related to accelerated program notes.

The Note Purchase Agreement specifies additional events of default with potential financial consequences, including failure to pay the fees set forth in the agreement; inclusion of materially incorrect representations in transaction documentation; receipt of final judgement rendered against the City or CPS Energy Board of Trustees in an amount greater than \$20,000 (payable from the CPS Energy's revenues) or City default in an amount of the same.

Notes to Financial Statements

Note 7 Long-Term Debt (Continued)

CPS Energy (Continued)

Accrued Leave

Employees earn vacation benefits based upon their employment status and years of service. As of January 31, 2019, the accruals for employee vested benefits were \$21,789. These accruals are reported under Accounts Payable and Other Current Liabilities.

San Antonio Water System (SAWS)

City Ordinance No. 75686 requires that SAWS' gross revenues be applied in sequence to: (1) Payment of current maintenance and operating expenses including a two-month reserve amount based upon the budgeted amount of maintenance and operating expenses for the current fiscal year; (2) Debt Service Fund requirements of Senior Lien Obligations; (3) Reserve Fund requirements of Senior Lien Obligations; (4) Interest and Sinking Fund and Reserve Fund requirements of Junior Lien Obligations; (5) Interest and Sinking Fund and Reserve Fund requirements of Subordinate Lien Obligations; (6) Payment of amounts required on Inferior Lien Obligations; and (7) Transfers to the City's General Fund and to SAWS' Renewal and Replacement Fund.

City Ordinance No. 75686 also provides for no free services except for municipal firefighting purposes.

City Ordinance No. 75686 requires SAWS to make payments to the City each month after making all other payments required by the ordinance. The amount of the payment is determined by City Council from time to time and cannot exceed 5.0% of gross revenues. Gross Revenues consist of all revenue with respect to the operation and ownership of SAWS with the exception of capital contributions, payments received under the CPS Energy contract, the federal subsidy of interest on Build America Bonds and earnings on funds deposited in the Project Fund and Reserve Fund until the Reserve Fund contains the required reserve amount. As of September 30, 2019, SAWS pays 2.7% of gross revenues to the City. See Note 20 Subsequent Events, for more information related to the City's percentage allocation.

SAWS has a contract with CPS Energy, the City-owned electricity and gas utility, for the provision of reuse water. According to City Ordinance No. 75686, the revenues derived from the contract have been restricted in use to only reuse activities and are excluded from gross revenue for purposes of calculating any payments to the City's General Fund.

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San Antonio Water System (SAWS) (Continued)

Revenue Bonds

On May 23, 2018, SAWS issued \$208,825 City of San Antonio Texas Water System Revenue and Refunding Bonds, Series 2018A (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) refund the City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2008 (Series 2008), (ii) refund the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2008A (Series 2008A), (iii) refund \$125,655 in outstanding commercial paper notes, (iv) finance capital improvement projects, and (v) pay the cost of issuance. The refunding of the Series 2008 and Series 2008A bonds reduced total future debt service payments by approximately \$7,911 and resulted in an economic gain of \$2,893. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On June 14, 2018, SAWS issued \$10,500 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2018B through the Texas Water Development Board. The bonds were sold under the Drinking Water State Revolving Fund Program. The proceeds from the sale of the bonds were used to (i) finance capital improvement projects which qualify under the Texas Water Development Board Program, and (ii) pay the cost of issuance. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

Senior lien water system revenue bonds outstanding as of December 31, 2018, consist of the Series 2009B, Series 2010B, Series 2011, Series 2011A, Series 2012, and Series 2012A, outstanding in the amount of \$718,305. Senior lien revenue bonds are collateralized by a senior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operation and maintenance of SAWS and maintaining a two-month operating reserve for such expenses. Interest rates on senior lien bonds range from 3.0% to 6.2%, exclusive of any federal interest subsidy on the Series 2009B and 2010B Build America Bonds.

The junior lien water system revenue bonds are composed of two categories of debt: fixed rate debt and variable rate debt. The junior lien fixed rate debt is similar to the senior lien bonds, as they have fixed interest rates for the life of the bonds. The junior lien variable rate bonds have interest rates that are periodically reset throughout the life of the bonds. All the junior water system revenue bonds are collateralized by a junior lien and pledge of the gross revenue of SAWS after deducting the current expenses of operation and maintenance of SAWS, maintaining a two-month operating reserve for such expenses, and paying debt service on senior lien debt.

As of December 31, 2018, outstanding junior lien fixed rate bonds consist of Series 2007, Series 2009, Series 2009A, Series 2010, Series 2010A, Series 2011A, Series 2012 (No Reserve Fund), Series 2012, Series 2013A, Series 2013B (No Reserve Fund), Series 2013C, Series 2013D, Series 2013E (No Reserve Fund), Series 2014A (No Reserve Fund), Series 2014D, Series 2015A, Series 2015B (No Reserve Fund), Series 2016A (No Reserve Fund), Taxable Series 2016B, Series 2016C (No Reserve Fund), Series 2016D, Series 2016E, Series 2017A (No Reserve Fund), Series 2018A (No Reserve Fund), and Series 2018B with outstanding amounts totaling \$1,714,525. Interest rates on the junior lien fixed rate bonds range from 0.0% to 5.0%

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

The junior lien variable rate bonds, comprised of the Series 2013F (No Reserve Fund) (Series 2013F Bonds) and the Series 2014B (No Reserve Fund) (Series 2014B Bonds), are outstanding in the amount of \$198,385 at December 31, 2018. The Series 2013F Bonds are tax-exempt variable rate notes initially issued in a Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, with the interest rate reset weekly, through the initial interest period which expired October 31, 2016. On November 1, 2016, SAWS remarketed \$98,795 in Series 2013F Bonds into a five-year interest rate period that ends October 31, 2021, the new interest period. During the new interest period, the Series 2013F Bonds bear interest at 2.0% with a yield of 1.6%. The Series 2014B Bonds are tax-exempt variable rate notes initially issued in a SIFMA Index Mode, with the interest rate reset weekly, through the initial interest period expiring October 31, 2017. On November 1, 2017, SAWS remarketed \$99,590 in Series 2014B Bonds into a five-year interest rate period that ends October 31, 2022, the new interest period. During the new interest period, the Series 2014B Bonds bear interest at 2.0% with a yield of 1.8%.

Upon conclusion of the initial interest period, or any subsequent new interest period, SAWS is permitted to change the mode for all or any portion of the junior lien variable interest bonds to a different mode or to a SIFMA Index Mode of different duration. The Bonds are subject to a mandatory tender without right of retention at the conclusion of the initial interest period or any subsequent new interest period. During the initial interest period and any subsequent new interest period the Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure to remarket the Bonds at the end of the initial interest period or subsequent new interest period will result in the rescission of the notice of mandatory tender with respect to the Bonds and SAWS has no obligation to purchase the Bonds at such time. The occurrence of a failed remarketing will not result in an event of default under the ordinance. Until SAWS redeems or remarkets the Bonds that had a failed remarketing, the Bonds shall bear interest at the stepped rate of 8.0% for the Series 2013F Bonds and 7.0% for the Series 2014B Bonds.

The following summarizes transactions of the Revenue Bonds for the year-ended December 31, 2018:

	Beginning Balance uary 1, 2018	Additions			eductions	Ending Balance mber 31, 2018	Due Within One Year	
Bonds Payable (Discounts)/Premiums	\$ 2,537,520 198,219	\$	219,325 29,186	\$	(125,630) (24,050)	\$ 2,631,215 203,355	\$	87,060
Total Bonds Payable, Net	\$ 2,735,739	\$	248,511	\$	(149,680)	\$ 2,834,570	\$	87,060

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

The following table shows the annual debt service requirements on SAWS' debt obligations for each of the next five years and then in five year increments:

Annual Debt Service Requirements Revenue and Refunding Bonds

			Fixed I		Variable Rate						
Year-Ended			Interest	l	Direct		Net				nterest
December 31,	P	rincipal	Expense	Sı	ubsidy ¹		Interest	Pr	Principal		xpense
2019	\$	87,060	\$ 105,278	\$	(3,497)	\$	101,781	\$	-	\$	3,968
2020		91,000	102,002		(3,428)		98,574				3,968
2021		95,695	98,147		(3,352)		94,795				3,968
2022		99,350	93,975		(3,270)		90,705				4,462
2023		97,965	89,690		(3,184)		86,506				4,960
2024-2028		557,745	377,977		(14,330)		363,647				24,800
2029-2033		450,965	265,415		(11,189)		254,226		43,405		22,853
2034-2038		546,525	148,596		(4,363)		144,233		68,530		15,188
2039-2043		303,575	46,562		(266)		46,296		78,765		5,991
2044-2048		102,950	9,882				9,882		7,685		96
Total	\$	2,432,830	\$ 1,337,524	\$	(46,879)	\$	1,290,645	\$ 1	.98,385	\$	90,254

¹ Federal interest rate subsidy on Build America Bonds is utilized to pay interest on those bonds but is reported as nonoperating revenue.

In fiscal year 2018, SAWS received a total of \$3,547 in BABs subsidy.

SAWS is required to comply with various debt covenant provisions included in the ordinances which authorized the bond issuances. SAWS believes it is in compliance with all significant provisions of the bond ordinances.

Under these bond ordinances, SAWS is required to establish and maintain rates and charges for services sufficient to produce Net Revenues sufficient to pay 1.2 times the annual debt service requirements on Senior Lien debt obligations (senior lien debt coverage ratio). SAWS senior lien debt coverage ratio was 6.7 at December 31, 2018.

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Notes to Financial Statements

Note 7 Long-Term Debt (Continued)

San Antonio Water System (SAWS) (Continued)

Accrued Leave

SAWS records an accrual for vacation payable for all full-time employees and pays unused vacation hours available at the end of employment with the final paycheck. The current and long-term portion of these accruals are reported under the Accounts Payable and Other Current Liabilities and Other Payables line items, respectively.

	Li	ability					Li	ability	Est	timated
	Beginning Curren						nding	Due Within		
Year-Ended	В	alance	A	ccruals	ruals Pay		B	alance	0	ne Year
December 31, 2018	\$	9.544	\$	5.761	\$	(5.492)	Ś	9.813	\$	5.492

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Note 8 Commercial Paper Programs

Primary Government (City)

The City had no commercial paper debt during fiscal year 2019.

CPS Energy

As of January 31, 2019, the commercial paper ordinances contain, among others, the following provisions:

- Authorized capacity of \$600,000;
- Allow flexibility to issue tax-exempt or taxable commercial paper;
- Allow the issuance of multiple series notes; and
- Final maturity on November 1, 2042.

Eligible projects include fuel acquisition, capital improvements to CPS Energy, and refinancing or refunding any outstanding obligations, which are secured by and payable from a lien and/or a pledge of net revenues of CPS Energy. Pledge of net revenues is subordinate and inferior to the pledge securing payment of existing senior lien and junior lien obligations. Scheduled maximum maturities cannot extend beyond November 1, 2042.

To secure the payment of commercial paper principal and interest, a pledge is made of:

- Proceeds from:
 - The sale of bonds and additional notes issued for such purposes, and
 - The sale of Project Notes;
- Loans under and pursuant to a revolving credit agreement;
- Amounts held in funds used specifically for payment of commercial paper principal and interest balances and unspent proceeds from commercial paper; and
- The net revenues of CPS Energy, after payment on New Series Bond requirements and prior lien bond obligations.

During fiscal year 2019, CPS Energy issued a total of \$330,000 in commercial paper and \$285,000 was refunded. As of January 31, 2019, the outstanding commercial paper balance was \$205,000 all of which was tax-exempt.

Commercial Paper Summary

	Janua	ary 31, 2019
Commercial Paper Outstanding	\$	205,000
New Commercial Paper Issues	\$	330,000
Weighted Average Interest Rate of Outstanding		1.8%
Average Life Outstanding (Number of Days)		82

The commercial paper has been classified as long-term in accordance with the refinancing terms under three revolving credit agreements with a consortium of banks, which support the commercial paper program. Each revolving credit agreement relates to a particular series of notes and provides liquidity support therefore in the amount specified. The Series A agreement provides \$150,000 in liquidity support for the Series A Notes and the Series B and Series C agreements provide \$225,000 each in liquidity support the Series B, and Series C Notes. The Series A, Series B and Series C agreements were all effective through June 21, 2019.

Note 8 Commercial Paper Programs (Continued)

CPS Energy (Continued)

Under the terms of these revolving credit agreements, CPS Energy may borrow up to an aggregate amount not to exceed \$600,000 for the purpose of paying principal due under the commercial paper program. At January 31, 2019, there was no amount outstanding under the revolving credit agreements. Further, there have been no borrowings under the agreements since inception of the program.

San Antonio Water System (SAWS)

SAWS maintains a commercial paper program that is used to provide funds for the interim financing of a portion of its capital improvements. The City Council has authorized the commercial paper program in an amount of \$500,000. Notes payable under the program cannot exceed maturities of 270 days.

The City has covenanted in the Ordinance authorizing the commercial paper program (Note Ordinance) the issuance of City of San Antonio, Texas Water System Commercial Paper Notes, Series A (Series A Notes), the issuance of City of San Antonio, Texas Water System Commercial Paper Notes, Series B (Series B Notes), and the maintenance at all times of credit facilities with banks or other financial institutions which would provide available borrowing capacity sufficient to pay the principal of the commercial paper program. The credit facility is maintained under the terms of a revolving credit agreement. The Ordinance also authorizes the ability to designate and issues subseries of notes. The Series A Notes are currently authorized as City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-1 (Subseries A-1 Notes) and City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-2 (Subseries A-2 Notes). The Subseries A-2 Notes are directly placed with JPMorgan Chase Bank, N.A. under a Note Purchase Agreement.

The borrowings under the commercial paper program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the commercial paper program and (ii) borrowing under and pursuant to the revolving credit agreement. The capacity of the combined revolving credit agreements is \$500,000 with the Revolving Credit Agreement with JPMorgan Chase Bank, N.A. in the amount of \$400,000, supporting the Series A Notes expiring October 4, 2023; and the Revolving Credit Agreement with Wells Fargo Bank, N.A. in the amount of \$100,000, supporting the Series B Notes expiring January 15, 2021.

The issuance of commercial paper is further supported by the following agreements and related participants:

- Dealer Agreements with Goldman, Sachs & Co., J.P. Morgan Securities LLC., and Ramirez & Co., Inc.
- Issuing and Paying Agency Agreement with The Bank of New York Mellon Trust Company, N.A.

Commercial paper notes of \$215,695 are outstanding as of December 31, 2018 with \$132,700 outstanding under the subseries A-1 Notes, \$2,000 outstanding under Subseries A-2 Notes, and \$80,995 outstanding under Series B Notes. Interest rates on the Subseries A-1 Notes and the Series B Notes outstanding at December 31, 2018 range from 1.8% to 1.9% and maturities range from 30 to 180 days. The interest rate on the Subseries A-2 Notes outstanding at December 31, 2018 is 3.2% with a maturity of 30 days. All outstanding notes had an average rate of 1.8% and averaged 71 days to maturity.

Notes to Financial Statements

Note 8 Commercial Paper Programs (Continued)

San Antonio Water System (SAWS) (Continued)

SAWS intends to reissue maturing commercial paper, in accordance with the terms of the revolving credit agreement, and ultimately refund such maturities with proceeds from the issuance of long-term revenue bonds. Consistent with this intent, and since SAWS has the available \$500,000 revolving credit agreement described above, SAWS has classified nearly all outstanding commercial paper notes as long-term debt. In accordance with the amortization schedule of the interest rate swap agreement, SAWS intends to redeem \$3,880 of commercial paper in 2019. Therefore, this portion of outstanding commercial paper is classified as a current liability.

The following table summarizes transactions of the program for the year-ended December 31, 2018.

	Balance as of January 1, 2018		1 2010		Deletions during year	Balance as of December 31, 2018			One Year	
Tax Exempt Commercial				_						
Paper Notes	\$	278,060	\$	67,000	\$ (129,365)	\$	215,695	\$	3,880	

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Note 9 Pension and Retirement Plans

Summary of Pension and Retirement Plans

					Cit	Total y - TMRS and						SAWS	S	istrict pecial roject
				e and Police		e and Police		S Energy All			Re	tirement		rement
	Ci	ty - TMRS	P	ension Plan	P	ension Plan	Em	ployee Plan	SA	WS-TMRS		Plan	Inco	me Plan
Total Pension Liability	\$	2,007,975	\$	3,756,277	\$	5,764,252	\$	1,940,317	\$	208,391	\$	230,568	\$	6,566
Plan Fiduciary Net Position		1,426,052		3,015,157		4,441,209		1,684,448		192,768		208,132		5,706
Net Pension Liability	\$	581,923	\$	741,120	\$	1,323,043	\$	255,869	\$	15,623	\$	22,436	\$	860
Deferred Inflows of Resources	\$	(4,339)	\$	(65,285)	\$	(69,624)	\$	(147,795)	\$	(5,770)	\$	(11,552)	\$	(485)
Deferred Outflows of Resources	\$	78,195	\$	305,883	\$	384,078	\$	102,915	\$	228	\$	5,113	\$	380
Contributions Subsequent to														
Measurement Date	\$	33,512	\$	58,699	\$	92,211	\$	58,700	\$	4,059	\$	7,923	\$	400
Pension Expenses	\$	89,394	\$	140,889	\$	230,283	\$	27,112	\$	3,757	\$	7,250	\$	195

Primary Government (City)

Texas Municipal Retirement System (TMRS)

Plan Description — The City participates as one of the 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

Benefits Provided — TMRS provides retirement, disability, and death benefits to all eligible employees, excluding firefighters and police officers. Members are eligible to retire upon attaining the retirement age of 60 and above with five or more years of service, or with 20 years of service regardless of age. A member is vested after five years, but must leave accumulated contributions in the TMRS plan. If a member withdraws the contributions with interest, the member would not be entitled to the City-financed monetary credits, even if vested.

Benefits depend upon the sum of the employee's contributions to the TMRS plan, with interest, and the City-financed monetary credits with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. Prior service credit, granted by the City, is a monetary credit equal to the accumulated value of the percentage of prior service credit adopted times an employee's deposits that would have been made, based on the average salary prior to participation, for the number of months the employee has been employed, accruing 3.00% annual interest, and including the matching ratio adopted by the City (2 to 1). Monetary credits for service since the TMRS plan began are a percentage of the employee's accumulated contributions. In addition, the City may grant, as often as annually or annually on a repeating basis, another type of monetary credit referred to as an updated service credit.

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

This monetary credit is determined by hypothetically re-computing the employee's account balance by assuming that the current employee deposit rate (6.00%) has always been in effect. The computation also assumes that the employee's salary has always been the employee's average salary, using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical amount is increased by 3.00% each year and increased by the City's match currently in effect (200.00%). The resulting sum is then compared to the employee's actual account balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity. Employees may choose to receive their retirement benefit in one of seven payment options: retiree life only; one of three survivor lifetime options; or one of the three guaranteed term options. Employees may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75.00% of the total employee's deposits and interest. The City may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of the calendar year. The City may also adopt annuity increases at a rate equal to 30.00%, 50.00%, or 70.00% of the increase in the Consumer Price Index – all Urban Consumers between the December preceding the employee's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

City Council, based on available financial resources, may approve an annual ad hoc cost of living adjustment for the City's retirees as part of the annual adopted budget. The ad hoc cost of living adjustments were deemed to be substantively automatic in TMRS' actuarial report. The default method for determining whether ad hoc benefit enhancements are substantively automatic is if the City had granted them in one of the last two years and two of the last five years. The City has met these requirements. TMRS provisions and contribution requirements adopted by the City Council are within the options available in the state statutes governing TMRS and within the actuarial constraints contained in the statutes.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Membership as of the Valuation Date	December 31, 2018
Number of:	
Active members	7,028
Retirees and beneficiaries	4,845
Inactive members ¹	2,995
Total	14,868

¹ Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefit.

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Contributions — Under the state law governing TMRS, the employer's contribution rates are annually determined by the actuary using the Entry Age Normal (EAN) actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate is the contribution rate which, if applied to an employee's compensation throughout their period of anticipated covered service with the City, would be sufficient to meet all benefits payable on the City's behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortized the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases. The City's contribution rate cannot exceed a statutory maximum rate, which is based on a combination of the employee contribution rate and the City matching percentage.

In the fiscal year 2019 budget, City Council adopted a one-time annuity increase that was provided to retired employees and to beneficiaries of deceased employees. The amount of the increase is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based. This number was multiplied by 70.00% of the percentage change in the Consumer Price Index for All Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase. The provision for the one-time annuity contribution remained the same at the prior year's rate of 11.66%, effective January 1, 2019.

The contribution rate for the City's employees is 6.00% of their annual gross earnings during the fiscal year and the matching percent was 11.66% for calendar year 2019, both as adopted by the governing body of the City. The City's contribution to TMRS for fiscal year 2019 was \$69,580, with \$23,637 contributed by City employees, and \$45,943 contributed by the City. These amounts were equal to required contributions.

Net Pension Liability — The City's Net Pension Liability (NPL) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The components of the Net Pension Liability are as follows:

Total Pension Liability	\$ 2,007,975
Plan Fiduciary Net Position	1,426,052
Net Pension Liability	\$ 581,923
Plan Fiduciary Net Position as a percentage	
of the Total Pension Liability	71.02%

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Actuarial Assumptions — The TPL calculated in the December 31, 2018 actuarial valuation was determined using the ten year smoothed market, 15.00% soft corridor asset valuation method and the following actuarial assumptions:

Inflation 2.50%

Salary increases 3.50% to 10.50% including inflation

Investment rate of return 6.75%, including inflation, net of pension plan

investment expense

Retirement Age Experience-based table of rates specific to the City

Cost-of-living adjustments Granted 70.00% ad hoc COLA

Mortality RP-2000 Combined Mortality Table with Blue

Collar Adjustment with male rates multiplied by 109.00% and female rates multiplied by 103.00% and projected on a fully generational basis with

scale BB

Salary increases were based on a service-related table. The Retirement Age was last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014. Mortality rates for active members, retirees, and beneficiaries are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP-2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, TMRS adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy.

The long-term expected rate of return on pension plan investments is 6.75%. A single discount rate of 6.75% was used to measure the TPL as of December 31, 2018. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and projections of cash flows, the City's fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the TPL for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the 27 years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals.

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

	Long-Term
	Expected Real
	Rate of Return
Target Allocation	(Arithmetic)
17.50%	4.30%
17.50%	6.10%
10.00%	1.00%
20.00%	3.39%
10.00%	3.78%
10.00%	4.44%
10.00%	3.56%
5.00%	7.75%
100.00%	
	17.50% 17.50% 10.00% 20.00% 10.00% 10.00% 10.00% 5.00%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the Net Pension Liability, calculated using the discount rate of 6.75%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower, 5.75%, or 1.00% higher, 7.75%, than the current rate:

	1.00	1.00% Decrease		ent Discount	1.00% Increase				
		5.75%		ate 6.75%	7.75%				
Net Pension Liability	\$	856,664	\$	581,923	\$	355,803			

Pension Plan Fiduciary Net Position — Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at http://www.tmrs.com.

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — The following table presents the changes in the Net Pension Liability as of year-ended September 30, 2019, based on the measurement date and actuarial valuation date of December 31, 2018.

Changes in the Net Pension Liability					
Total Pension Liability					
Service Cost	\$	55,964			
Interest		128,149			
Difference between expected and actual experience		(3,125)			
Benefit payments,					
including refunds of employee contributions		(87,070)			
Net change in TPL	\$	93,918			
Total Pension Liability - Beginning		1,914,057			
Total Pension Liability - Ending	\$ 2	2,007,975			
Plan Fiduciary Net Position					
Contributions - Employer	\$	44,278			
Contributions - Employee		22,783			
Net investment (loss)		(44,654)			
Benefit payments,					
including refunds of employee contributions		(87,070)			
Administrative Expense		(864)			
Other		(45)			
Net change in Plan Fiduciary Net Position	\$	(65,572)			
Plan Fiduciary Net Position - Beginning	:	1,491,624			
Plan Fiduciary Net Position - Ending	\$ 1	1,426,052			
Net Pension Liability	\$	581,923			
•	_				

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Pension Expense — For the year-ended September 30, 2019, based on the actuarial valuation of December 31, 2018, the City recognized pension expense of \$89,394.

Schedule of Pension Expense					
Total Service Cost	\$	55,964			
Interest		128,149			
Employee Contributions (Reduction of Expense)		(22,783)			
Projected Earnings on Plan Investments (Reduction of Expense)		(100,685)			
Administrative Expense		864			
Other Changes in Fiduciary Net Position		45			
Expensed portion of current year period differences					
between expected and actual experience		(697)			
Expensed portion of current year period differences					
between projected and actual earnings		29,068			
Current year recognition of deferred inflows					
established in prior years		(2,355)			
Current year recognition of deferred outflows					
established in prior years		1,824			
Total Pension Expense	\$	89,394			

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2019, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Out	eferred tflows of sources	(Inf	Deferred (Inflows) of Resources		
Difference in expected and actual						
experience	\$	412	\$	(4,339)		
Changes of assumptions		549				
Net difference in projected and actual						
earnings on pension plan investments		77,234				
Total	\$	78,195	\$	(4,339)		

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Deferred outflows and deferred inflows of resources, by year, are to be recognized in future pension expense as follows:

	Net Deferred					
Year-Ended	Outflows (Inflows)					
September 30,	of Resources					
2020	\$	26,519				
2021		9,291				
2022		9,313				
2023		28,733				
2024						
Thereafter						
Total	\$	73,856				

Subsequent to the measurement date of December 31, 2018, and through fiscal year-end 2019, the City contributed \$33,512 to TMRS. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net pension liability in the subsequent fiscal year. As of September 30, 2019, the City reported a payable to TMRS in the amount of \$5,414 for the outstanding amounts of contributions from the city and active civilian employees.

City Deferred Compensation

The City has a deferred compensation plan for its employees, created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits them to defer a portion of their salary on a pre-taxed basis. The compensation deferred under this plan is not available to employees until termination, retirement, death, loan, or qualifying unforeseeable emergency. Participation in the plan is voluntary. In fiscal year 2012, the City implemented a matching contribution of up to 1.00% of base salary to eligible executives who participated in the plan. In fiscal year 2015, the City increased its matching contribution up to 2.00% of base salary. There has been no change to the matching contribution rate since 2015. In fiscal year 2018, executives in the third and fourth quartile of their salary ranges received 1.00% of their performance pay as a deferred compensation contribution. Performance pay contributions recur annually so that in fiscal year 2019 it was possible for an executive to receive a cumulative 2.00% contribution. The City has no liability for losses under this plan but does have the usual fiduciary responsibilities of a plan sponsor.

Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit retirement plan established in accordance with the laws of the State of Texas, administered by the San Antonio Fire and Police Pension Fund. The governing document for the Pension Fund is found in Vernon's Texas Civil Statutes, Article 6243o. The pension law governing the Pension Fund was amended on October 1, 2009. The Pension Fund meets the criteria of a fiduciary fund of the City as established by *Governmental Accounting Financial and Reporting Standards*, and is therefore included in the City's financial statements as a pension trust fund. A more complete description of the Pension Fund is provided in the Pension Fund's separately issued financial statements.

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

Membership of the Pension Fund as of December 31, 2018 consisted of:

Membership as of the Valuation Date	December 31, 2018
Number of:	
Active members	4,042
Retirees and beneficiaries	2,779
Inactive members ¹	20
Total	6,841

¹ Inactive participants are only entitled to a refund of their contributions, and are not eligible for benefits. Includes 19 terminated members due a refund of contribution.

Currently, the Pension Fund provides retirement benefits to eligible uniformed employees of the fire and police departments of the City who have served for 20 years or more. Employees who terminate prior to accumulating 20 years of service may apply to receive a refund of their contributions. Upon application for a service retirement pension from the Pension Fund, retiring employees are entitled to a retirement annuity computed based on the average of the employee's total salary, excluding overtime pay, for the highest three years of the last five years. A retirement annuity under this subsection may not exceed, as of the date of retirement, 87.50% of the member's average total salary.

There is a provision for the Backwards Deferred Retirement Option Plan (BackDROP), which, as of October 1, 2009, permits retiring members who had actual service credit of at least 20 years and one month to elect to receive a lump-sum payment for a number of full months of service elected by the member that does not exceed the lesser of the number of months of service credit the member had in excess of 20 years or 60 months and a reduced annuity payment. For purposes of a BackDROP benefit calculation, the participant's salary beyond 34 years of service is used to determine the participant's average salary.

There is also a provision for a 13th and 14th pension check. At the end of each fiscal year, the Board may authorize the disbursement of a 13th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five year fiscal period by at least 100 basis points (basis points not reported in thousands). In the same way, the Board may authorize a 14th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five year period by at least 300 basis points. The 13th and 14th pension checks are paid to each retiree and beneficiary receiving a pension at the end of the fiscal year and are in an amount equal to the pension check paid in the last month of the preceding fiscal year of the Pension Fund (retirees/beneficiaries with less than one year of benefits will receive a prorated check, and no check will be paid to members who retired after the end of the fiscal year). Authorization for one year does not obligate the Board to authorize a 13th and 14th check for any other year. The Pension Fund did not meet the criteria for the 13th or 14th check for the year-ended December 31, 2018.

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The Pension Fund also provides benefits when service is terminated by reason of death or disability. The employee's beneficiary or the employee shall be entitled to one-half of the average of the employee's total salary, excluding overtime pay, or vested benefit as is provided in the computation of normal retirement benefits, whichever is higher. If a member dies after retiring, spouses or beneficiaries who were married to or dependents of the member at the time of retirement receive the same annuity paid to the member as of the date of the member's death up to the maximum benefit. The maximum benefit for surviving spouses and dependent children is equal to a 27 year service pension. As of October 1, 2009, the allocation of death benefits between a surviving spouse and the dependent children of a member is 75.00% to the spouse and 25.00% to the children. The spousal death benefit provided to a spouse who married a retiree after retirement and at least five years prior to the date of the retiree's death is the same as a spouse who married a member prior to retirement. In the case of marriage after retirement, a spouse who is otherwise qualified to receive a pension is subject to a 55-year-old minimum age to begin receiving annuity payments. As of October 1, 2009, the spousal death benefit for a spouse who married a retiree after retirement, and less than five years prior to the date of the retiree's death, is \$15 if there are no other beneficiaries.

The Pension Fund provides a disability annuity equal to 87.50% of average total salary, if the member suffers a catastrophic injury. A catastrophic injury is described as an irreparable physical bodily injury suffered during the performance of high-risk line of duty activities, when the injury results in the individual being unable to obtain any sort of employment sufficient to generate income above the poverty level.

The surviving spouse of an active member may elect to receive benefits in the form of a lump-sum payment and reduced annuity, similar to a BackDROP election made by a retiring member.

The estate of an active member who dies and does not leave a beneficiary will receive either ten times the amount of an annuity computed according to the Annuity Computation, using the deceased member's service credit and average total salary as of the date of death, or the deceased member's contributions that were picked up by the City. The estate of a retired member who dies and does not leave a beneficiary will receive a lump-sum benefit equal to ten times the amount of the annuity awarded by the Board effective on the retiree's date of retirement, less any retirement or disability annuity and any lump-sum payments paid to the retiree. The Pension Fund also provides benefits when an eligible member is killed in the line of duty. The member's surviving spouse and dependent children are entitled to a total pension equal to the member's base salary at the time of death.

Another important provision of the Pension Fund is the Cost of Living Adjustment (COLA). The COLA is based on the Consumer Price Index for all Urban Consumers – U.S. City Average (CPI-U) as published by the Bureau of Labor Statistics. Members whose retirement, disability, or death occurred before August 30, 1971, receive an increase equal to 100.00% of the increase in the CPI-U. Members whose retirement, disability, or death occurred after August 30, 1971, but before October 1, 1999, receive an increase equal to 100.00% of the increase in the CPI-U up to 8.00% and 75.00% of the increase in the CPI-U in excess of 8.00%. Members whose retirement, disability, or death occurred after October 1, 1999 receive an increase equal to 75.00% of the increase in the CPI-U.

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The Pension Fund is funded in accordance with Texas state statutes and is not actuarially determined. In fiscal year 2019, the City was required to contribute 24.64% of salary, or \$79,973, excluding overtime pay, and the employee contribution rate was 12.32%, or \$39,986. New firefighters and police officers are immediately eligible for membership after they receive state certification and complete all other requirements. The new member contributes to the Pension Fund upon becoming eligible.

The Pension Fund has a provision that allows the fire chief and police chief to opt out of membership in the Pension Fund.

The components of the net pension liability (NPL) of the City, as of December 31, 2018, are as follows:

Total Pension Liability	\$ 3,756,277
Plan Fiduciary Net Position	3,015,157
City's Net Pension Liability	\$ 741,120

Plan Fiduciary Net Position as a

percentage of the Total Pension Liability 80.27%

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the entry age, level percent of payroll, and the following actuarial assumptions, applied to the period included in the measurement, with the results rolled forward to December 31, 2018:

Inflation 3.00%

Salary increases 3.00% plus merit scale of 0.75% - 11.25%

Investment rate of return 7.25% including inflation,

net of pension plan investment expense

Cost-of-living adjustments 3.00% for retirements before October 1, 1999

2.25% for retirements on or after October 1, 1999

Retirement rates Group-specific rates based on years of service

ranging from 20 to 40 years, with 100.00% retirement age at 65 or 40 years of service

For the actuarial valuation as of January 1, 2018 with results rolled forward to December 31, 2018, healthy mortality rates were based on the sex-distinct RP-2014 Employee and Healthy Annuitant Tables, with rates loaded by 7.00% for females. Disabled mortality rates were based on sex-distinct RP-2014 Annuitant Tables, set forward by six years, again loading the female rates by 7.00%. The tables are projected generationally using 50.00% of the MP-2014 improvement scale to anticipate future mortality improvements. The actuarial assumptions used are based on the results of an experience study for the period October 1, 2009 to September 30, 2014.

Long-Term

Note 9 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equities	15.00%	6.16%
Small Cap U.S. Equities	3.00%	7.26%
Developed International Equities	15.00%	6.96%
Emerging International Equities	6.00%	9.86%
Hedge Funds/Risk Parity	15.00%	3.83%
Private Equity	7.00%	10.41%
High Yield	5.00%	4.16%
Bank Loans	5.00%	3.66%
Emerging Market Debt	7.00%	4.66%
Private Debt	7.00%	7.66%
Unconstrained Fixed Income	3.00%	1.96%
Real Estate	9.00%	4.76%
Real Assets	3.00%	7.37%
Total	100.00%	=

The blended discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed contributions will continue to be made at 12.32% of the compensation from plan members and 24.64% of the compensation from the City. Based on these assumptions, the Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Pension Fund's investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, for the year-ending December 31, 2018, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.25%, or one percentage point higher, 8.25%, than the current rate:

	1.00)% Decrease	Curre	ent Discount	1.00)% Increase
		6.25%	Ra	ite 7.25%		8.25%
Net Pension Liability	\$	1,273,714	\$	741,120	\$	305,178

The City is responsible for funding the deficiency, if any, between the amount available to pay all retirement annuities and other benefits owed by the Pension Fund and the amount required to pay such benefits.

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — The following table presents the changes in the Net Pension Liability through December 31, 2018, based on the measurement date and actuarial valuation date of January 1, 2018.

Changes in the Net Pension Liability				
Total Pension Liability (TPL)				
Service Cost	\$ 73,354			
Interest	259,758			
Difference between expected and actual experience	50,057			
Benefit payments,				
including refunds of employee contributions	(172,692)			
Net change in TPL	\$ 210,477			
Total Pension Liability - Beginning	3,545,800			
Total Pension Liability - Ending	\$3,756,277			
Plan Fiduciary Net Position				
Contributions - Employer	\$ 78,312			
Contributions - Employee	39,182			
Net investment (loss)	(122,694)			
Benefit payments,				
including refunds of employee contributions	(172,692)			
Administrative Expense	(3,480)			
Net change in Plan Fiduciary Net Position	\$ (181,372)			
Plan Fiduciary Net Position - Beginning	3,196,529			
Plan Fiduciary Net Position - Ending	\$3,015,157			
Net Pension Liability	\$ 741,120			

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

For the fiscal year-ended September 30, 2019, based on December 31, 2018 measurement date, the City recognized pension expense as follows:

Schedule of Pension Expense					
Service Cost	\$	73,354			
Interest		259,758			
Employee contributions		(39,182)			
Administrative expenses		3,480			
Expected return on assets		(229,621)			
Expensed portion of current year period differences					
between expected and actual experience		5,562			
Expensed portion of current year period differences					
between projected and actual earnings		70,463			
Current year recognition of deferred outflows					
established in prior years		64,514			
Current year recognition of deferred inflows					
established in prior years		(67,439)			
Total Expense	\$	140,889			

At September 30, 2019, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following:

	Out	eferred tflows of sources	(In	eferred flows) of esources
Difference in expected and actual experience	\$	44,495	\$	(65,285)
Changes of assumptions		85,281		
Net difference in projected and actual				
earnings on pension plan investments		176,107		
Total	\$	305,883	\$	(65,285)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred		
Ou	Outflows (Inflows)		
of Resources			
\$	66,536		
	29,209		
	39,720		
	80,404		
	9,941		
	14,788		
\$	240,598		

Subsequent to the measurement date of December 31, 2018, and September 30, 2019, the City contributed \$58,699 to the Pension Fund. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net pension liability in the subsequent fiscal year. As of September 30, 2019, the City reported a payable to the Pension Fund in the amount of \$9,321 for contributions from the City and active uniform employees.

The Pension Fund issues a publicly available financial report that includes financial statements and required supplemental information, and detailed information about the Pension Fund's net pension liability. That report may be obtained by writing to the Fire and Police Pension Fund of San Antonio, 11603 W. Coker Loop, Suite 201, San Antonio, Texas 78216 or by calling (210) 534-3262.

CPS Energy

All Employee Plan

Plan Description — The CPS Energy Pension Plan (the Plan) is a self-administered, single-employer, defined-benefit contributory pension plan covering substantially all employees who have attained age 21 and completed one year of service. The Plan is sponsored by and may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President and CEO, the Chief Financial Officer and the Audit Committee Chair of CPS Energy's board of trustees. Plan assets are segregated from CPS Energy's assets and are separately managed by an Administrative Committee, whose members are appointed by the EBOC. The Plan reports results on a calendar-year basis, and the separately audited financial statements, which contain historical trend information, may be obtained at www.cpsenergy.com or by contacting Benefit Trust Administration at CPS Energy. The Plan's financial statements include certain disclosures related to CPS Energy's net pension liability. However, because the financial reporting and pension measurement dates for the Plan and CPS Energy are not aligned, the Plan's disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

CPS Energy (Continued)

All Employee Plan (Continued)

In addition to the defined-benefit Plan, CPS Energy has two Restoration Plans that were effective as of January 1, 1998, which supplement benefits paid from the Plan due to Internal Revenue Code restrictions on benefit and compensation limits. The benefits due under those Restoration Plans have been paid annually by CPS Energy.

Employees who retired prior to 1983 receive annuity payments from an insurance carrier, as well as some benefits directly from CPS Energy. The costs for the benefits directly received from CPS Energy were \$13 for fiscal year 2019. These costs were recorded when paid.

Benefits Provided — Participants become fully vested in the benefits of the Plan upon attainment of age 40 or after completion of seven years of vesting service before age 40. Normal retirement is age 65; however, early retirement is available with 25 years of benefit service, as well as to those employees who are age 55 or older with at least ten years of benefit service. Retirement benefits consist of a normal retirement annuity calculated based primarily on length of service and compensation. Benefits are reduced for retirement before age 55 with 25 years or more of benefit service or before age 62 with less than 25 years of service. If early retirement occurs due to disability, the reductions in benefits normally associated with early retirement are modified.

Payments to retirees are adjusted each year by an amount equal to 50.00% of the change in the Consumer Price Index-U, limited to a maximum adjustment of 5.00% each year, with no reduction allowed below the retirees' initial benefit levels.

The following table presents information about Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate, as of the measurement date of January 31, 2018, the net pension liability for the fiscal year-ended January 31, 2019:

Membership as of the Valuation Date	January 31, 2018
Number of:	
Active members	2,886
Retirees and beneficiaries	2,348
Inactive members ¹	218
Total	5,452

¹ Inactive members are Plan participants that are entitled to deferred benefits.

Contributions —The current policy of CPS Energy is to use an actuarial valuation as the basis for determining employer contributions to the Plan during the fiscal year beginning 13 months after the valuation date. With recommendations from the Administrative Committee, composed of a cross-functional group of active and retired CPS Energy employees, CPS Energy establishes funding levels, considering annual actuarial valuations. Generally, participating employees contribute 5.00% of their total compensation, commencing with the effective date of participation and continuing until normal or early retirement, completion of 44 years of benefit service, or termination of employment. Participants who leave CPS Energy service before becoming eligible for retirement benefits receive a return of the total amount they contributed to the Plan, plus the vested portion of accumulated interest. Beginning January 1, 2018, the employee contribution interest crediting rate was 5.25%.

CPS Energy (Continued)

All Employee Plan (Continued)

The balance of Plan contributions is the responsibility of CPS Energy, giving consideration to actuarial information, budget controls, legal requirements, compliance, and industry and/or community norms. For fiscal year 2019, the amount to be funded was established using a general target near the 30-year funding contribution level as determined by the Plan's actuary using the entry-age normal cost method.

Schedule of Changes in Net Pension Liability and Related Ratios — The Net Pension Liability for fiscal year-end January 31, 2019, was measured as of January 31, 2018. The total pension liability used to calculate the net pension liability was determined by actuarial valuation as of January 1, 2017, rolled forward using generally accepted actuarial procedures to the January 31, 2018 measurement date.

Total Pension Liability	\$ 1,940,317
Plan Fiduciary Net Position	1,684,448
Net Pension Liability	\$ 255,869

Plan Fiduciary Net Position as a percentage of the Total Pension Liability 86.81%

Actuarial Assumptions — The Total Pension Liability was determined using the Entry Age Normal actuarial cost method, and the Level dollar amortization method. Significant actuarial assumptions used in the January 1, 2017, valuation include a rate of return on the investment of present and future assets of 7.25%, a discount rate on Plan liabilities of 7.25%, annual projected salary increases averaging 4.72% per year, and annual post-retirement cost-of-living increases of 1.50%. The projected salary increases include an inflation rate of 3.00%. Mortality rates were based on the RP-2016 Combined Healthy with No Collar Adjustment, Male or Female Tables, as appropriate, projected using Scale RP-2016 Mortality Improvement Scale.

The actuarial assumptions used in the January 1, 2017 valuation for amounts reported in fiscal year 2019 were based on the results of an actuarial experience study completed in 2017 covering experience for the period January 1, 2012, through December 31, 2016.

The long-term expected rate of return on Plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns net of Plan investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, and then reduced by a factor representing inflation to produce long-term expected real rates of return for each major asset class.

CPS Energy (Continued)

All Employee Plan (Continued)

The assumed allocation and expected real rates of return for each major asset class are summarized in the following table:

	Assumed Asset	Expected Real
Asset Class	Allocation	Rate of Return
Equities	52.50%	5.10%
Debt securities	25.50%	3.20%
Alternative investments	22.00%	5.20%
Total Investments	100.00%	

Discount Rate — The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that future employee contributions will be made at the current contribution rate and that future CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of net pension liability calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total pension liability.

	1.00% Decrease		Current Discount		1.00% Decrease Current Discou		1.00)% Increase
		6.25%	7.25%		8.25%			
Net Pension Liability	\$	496,332	\$	255,869	\$	52,973		

Plan Fiduciary Net Position — Detailed information about the Plan's fiduciary net position is available in separately issued Plan financial statements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position for the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. Investments are stated at fair market value. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the Plan.

CPS Energy (Continued)

All Employee Plan (Continued)

Net Pension Liability — CPS Energy's net pension liability at January 31, 2019 was measured as of January 31, 2018. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2017, and rolled forward using generally accepted actuarial procedures to the January 31, 2018 measurement date.

Changes in Net Pension Liability					
Total Pension Liability					
Service Cost	\$	32,569			
Interest		132,861			
Change in Assumptions		77,574			
Differences Between Expected					
and Actual Experience		6,025			
Benefit Payments		(93,550)			
Net Change in Total Pension Liability	\$	155,479			
Total Pension Liability - Beginning		1,784,838			
Total Pension Liability - Ending	\$	1,940,317			
Plan Fiduciary Net Position					
Contributions - Employer	\$	46,200			
Contributions - Employee		13,039			
Net Investment Income		246,772			
Benefit Payments		(93,550)			
Administrative Expense		(389)			
Net Change in Plan Fiduciary Net Position	\$	212,072			
Plan Fiduciary Net Position - Beginning		1,472,376			
Plan Fiduciary Net Position - Ending	\$	1,684,448			
Net Pension Liability - Ending	\$	255,869			

CPS Energy recorded \$27,112 in pension expense for the year-ended January 31, 2019.

CPS Energy (Continued)

All Employee Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – The following table presents information about the pension-related deferred outflows of resources and deferred inflows of resources for CPS Energy at January 31, 2019:

	Deferred Outflows of Resources		ws of (Inflows) o	
Difference in expected and actual experience Changes of assumptions Net difference in projected and actual	\$	20,010 82,905	\$	(35,566)
earnings on pension plan investments				(112,229)
Total	\$	102,915	\$	(147,795)

Subsequent to the measurement date of January 1, 2018, and through fiscal year-end 2019, the employer contributed \$58,700 to the Plan.

The following table presents the future amortization of pension-related deferred outflows of resources and deferred inflows of resources, excluding the balance attributable to the employer's contribution to the Plan in the current fiscal year and subsequent to the net pension liability measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net pension liability in the subsequent fiscal year.

	Ne	Net Deferred			
Year-Ended	Outfle	ows (Inflows)			
January 31,	of	Resources			
2020	\$	(3,644)			
2021		(9,718)			
2022		(37,307)			
2023		(15,433)			
2024		9,279			
Thereafter		11,943			
Total	\$	(44,880)			

San Antonio Water System (SAWS)

Texas Municipal Retirement System (TMRS)

Plan Description — SAWS' pension program includes benefits provided by TMRS, the San Antonio Water System Retirement Plan (SAWSRP) and the District Special Project Retirement Income Plan (DSPRP).

SAWS provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide TMRS, an agent multiple employer public employee retirement system.

Benefits Provided — TMRS provides retirement benefits to eligible SAWS employees. Members are eligible to retire upon attaining the normal retirement age of 60 and above with five or more years of service, or with 20 years of service regardless of age. A member is vested after five years.

At retirement, the benefit is calculated as if the sum of the employee's contribution, with interest, and the SAWS financed monetary credits with interest were used to purchase an annuity. Members choose to receive their benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in the amount equal to 12, 24 or 36 monthly payments which cannot exceed 75.00% of the member's deposits and interest.

All eligible employees of SAWS are required to participate in TMRS. Membership in TMRS as of the actuarial valuation date is as follows:

Membership as of the Valuation Date	December 31, 2017
Number of:	
Active members	1,698
Retirees and beneficiaries	1,223
Inactive members ¹	653
Total	3,574

¹ Inactive members are vested employees no longer employed by SAWS, but are eligible for a deferred retirement benefit.

Contributions — Under the state law governing TMRS, SAWS' contribution rate is determined annually by the actuary using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Eligible SAWS employees are required to contribute 3.00% of their annual gross earnings. The employer required contribution rate for SAWS was 3.70% in calendar year 2018. SAWS' contribution to TMRS totaled \$7,350 for the year-ended December 31, 2018, with \$3,291 contributed by SAWS' employees, and \$4,059 contributed by SAWS. The total contribution equaled the required contributions.

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

The components of the Net Pension Liability are as follows:

Total Pension Liability	\$ 208,391
Plan Fiduciary Net Position	192,768
Net Pension Liability	\$ 15,623
Plan Fiduciary Net Position as a percentage	
of the Total Pension Liability	92.50%

Actuarial Assumptions — The Total Pension Liability calculated in the December 31, 2017 actuarial valuation was determined using the Entry Age Normal actuarial cost method, the Level percentage of payroll amortization method, and the following actuarial assumptions:

Investment rate of return 6.75%, including inflation, net of pension

plan investment expense

Inflation 2.50% Wage growth 3.00%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP-2000 Combined Healthy Mortality Table with Blue Collar Adjustment with male rates multiplied by 109.00% and female rates multiplied by 103.00%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109.00% and female rates multiplied by 103.00% with a three-year set-forward for both males and females. In addition, a 3.00% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3.00% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the Entry Age Normal actuarial cost method and a one-time change to the amortization policy was adopted. Plan assets are managed on a total return basis with emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term fund needs of TMRS.

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the plan actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

		Long-Term
		Expected Real
		Rate of Return
Asset Class	Target Allocation	(Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
Total	100.00%	

The discount rate of 6.75% was used to measure the Total Pension Liability in the December 31, 2017 actuarial valuation. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the Net Pension Liability, calculated using the discount rate of 6.75%, as well as what the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1.00% lower, 5.75%, or 1.00% higher, 7.75%, than the current rate:

	1.00% Decrease		1.00% Decrease Current Disco		ecrease Current Discount		1.00	% Increase
		5.75%		Rate 6.75%		7.75%		
Net Pension Liability - TMRS	\$	42,849	\$	15,623	\$	(6,955)		

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — The table presents the components used to calculate the NPL for fiscal year-ended December 31, 2018, based on the measurement date and actuarial valuation date of December 31, 2017.

Changes in the Net Pension Liability				
Total Pension Liability				
Service Cost	\$	5,332		
Interest		13,268		
Difference between expected and actual experience		54		
Benefit payments		(8,332)		
Net change in TPL	\$	10,322		
Total Pension Liability - Beginning		198,069		
Total Pension Liability - Ending	\$	208,391		
Plan Fiduciary Net Position				
Contributions - Employer	\$	3,852		
Contributions - Employee		3,149		
Net investment income		23,639		
Benefits Payments, including Refunds of				
Employee Contributions		(8,332)		
Administrative Expense		(123)		
Other		(6)		
Net change in Plan Fiduciary Net Position	\$	22,179		
Plan Fiduciary Net Position - Beginning		170,589		
Plan Fiduciary Net Position - Ending	\$	192,768		
Net Pension Liability	\$	15,623		

San Antonio Water System Retirement Plan (SAWSRP)

Plan Description — The San Antonio Water System Retirement Plan (SAWSRP) is a single-employer pension plan controlled by the provisions of Ordinance No. 75686, which serves as a supplement to TMRS and Social Security. The plan has both a defined benefit and a defined contribution component. SAWS delegated to Principal Financial Group the authority to manage plan assets and administer the payment of benefits under the plan. Eligible employees hired prior to June 1, 2014 participate in the defined benefit component of the plan. Eligible employees vest in this plan after completion of five years of service.

The financial information for SAWSRP is reported in the SAWS Fiduciary Funds financial statements. SAWSRP does not issue stand-alone financial statements.

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

SAWSRP membership in the defined benefit component consisted of:

Membership as of the Valuation Date	January 1, 2018
Number of:	
Active members	1,184
Retirees and beneficiaries	1,007
Inactive members ¹	526
Total	2,717

¹ Inactive members are vested employees no longer employed by SAWS, but are eligible for a deferred retirement benefit.

Benefits Provided — Covered employees are eligible to retire upon attaining the normal retirement age of 65. An employee may elect early retirement, with reduced benefits, upon attainment of:

- 20 years of vesting service regardless of age, or
- Five years of vesting service and at least age 60.

An employee is automatically 100.00% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

The normal retirement benefit is based upon two factors: average compensation and years of vesting service. Average compensation is defined as the monthly average of total compensation received for the three consecutive years-ending December 31, out of the last ten compensation years prior to normal retirement date, which gives the highest average.

The normal retirement benefit under SAWSRP is equal to the following:

- 1.20% of the average compensation, times years of credited service not in excess of 25 years, plus
- 0.75% of the average compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
- 0.38% of the average compensation, times years of credited service in excess of 35 years.

Upon retirement, an employee must select from one of seven alternative payment plans. Each payment plan provides for monthly payments as long as the retired employee lives. The options available address how plan benefits are to be distributed to the designated beneficiary of the retired employee. The program also provides disability benefits.

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

The funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when they are due. Contribution requirements are established and may be amended by the SAWS Board. The actuarially determined contribution for 2018 was determined using Entry Age Normal cost method. The actuarially determine contribution is the estimated amount necessary to finance the cost of benefits earned by participating employees during the year, with an additional amount to finance any unfunded accrued liability. Prior to 2015, active members made no contributions to the plan and all obligations with respect to the defined benefit feature of the plan were paid solely by SAWS. On January 1, 2015, active members began sharing in the cost of providing benefits under the plan by contributing 3.00% of their compensation.

Contributions — Eligible employees hired on or after June 1, 2014 participate in the defined contribution component of the plan. SAWS contributes 4.00% of participant's compensation into an individual retirement account. Participants are required to contribute 3.00% of their compensation into their individual retirement account. Contributions under the defined contribution feature of the plan are made to participants' individual retirement accounts on a bi-weekly basis based on the participants' compensation during the period. An eligible employee totally vests in SAWS contributions to the individual retirement account after one year of service and immediately vests in the employee's contributions to the plan. The employee directs the investments in their individual retirement account. SAWS has no liability for losses under the defined contribution component of the SAWSRP but does have the usual fiduciary responsibilities of a plan sponsor.

During the year-ended December 31, 2018, SAWS made contributions to participants' individual retirement accounts totaling \$1,152, net of forfeitures of \$33 and employees contributed \$928.

Net Pension Liability — The Net Pension Liability (NPL) for the defined benefit component of the SAWSRP as of December 31, 2018 was measured as of January 1, 2018 and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The components of the Net Pension Liability, measured at January 1, 2018 are as follows:

Total Pension Liability	\$ 230,568
Plan Fiduciary Net Position	 208,132
Net Pension Liability	\$ 22,436
Plan Fiduciary Net Position as a percentage	
of the Total Pension Liability	90.27%

Notes to Financial Statements

Note 9 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

Actuarial Assumptions — The Total Pension Liability calculated in the January 1, 2018 actuarial valuation was determined using the Entry Age Normal actuarial cost method and the following actuarial assumptions:

Investment rate of return 6.50%, including inflation,

net of pension plan investment expense

Inflation 2.00%

Salary increases Scale based on 2011-2013

SAWS experience

Real wage growth is based on a service-related table based on SAWS' experience from 2011 to 2013. Mortality rates for the January 1, 2018 valuation were based on RP-2006 total dataset mortality table projected to future years with historical and assumed mortality improvement (MI) rates using the Principal Mortality Improvement (PMI) Scale (PFG2013-10). RP-2006 is a baseline mortality rates table underlying the Society of Actuaries (SOA) RP-2014 experience study as of central year of the experience data for 2004-2008 years. The PMI scale is based on the SOA MI model RPEC_2014_v2017 and Principal-selected assumption set published November 2017.

The expected long-term return on plan assets assumption was developed as a weighted average rate based on target asset allocation of the plan and the Long-Term Capital Market Assumptions (CMA) 2016. The capital market assumptions were developed with a primary focus on forward-looking valuation models and market indicators. The key fundamental economic inputs for these models are future inflation, economic growth, and interest rate environment. Due to the long-term nature of pension obligations, the investment horizon for the CMA 2016 is 20 – 30 years. In addition to forward-looking models, historical analysis of market data and trends was reflected, as well as the outlook of recognized economists, organizations and consensus CMA from other credible studies.

The discount rate used to measure the Total Pension Liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on actuarial determined amounts. Based on that assumption, the SAWSRP defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine Total Pension Liability.

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The Long-term Expected Real Rate of Return amounts do not include inflation.

		Long-Term Expected Real
		Rate of Return
Asset Class	Target Allocation	(Arithmetic)
US Equity - Large Cap	60.80%	6.50%
Long Credit Bond	7.30%	4.75%
Aggregate Credit Bond	9.60%	4.05%
Long Gov't Bond	2.40%	2.65%
Ultra Long Gov't Bond	19.80%	1.85%
Cash	0.10%	1.55%
Total	100.0%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the Net Pension Liability, calculated using the discount rate of 6.50%, as well as what the Net Pension Liability/Asset would be if it were calculated using a discount rate that is 1.00% lower, 5.50%, or 1.00% higher, 7.50%, than the current rate:

	1.009	% Decrease	Current Discount		count 1.00% Increase	
		5.50%		6.50%		7.50%
Net Pension Liability - SAWSRP	Ś	52.953	Ś	22.436	Ś	(2.939)

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San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — The following table summarizes changes in the SAWSRP Net Pension Liability for the fiscal year-ended December 31, 2018, based on the measurement date and actuarial valuation date of January 1, 2018.

Changes in the Net Pension Liability			
Total Pension Liability			
Service Cost	\$	5,859	
Interest		14,354	
Difference between expected and actual experience		(1,394)	
Changes of assumptions		1,152	
Benefit payments		(7,974)	
Net change in TPL	\$	11,997	
Total Pension Liability - Beginning		218,571	
Total Pension Liability - Ending	\$	230,568	
		_	
Plan Fiduciary Net Position			
Contributions - Employer	\$	7,982	
Contributions - Employee		2,484	
Net investment income		30,741	
Benefit payments		(7,974)	
Administrative Expense		(380)	
Net change in Plan Fiduciary Net Position	\$	32,853	
Plan Fiduciary Net Position - Beginning		175,279	
Plan Fiduciary Net Position - Ending	\$	208,132	
Net Pension Liability	\$	22,436	

District Special Project Retirement Income Plan (DSPRP)

Plan Description — The District Special Project Retirement Income Plan (DSPRP) is a single-employer defined benefit pension plan that covers all eligible employees. The plan was originally established by Bexar Metropolitan Water District (BexarMet) to provide pension benefits to its employees. In 2008, the BexarMet Board elected to freeze pension benefits and entry into the plan effective September 30, 2008. In 2012, upon dissolution of BexarMet and the transfer of all assets and liabilities to the San Antonio Water System District Special Project (DSP), the plan was renamed District Special Project Retirement Income Plan. DSPRP is governed by SAWS, which is authorized to establish and amend all plan provisions. SAWS has delegated to Standard Insurance Company the authority to manage plan assets and administer the payment of benefits under the plan.

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

The financial information for DSPRP is reported in the SAWS Fiduciary Funds financial statements. DSPRP does not issue stand-alone financial statements.

DSPRP membership consisted of:

Membership as of the Valuation Date	January 1, 2018
Number of:	
Active members	101
Retirees and beneficiaries	10
Inactive members ¹	33
Total	144

¹ Inactive members are vested employees no longer employed by DSP, but are entitled to a deferred retirement benefit.

Benefits Provided — Prior to freezing entry into the plan, employees were eligible to enter on May 1st or November 1st following the completion of 12 months of employment and attaining the age of 21. Eligible employees vested in this plan after the completion of five years of service. Employees are 100.00% vested in any benefits derived from employee contributions regardless of years of service. A terminating participant who has completed five years of service is entitled to receive a vested benefit starting on his/her normal retirement date.

The normal retirement benefit is a percentage of average monthly earnings. Effective March 1, 1996, the monthly benefit is 40.00% of average monthly earnings reduced proportionately for less than 20 years of service. Average monthly earnings are determined by the ten consecutive and complete calendar years after December 31, 1990 which produce the highest average. Upon retirement, retirees may choose from three different types of annuities or receive a single lump sum distribution.

Contributions — The plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits as they come due. The contribution requirements of the plan are established and may be amended by the Board. The unit credit method is used to calculate the actuarial determined contribution for 2018. Under this method, the actual or expected accrued benefit of each participant is allocated to the year in which it accrues. The normal cost is the present value of benefits expected to accrue in the current year.

Net Pension Liability — The following table summarizes the changes in the DSPRP Net Pension Liability for the year-ended December 31, 2018 based on the measurement date of January 1, 2018.

Total Pension Liability	\$ 6,566
Plan Fiduciary Net Position	 5,706
Net Pension Liability	\$ 860
Plan Fiduciary Net Position as a	
percentage of the Total Pension Liability	86.90%

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

Actuarial Assumptions — The Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date performed as of the measurement date:

Investment rate of return 6.50%, net of pension plan

investment expense

Inflation 2.50%

Mortality rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale MP-2017. Due to the limited size of this plan and the frozen nature of benefits under the plan, an experience study has not been done.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The discount rate used to measure the Total Pension Liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on that assumption, the defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

		Long-Term Expected Real Rate of Return
Asset Class	Target Allocation	(Arithmetic)
Domestic Equity	54.00%	6.00%
International Equity	5.00%	6.00%
Fixed Income	41.00%	1.00%
Total	100.0%	

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following table presents the Net Pension Liability, calculated at December 31, 2018 using the discount rate of 6.50%, as well as what the Net Pension Liability would be if it were calculated using a discount rate that is 1.00% lower, 5.50%, or 1.00% higher, 7.50%, than the current rate.

	1.00%	Decrease	Curi	rent Discount	1.00% Increase			
	5	.50%		6.50%	7.50%			
Net Pension Liability - DSPRP	\$	1,122	\$	860	\$	632		

Schedule of Changes in Net Pension Liability and Related Ratios — The following table summarizes the changes in the DSPRP Net Pension Liability for the fiscal year-ended December 31, 2018 based on the measurement date of January 1, 2018.

Changes in the Net Pension Liability						
Total Pension Liability						
Service Cost	\$	108				
Interest		424				
Difference between expected and actual experience		101				
Changes in assumptions		15				
Benefit payments		(776)				
Net change in TPL	\$	(128)				
Total Pension Liability - Beginning		6,694				
Total Pension Liability - Ending	\$	6,566				
Plan Fiduciary Net Position						
Contributions - Employer	\$	315				
Net investment income		764				
Benefit payments, including refunds						
of employee contributions		(776)				
Administrative Expense		(7)				
Net change in Plan Fiduciary Net Position	\$	296				
Plan Fiduciary Net Position - Beginning		5,410				
Plan Fiduciary Net Position - Ending	\$	5,706				
Net Pension Liability	\$	860				

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures

Deferred Compensation Plans — SAWS is the plan sponsor for two deferred compensation plans: San Antonio Water System Deferred Compensation Plan and the District Special Project Employee's 457 Plan. Both plans were created in accordance with Internal Revenue Code Section 457 and allow employees to defer a portion of their salary until future years. The compensation deferred under these plans is not available to employees until termination, retirement, death, or qualifying unforeseeable emergency. Participation is voluntary, and SAWS does not make any contributions to these plans. The District Special Project Employee's 457 Plan was closed to new contributions effective October 1, 2013. SAWS has no liability for losses under these plans but does have the usual fiduciary responsibilities of a plan sponsor.

Pension Expense — For the year-ended December 31, 2018, SAWS recognized pension expense under the TMRS, SAWSRP, and DSPRP as follows:

Schedule of Pension Expense							
TMRS	\$	3,757					
SAWSRP - Defined Benefit		6,098					
SAWSRP - Defined Contribution		1,152					
DSPRP		195					
Total Pension Expense	\$	11,202					

Amounts payable to the pension plans by SAWS for contributions totaled \$193 at December 31, 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At December 31, 2018, Deferred Outflows of Resources and Deferred Inflows of Resources associated with SAWS plans related to the following sources:

		TIV	IRS SAWSRP			•	DSPRP				ALL PLANS					
	Defer	red	De	eferred	De	ferred	D	eferred	Def	erred	Def	erred	De	ferred	D	eferred
	Outflov	ws of	(Infl	lows) of	Out	flows of	(Inf	flows) of	Outf	lows of	(Inflo	ows) of	Out	flows of	(Inf	flows) of
	Resou	rces	Res	sources	Res	ources	Re	esources	Res	ources	Res	ources	Res	ources	Re	sources
Difference in expected an	d															
actual experience	\$	59	\$	(895)	\$	623	\$	(1,173)	\$	193	\$	(296)	\$	875	\$	(2,364)
Changes of assumptions Net difference in projected and actual earnings on	d	169				4,490		(166)		187				4,846		(166)
pension plan investment	t			(4,875)				(10,213)				(189)				(15,277)
Total	\$	228	\$	(5,770)	\$	5,113	\$	(11,552)	\$	380	\$	(485)	\$	5,721	\$	(17,807)

Contributions made after the measurement date of \$12,382 will be recognized as a reduction of the Net Pension Liability for the year-ending December 31, 2019.

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Net Deferred Outflows	
(Inflows) of Resources	

Year-Ending							
December 31,	TMRS	SAWSRP	DSPRP	Combined			
2019	\$ (308)	\$ (511)	\$ (7)	\$ (826)			
2020	(406)	274	7	(125)			
2021	(2,410)	(2,352)	(61)	(4,823)			
2022	(2,418)	(3,850) (72)		(6,340)			
2023			13	13			
Thereafter			15	15			
Total	\$(5,542)	\$(6,439)	\$ (105)	\$(12,086)			

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Note 10 Postemployment Retirement Benefits

Summary of Postemployment Retirement Benefits

	Retiree Health Care Fund		Health Care Care Fund			Н	otal Retiree ealth Care Fund and ealth Fund	Heal	PS Energy: hth, Life, and Disability	SAWS Retiree Health Trust		
Total OPEB Liability	\$	394,724	\$	991,905	\$	1,386,629	\$	306,407	\$	146,691		
Plan Fiduciary Net Position				364,439		364,439		350,138		58,511		
Net OPEB Liability (Asset)	\$	394,724	\$	627,466	\$	1,022,190	\$	(43,731)	\$	88,180		
Total Deferred Inflows of Resources	\$	(35,010)	\$	(63,915)	\$	(98,925)	\$	(23,154)	\$	(6,040)		
Total Deferred Outflows of Resources	\$	67,897	\$	41,192	\$	109,089	\$	10,578	\$	-		
Contributions Subsequent to												
Measurement Date	\$	-	\$	24,896	\$	24,896	\$	1,000	\$	15,308		
Total OPEB Expense	\$	34,483	\$	57,643	\$	92,126	\$	962	\$	6,997		

Primary Government (City)

Plan Description — In addition to the pension benefits discussed in Note 9 Pension and Retirement Plans, the City provides Medicare eligible civilian retirees with certain health benefits under two postemployment benefit programs. Uniform employees who retired prior to October 1, 1989 are also eligible for these programs. Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City is required to account for and disclose its other postemployment liability for these programs. The City continues to actively review and have actuarial valuations performed for these programs as required.

As of September 30, 2019, there were 404 retirees and surviving spouses, who have not reached age 65 and are not eligible for Medicare, participating in the pre-Medicare eligible program. These retirees are covered under a program comprised of two self-funded PPO health plans currently administered by Blue Cross Blue Shield of Texas. These plans may be amended at any time with approval from the City Council.

The other program is for Medicare eligible retirees and surviving spouses, who have reached age 65 or have otherwise become eligible for Medicare. These retirees and surviving spouses may participate in one of two Medicare Advantage PPO Plans or the Medicare Part D Drug Plan. All retirees and surviving spouses are required to apply for and maintain Medicare Parts A & B coverage in order to participate in this program. Of the current 1,156 participating Medicare retirees and surviving spouses, 163 participate in a fully insured Medicare Advantage PPO Plus plan, 990 participate in a Medicare Advantage PPO plan, and three participate in the Medicare Part D Drug Plan.

A dental and vision insurance benefit is made available to eligible retired employees on a fully contributory basis. Since retirees pay the full premium for dental and vision benefits, there is no liability associated with either benefit.

Civilian retirees must be a minimum of age 60 and have at least five years of service, or have at least 20 years of service at any age to be eligible for retiree health benefits.

Civilian retirees who qualify for a disability pension under TMRS rules are also eligible to receive the retiree medical benefit under this plan. There is no minimum length of service or age required to be eligible.

Primary Government (City) (Continued)

Contributions — The two postemployment benefit programs are funded on a pay-as-you-go basis with an aggregate sharing of premium costs based on the following targets: 67.00% by the City and 33.00% by the retiree for those retirees hired prior to October 2007. With the adoption of the fiscal year 2008 Budget, additional changes were made to this retirement health plan. For all non-uniformed employees beginning employment on or after October 1, 2007, a revised schedule for sharing of the costs on a pay-as-you-go basis is effective. The revised schedule is as follows: (1) Employees who separate from the City with less than five years of service are not eligible to participate in the program; (2) Employees who separate with at least five years of service but less than ten years of service are eligible to participate in the program but without City subsidy; and (3) Employees who separate from employment with ten years of service or more will pay for 50.00% of the pay-as-you-go contributions to the program and the City will contribute the remaining 50.00%. The ability to participate in the program is based on meeting retirement criteria for the TMRS Pension Plan.

Retirees may waive coverage at retirement but must do so at the exact time of retirement. These retirees are allowed a one-time opportunity to re-enter the plan at a later date upon submitting proof of continuous health coverage. Retirees may only enroll dependents that were covered at the time coverage was waived. Dependents must return to the plan with the retiree, otherwise coverage for the dependent is forfeited.

A summary of the current active employee and retiree population for the City at September 30, 2019 is provided in the table below:

Active members	7,310
Inactive members currently receiving benefits	1,550
Inactive members entitled to but not yet	
receiving benefits	1,225
Total Membership	10,085

The cost of the program is reviewed annually, and the costs of medical claims are funded jointly by the City and retirees on a pay-as-you-go basis, based on the allocations described above. No contributions were made in fiscal year 2019 to prefund benefits. Total contributions by the City and Retirees for fiscal year-ended September 30, 2019 were \$10,428 and \$1,725 respectively.

The Total OPEB liability of \$394,724 was determined by an actuarial valuation as of September 30, 2019.

Total OPEB liability	\$ 394,724
Plan fiduciary net position	
Total OPEB Liability	\$ 394,724

Primary Government (City) (Continued)

Actuarial Methods and Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This valuation's assumptions are as follows:

Actuarial Cost Method Entry Age Normal based on level percentage of projected salary Amortization Method Experience/Assumptions gains and losses are amortized over a

closed period of 7.7 years starting on October 1, 2018, equal to the average remaining service of active and inactive plan members

(who have no future service)

Salary Increase Rate 3.50% per annum

Discount Rate 2.66% per annum (EOY)

Mortality Rates were based on the PUB 2010 generational table scaled using MP-19 and applied on a gender-specific basis.

The City's retiree participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 60.00% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. Additionally, current waived retirees that are eligible to return to the plan have a 10.00% participation rate for returning to a Medicare Advantage plan.

Annual retirement probabilities have been determined based on the TMRS Actuarial Valuation as of December 31, 2018. The annual retirement probability is dependent on an employee's gender, entry age group, and age. Additional criteria that adjust the base table rates include employee contribution rate, employer match, and if the City has a reoccurring COLA.

The rate of withdrawal for reasons other than death and retirement has been developed from the TMRS Actuarial Valuation as of December 31, 2018. The annual termination probability is dependent on an employee's age, gender, and years of service. Additional criteria that adjust the base table rates include employee group (Police, Fire, Other) and a city multiplier.

Congress initiated an excise tax cost threshold that was to begin in 2022 and continuing thereafter. The bill would have made the City liable for 40.00% of the difference between plan costs and the cost threshold, if plan costs were greater than the cost threshold. However Congress passed legislation that repealed the Cadillac Plan tax effective January 1, 2020 that was signed by the President on December 20, 2019.

The discount rate used to measure the total OPEB liability was 2.66%, based on Bond Buyer 20 which is a representation of municipal bond trends based on a portfolio of 20 different general obligation bonds that mature in 20 years. The index is based on a survey of municipal bond traders rather than actual prices or yields index. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

Primary Government (City) (Continued)

The health care cost trend assumptions are used to project the cost of health care in future years. The following annual trends are based on the current HCA Consulting trend study and are applied on a select and ultimate basis: Pre-65 Medical/Rx benefits; Select is 6.50%, Ultimate is 4.50%, Post 65 Medical/Rx benefits; Select is 5.50%, Ultimate is 4.50%. Select trends are reduced 0.50% each year until reaching the ultimate trend rate.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate — The following shows the current total OPEB liability, calculated using the discount rate of 2.66% in comparison to what the total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (1.66%) or 1.00% higher (3.66%) than the current rate:

	1.00% Decrease		Cur	rent Discount	1.00% Increase	
		1.66%		2.66%		3.66%
Total OPEB Liability	\$	460,629	\$	394,724	\$	342,302

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current total OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the total OPEB liability would be if it were calculated using trend rates that are 1.00% lower (5.50% decreasing to 3.50%) or 1.00% higher (7.50% decreasing to 5.50%) than the assumed health benefit costs trend rates:

	1.00% Decrease (5.50% decreasing to 3.50%)		Ass	umed Rates	1.00% Increase (7.50% increasing to		
				(6.50%			
			de	creasing to			
			4.50%)		5.50%)		
Total OPEB Liability	\$	328,001	\$	394,724	\$	479,541	

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Primary Government (City) (Continued)

Changes in the Total OPEB Liability — The following table shows the changes in the Total OPEB Liability as of the fiscal year-ended September 30, 2019.

Changes in the Total OPEB Liability	Changes in the Total OPEB Liability				
Total OPEB Liability					
Service Cost	\$	16,893			
Interest		13,464			
Difference between expected and actual experience		(12,617)			
Assumption changes		78,030			
Benefit payments		(7,111)			
Net change in Total OPEB Liability	\$	88,659			
Total OPEB Liability - Beginning		306,065			
Total OPEB Liability - Ending	\$	394,724			
Plan Fiduciary Net Position					
Contributions - Employer	\$	7,111			
Benefit payments, including Refunds of					
Employee Contributions		(7,111)			
Net change in Plan Fiduciary Net Position	\$	-			
Plan Fiduciary Net Position - Beginning		-			
Plan Fiduciary Net Position - Ending	\$	-			
Total OPEB Liability	\$	394,724			

OPEB Expense — For the year-ended September 30, 2019, the recognized OPEB expense was \$34,483.

Schedule of OPEB Expense					
Service Cost	\$	16,893			
Interest		13,464			
Current Recognized deferred outflows/(inflows):					
Changes in assumptions or other inputs		5,764			
Differences between expected and actual experience		(1,638)			
Total OPEB Expense	\$	34,483			

Primary Government (City) (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2019, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources		Deferred (Inflows) of Resources	
Changes of assumptions Difference in expected and actual	\$	67,897	\$	(24,032)
experience				(10,978)
Total	\$	67,897	\$	(35,010)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

	Net Deferred				
Year-Ended	Outflows (Inflows)				
September 30,		of Resources			
2020	\$	4,126			
2021		4,126			
2022		4,126			
2023		4,126			
2024		4,126			
Thereafter		12,257			
Total	\$	32,887			

Contact Information — For additional information regarding the separately issued actuarial valuation report contact the City of San Antonio Human Resource Department, Employee Benefit Division, at 111 Soledad, Suite 200, San Antonio, Texas, 78205. The City's Retiree Health Care Fund's financials are reported as a fiduciary fund in the City's CAFR. The City's CAFR is available for viewing at www.sanantonio.gov.

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund

Plan Description — The Fire and Police Retiree Health Care Fund, San Antonio (Health Fund) is a Texas statutory retirement health trust for firefighters and police officers of the City, established under Article 6243q, Vernon's Texas Civil Statutes. The trust holds assets and liabilities of the City's Fire and Police Retiree Health Care Plan (Plan). This Plan is a single-employer defined benefit postemployment health care plan that was created in October 1989 in accordance with provisions established by contract with the local fire and police unions to provide postemployment healthcare benefits to police officers and firefighters of the City retiring after September 30, 1989. Authority to establish and amend the Plan's postemployment health care benefits is based on regulations enacted by the Texas Legislature that control the operation of the Health Fund. The statutory trust is governed by a Board of Trustees that meets on a monthly basis. The Board consists of nine members: the Mayor or his representative; two members of the City Council; one retired and two active duty police officers; and one retired and two active duty firefighters. The City is the only participating employer in the Plan.

WEB-TPA Employer Services, LLC and WellDyncRx serve as the medical and prescription third party administrators for the Health Fund.

Benefits Provided — The Health Fund provides postretirement health benefits for uniform employees of the fire and police departments who become eligible retirees, and their spouses. Eligible retirees are those who retire after October 1, 1989. Eligible spouses are spouses at the time of retirement of the eligible retirees and either remain married to or survive the eligible retiree. In addition, eligible spouses include the surviving spouses of active members whose death was duty-related or who died while eligible for retirement. Retirement eligibility is according to the provisions of the Fire and Police Pension Fund, San Antonio, which requires 20 or more years of service after completing the required training to be certified.

The health benefits are indemnity style coverage with a maximum annual deductible per individual (\$737 innetwork) and maximum out-of-pocket payments per individual (\$2,798 in-network) (amounts not expressed in thousands). After age 65, the benefits are coordinated with Medicare. The maximum deductible and out-of-pocket payments are indexed according to the annual increase in the medical care category of the CPI-U.

Contributions — Since its inception, the Health Fund has been funded primarily by contributions from the City and active firefighters and police officers, as part of the compensation for services rendered by members, and by contributions made by retirees for their dependents. As of the January 1, 2019 valuation date, the contributions required by the City were 11.37% of average covered pay of the combined fire and police departments for the City's fiscal year 2019. For the active fire and police employees, the contributions required were 5.69% of the average covered pay for the City's fiscal year 2019.

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Going forward, the total statutorily determined contribution rates effective October 1, 2019 through October 1, 2022 are presented in the table below.

Contribution Rates							
Effective Date	City	Member	Total				
10/1/2019	12.51%	6.26%	18.77%				
10/1/2020	13.00%	6.50%	19.50%				
10/1/2021 ¹	13.00%	6.50%	19.50%				
10/1/2022 ¹	13.00%	6.50%	19.50%				

¹ The January 1, 2020 actuarial valuation will determine the actual increase beginning October 1, 2021, where necessary.

Total contributions by the City and active members for fiscal year-ended September 30, 2019 were \$33,987 and \$16,976 respectively.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees. The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year-ending December 31, 2018, the money-weighted rate of return on plan investments was (5.67%). The measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

Membership in the Plan consisted of the following at December 31, 2018 (not expressed in thousands):

Active members	4,022
Inactive members currently receiving benefits	3,853
Total Membership	7,875

Net OPEB Liability — The net OPEB liability of \$627,466 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2019.

Total OPEB liability	\$ 991,905
Plan fiduciary net position	364,439
Net OPEB Liability	\$ 627,466
Plan fiduciary net position as a	
percentage of the total OPEB liability	36.74%

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Actuarial Assumptions — The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the Entry Age Normal actuarial cost method, the Level dollar amortization method, and the following assumptions, applied to all periods included in the measurement:

Inflation 3.00%

Salary increases 3.00% plus merit and promotion increases

that vary by age and service

Discount rate 7.25%

Health benefit costs trend rates 7.50% for 2020 decreasing 0.50% per year to an

ultimate rate of 4.50% for 2026 and beyond

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for males and for females (sex distinct) projected to 2024 by scale AA. The assumed retirement rates, termination rates, and rates of merit and promotion increases were based on an experience study of the Pension Fund over the five plan years-ending in 2014. The discount rate was based on the expected long-term rate of return for the Fund and is the same as in the prior actuarial valuation.

The long-term expected rate of return on plan investments is reviewed for each actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by target asset allocation percentage (currently resulting in 4.66%) and by adding expected inflation (3.00%). In addition, the final 7.25% assumption was selected by rounding down.

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Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

		Long-Term
	Target	Expected Net Real
Asset Class	Allocation	Rate of Return
Equities		
Domestic large cap	8.00%	6.37%
Domestic small cap	4.00%	6.06%
International developed	10.00%	6.64%
Emerging markets	9.00%	7.91%
Fixed Income		
Domestic core plus	12.00%	2.09%
Domestic TIPS	8.00%	1.87%
Bank loans	5.00%	2.54%
Emerging markets	4.00%	2.16%
Domestic high yield	2.00%	2.73%
Alternatives		
Private equity	14.00%	7.10%
Real estate	11.00%	3.62%
Hedge funds	2.00%	2.15%
Natural resources	10.00%	3.56%
Cash	1.00%	0.31%
Total	100.00%	
Weighted Average		4.66%

Discount Rate — The discount rate used to measure the total OPEB liability was 7.25%. No projection of cash flows was used to determine the discount rate because the January 1, 2019 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years beginning in 2020. Because the 30-year amortization period of the UAAL, the plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on plan investments of 7.25% was applied to all periods of projected benefit payments as the discount rate to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following shows the net OPEB liability, calculated using the discount rate of 7.25% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (6.25%) or 1.00% higher (8.25%) than the current rate:

	1.00% Decrease		Curre	ent Discount	1.00% Increase		
		6.25%	7.25%		8.25%		
Net OPEB Liability	\$	773,117	\$	627,466	\$	507,668	

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current net OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the net OPEB liability would be if it were calculated using trend rates that are 1.00% lower (6.50% decreasing to 3.50%) or 1.00% higher (8.50% decreasing to 5.50%) than the assumed health benefit costs trend rates:

	1.00% Decrease		Assu	ımed Rates	1.00% Increase		
	(6.50% decreasing to			(7.50%	(8.50% decreasing to		
			ded	reasing to			
		3.50%)	4.50%)		5.50%)		
Net OPEB Liability	Ś	492.462	\$	627.466	\$	796.319	

Changes in the Net OPEB Liability — The following table shows the changes in the Net OPEB Liability as of the fiscal year-ended December 31, 2019, based on the measurement date of December 31, 2018.

Changes in the Net OPEB Liability		
Total OPEB Liability		
Service Cost	\$	25,345
Interest		71,055
Difference between expected and actual experience		2,169
Assumption changes		(43,489)
Benefit payments		(35,821)
Net change in Total OPEB Liability	\$	19,259
Total OPEB Liability - Beginning		972,646
Total OPEB Liability - Ending	\$	991,905
Plan Fiduciary Net Position		
Contributions - Employer	\$	30,892
Contributions - Employee		15,442
Net investment income (loss)		(21,629)
Benefit payments, including Refunds of		
Employee Contributions		(35,821)
Administrative Expense		(3,070)
Other		1,817
Net change in Plan Fiduciary Net Position	\$	(12,369)
Plan Fiduciary Net Position - Beginning		376,808
Plan Fiduciary Net Position - Ending	\$	364,439
Net OPEB Liability	\$	627,466

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

OPEB Expense — For the year-ended September 30, 2019, based on the actuarial valuation of December 31, 2018, the recognized OPEB expense was \$57,643. Amounts recognized in the fiscal year represent changes between current and prior measurement dates.

Schedule of OPEB Expense						
Service Cost	\$	25,345				
Interest		71,055				
Employee Contributions		(15,442)				
Projected Earnings on OPEB Plan Investments		(27,647)				
Amortization of differences between projected and actual earnings						
on plan investments		9,847				
Amortization of changes of assumptions		(6,640)				
Amortization of differences between expected and actual experience		(307)				
OPEB plan administrative expenses		3,249				
Other contributions (retirees)		(1,817)				
Total OPEB Expense	\$	57,643				

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2019, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Out	eferred flows of sources	Deferred (Inflows) o Resources			
Difference in expected and actual experience	\$	1,792	\$	(4,168)		
Changes of assumptions				(59,747)		
Net difference in projected and actual						
earnings on OPEB plan investments		39,400				
Total	\$	41,192	\$	(63,915)		

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred					
Year-Ended	Outflows (Inflows					
December 31,	of Resources					
2020	\$	2,900				
2021		2,900				
2022		2,900				
2023		2,909				
2024		(6,947)				
Thereafter		(27,385)				
Total	\$	(22,723)				

Subsequent to the measurement date of the net OPEB liability, December 31, 2018 through fiscal year-end September 30, 2019, the total contributions of \$24,896 is a deferred outflow of resources that will be recognized as a reduction to the net OPEB liability in the fiscal year-ending September 30, 2020.

Contact Information — Additional information regarding the Health Fund separately issued stand-alone financial report, or the actuarial valuation report for OPEB, may be obtained at 11603 W. Coker Loop, Suite 130, San Antonio, Texas, 78216.

CPS Energy

CPS Energy provides certain health, life insurance and disability income benefits for active and retired employees. CPS Energy employees and their dependents may elect to participate in the plans and most CPS Energy employees continue eligibility upon retirement from CPS Energy. Disclosures in this footnote are limited to information related only to those benefits provided on a postemployment basis. Assets of the plans are held in three separate, single-employer contributory plans:

- CPS Energy Group Health Plan (Health Plan) a defined-benefit contributory group health plan that provides health, dental and vision benefits.
- CPS Energy Group Life Insurance Plan (Life Plan) a defined-benefit contributory plan that provides life insurance benefits.
- CPS Energy Long-Term Disability Income Plan (Disability Plan) a defined-benefit contributory employer funded plan that provides disability income benefits.

The Employee Benefit Plans may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President and CEO, the Chief Financial Officer, and the Audit & Finance Committee of the Board.

CPS Energy (Continued)

The Employee Benefit Plans' assets are segregated from CPS Energy's assets and are separately managed by an Administrative Committee whose members are appointed by the EBOC. The plans report results on a calendar-year basis and issue separately audited financial statements that may be obtained by contacting Benefit Trust Administration at CPS Energy. The Employee Benefit Plans' financial statements include certain disclosures related to CPS Energy's Net OPEB (asset) liability. However, because the financial reporting and OPEB measurement dates for the Employee Benefits Plans and CPS Energy are not aligned, the Employee Benefit Plans' disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

Benefits Provided — The Health Plan provides health, dental and vision benefits to eligible retirees, including their enrolled dependents, and the spouse and dependent children of deceased employees. The Life Plan provides life insurance benefits and death benefits to eligible retired employees and enrolled dependents. The Disability Plan provides disability income benefits to employees as of an employee's date of hire; however, benefits under the Plan are reduced if the employee is receiving certain other disability, retirement or welfare benefits.

The following table presents information about the Employee Benefit Plans participants covered by the benefit terms. Participants providing the basis of the actuarial valuation used to calculate the net OPEB liability, as of the measurement date were:

Membership as of the Valuation Date	January 31, 2019					
	Health	Life	Disability			
Number of:	· ·					
Active Participants	2,886	2,886	2,992			
Participants currently receiving benefits		2,268	69			
Retirees receiving medical and vision	1,926					
Retirees receiving dental	1,863					
Total	6,675	5,154	3,061			
•						

Contributions — The funding requirements for both the plan participants and the employer are established by and may be amended by CPS Energy. Funding is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by CPS Energy. The current policy of CPS Energy is to use each actuarial valuation as the basis for determining monthly employer contributions to the plans during the fiscal year beginning 13 months after the valuation date. The January 1, 2017 valuation was the basis for contributions in fiscal year 2019.

Retired employees contribute to the Health Plan in varying amounts depending upon an equity formula that considers age and years of service. Individuals who retired before February 1, 1993, contribute a base rate plus 2.25% of the difference between that amount and the aggregate rate for each year that the sum of age and service is less than 95. Those who retired on or after February 1, 1993, contribute a base rate plus a percentage of the CPS Energy contribution, based on the number of years of service, if they retired with less than 35 years of service. Based on the funded status of the Health Plan, CPS made no contributions in fiscal year 2019.

CPS Energy (Continued)

The Medicare Prescription Drug Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D entitled the Health Plan to receive retiree drug subsidy payments from the federal government to offset pharmacy claims paid by the Health Plan on behalf of certain plan participants. These payments totaled \$998 for fiscal year 2019. In accordance with GASB Technical Bulletin 2006-01, Accounting and Financial Reporting by Employers for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D, future projected payments from the federal government have not been used to lessen total projected obligations under CPS Energy's Health Plan.

Active employees contribute to the Life Plan at a rate of \$0.13 per \$1 of insurance per month on amounts in excess of \$20. Employees who retired prior to February 1, 1993, contribute to the Life Plan at a rate of \$0.13 per \$1 of insurance per month on amounts in excess of \$20 plus 2.25% of the difference between that amount and the aggregate rate for retiree coverage for each year the sum of retirement age and service is less than 95. Those who retired on or after February 1, 1993, contribute \$0.13 per \$1 of insurance per month on amounts in excess of \$20 plus a percentage of the CPS Energy contribution, based on number of years of service, if they retired with less than 35 years of service. Based on the funded status of the Life Plan, CPS made no contributions in fiscal year 2019.

Beginning in fiscal year 2015, the Disability Plan is funded by a combination of employee and employer contributions. Active employee contribution rates are determined by CPS Energy and may be adjusted on an annual basis. CPS Energy's contributions are determined on a discretionary basis and are generally based on the actuarial valuation calculations. Retired employees are not eligible to participate and therefore do not contribute to the Disability Plan. Prior to fiscal year 2015, the Disability Plan was funded completely by CPS Energy. CPS Energy's average contribution rate was 0.40% of covered-employee payroll in fiscal year 2019.

CPS Energy's net OPEB (asset) liability at January 31, 2019 was measured as of January 31, 2018. The total OPEB liability used to calculate the net OPEB (asset) liability was determined by actuarial valuations as of January 1, 2017, rolled forward using generally accepted actuarial procedures to the January 31, 2018 measurement date. The components of CPS Energy's net OPEB (asset) liability at January 31, 2019, were as follows:

	Health		 Life	Dis	sability	Total		
Total OPEB liability	\$	253,241	\$ 46,800	\$	6,366	\$	306,407	
Plan fiduciary net position		289,821	 54,921		5,396		350,138	
Net OPEB (asset) liability	\$	(36,580)	\$ (8,121)	\$	970	\$	(43,731)	
Plan fiduciary net position as a percentage of the total OPEB liability		114.44%	117.35%		84.76%		114.27%	

CPS Energy (Continued)

Actuarial Methods and Assumptions — Significant actuarial assumptions used in the calculations for the January 1, 2017, actuarial valuation for fiscal year 2019 included (a) a rate of return on the investment of present and future assets of 7.25% for the Health, Life and Disability Plans (b) a Consumer Price Index increase of 3.00% per year for the Life and Disability Plan, (c) projected annual base salary increases for the Health Plan ranging from 3.10% to 11.60% depending on age and projected annual salary increases of 4.54% and 4.72% for the Life and Disability Plans, respectively; and (d) overall medical and prescription cost increases projected at 7.00% for 2017, decreasing annually to 5.00% in 2022 and thereafter. Mortality rates for retirees were based on the RP-2016 Combined Healthy, with No Collar Adjustment, Male and Female tables; with MP-2016 Mortality Improvement Scale. Mortality rates for disabled lives were based on the 1987 Commissioners Group Disabled Life Mortality Table.

The actuarial assumptions used in the January 1, 2017 valuation for amounts reported in fiscal year 2019 were based on the results of an actuarial experience study completed in 2017 covering experience for the period January 1, 2012 through December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns on Employee Benefit Plans investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, then reduced by a factor representing inflation to produce long-term expected real rates of return for each major asset class. The assumed allocation and expected real rates of return for each major asset class are summarized in the table below.

	Assumed Asset	Expected Real
	Allocation	Rate of Return
Asset Class		
Equities	54.50%	5.10%
Debt securities	28.50%	3.10%
Alternative investments	17.00%	5.60%
Total Investments	100.00%	

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate — The discount rate used to measure the total OPEB liability for fiscal year 2019 was 7.25%. The projection of cash flows used to determine the discount rate assumed that CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CPS Energy (Continued)

The following tables present the sensitivity of the net OPEB (asset) liability calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total OPEB Liability:

1.00% Decrease		Curre	ent Discount	1.00% Increase			
6.25%			7.25%	8.25%			
\$	(6,335)	\$	(36,580)	\$	(66,824)		
	(1,665)		(8,121)		(14,303)		
	1,131		970		819		
\$	(6,869)	\$	(43,731)	\$	(80,308)		
		6.25% \$ (6,335) (1,665) 1,131	\$ (6,335) \$ (1,665) 1,131	6.25% 7.25% \$ (6,335) \$ (36,580) (1,665) (8,121) 1,131 970	6.25% 7.25% \$ (6,335) \$ (36,580) \$ (1,665) (1,665) (8,121) 1,131 970		

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates - The following table presents the sensitivity of net Health Plan OPEB (asset) calculation to a 1.00% increase and a 1.00% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB (asset):

	1.00	1.00% Decrease		Current Discount		% Increase	
		(6.00%		(6.00% (7.00%		(8.00%
	de	decreasing to		decreasing to		reasing to	
		4.00%)		5.00%)		5.00%)	
Health Plan OPEB (Asset)	\$	(63,986)	\$	(36,580)	\$	(3,849)	

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CPS Energy (Continued)

Net OPEB (Asset) Liability — CPS Energy's net OPEB (asset) liability at January 31, 2019 was measured as of January 31, 2018. The total OPEB liability used to calculate the net OPEB (asset) liability was determined by actuarial valuations as of January 1, 2017, rolled forward using generally accepted actuarial procedures to the January 31, 2018 measurement date.

Changes in Net OPEB (Asset) Liability									
	Health Life Disability		sability	Total					
Total OPEB Liability									
Service cost	\$	3,376	\$	349	\$	516	\$	4,241	
Interest cost		17,182		3,432		473		21,087	
Changes in Plan Benefits		415						415	
Changes in Assumptions		9,657		(457)		94		9,294	
Benefit payments		(12,197)		(3,813)		(1,012)		(17,022)	
Net Change in Total OPEB Liability		18,433		(489)		71		18,015	
Total OPEB Liability - Beginning		234,808		47,289		6,295		288,392	
Total OPEB Liability - Ending	\$	253,241	\$	46,800	\$	6,366	\$	306,407	
Plan Fiduciary Net Position									
Contributions - employer	\$	-	\$	-	\$	1,300	\$	1,300	
Contributions - employee		7,156		1,000		265		8,421	
Medicare Part D payment		998						998	
Earnings on Plan assets		41,718		8,066		627		50,411	
Benefit payments		(19,353)		(3,813)		(1,012)		(24,178)	
Administrative expense		(1,346)		(30)		(18)		(1,394)	
Net Change in Plan Fiduciary Net Position	\$	29,173	\$	5,223	\$	1,162	\$	35,558	
Plan Fiduciary Net Position - Beginning		260,648		49,698		4,234		314,580	
Plan Fiduciary Net Position - Ending	\$	289,821	\$	54,921	\$	5,396	\$	350,138	
Net OPEB (Asset) Liability	\$	(36,580)	\$	(8,121)	\$	970	\$	(43,731)	

CPS Energy recorded \$962 in OPEB expense for the year-ended January 31, 2019.

Plan Fiduciary Net Position — Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Employee Benefit Plans financial statements. For purposes of measuring the net OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position for the Employee Benefit Plans and additions to/deductions from the Employee Benefit Plans' fiduciary net position have been determined on the same basis as they are reported by the Employee Benefit Plans. Investments are stated at fair value. Benefit payments are recognized when due and payable in accordance with the terms of the Employee Benefit Plans.

CPS Energy (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for CPS Energy at January 31, 2019:

	H	lealth	 Life	Disa	ability	 Total
Deferred Outflows of Resources Changes in Assumptions Differences between expected and actual experience in the measurement of	\$	8,278	\$ -	\$	80	\$ 8,358
total OPEB liability		340	1,698		182	 2,220
Total Deferred Outflows of Resources	\$	8,618	\$ 1,698	\$	262	\$ 10,578
Deferred Inflows of Resources Changes in Assumptions Differences between projected and actual	\$	-	\$ (392)	\$	-	\$ (392)
earnings on OPEB assets Total Deferred Inflows of Resources	\$	(19,416) (19,416)	\$ (3,197) (3,589)	\$	(149) (149)	\$ (22,762) (23,154)

Subsequent to the measurement date and through fiscal year-end 2019, CPS contributed \$1,000 to the Disability Plan.

The following table presents the future amortization of OPEB-related deferred outflows of resources and deferred inflows of resources, excluding the balance attributable to the employer's contribution to the Employee Benefit Plans in the current fiscal year and subsequent to the net OPEB (asset) liability measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net OPEB (asset) liability in the subsequent fiscal year.

Year-ended						
January 31,	Health	Life	Disability	Total		
2020	\$ (1,001)	\$ 46	\$ 69	\$ (886)		
2021	(1,985)	(191)	41	(2,135)		
2022	(7 <i>,</i> 558)	(1,341)	(52)	(8,951)		
2023	(3,082)	(615)	(8)	(3,705)		
2024	1,448	275	50	1,773		
Thereafter	1,380	(65)	13	1,328		
Total	\$ (10,798)	\$ (1,891)	\$ 113	\$ (12,576)		

San Antonio Water System (SAWS)

SAWS provides certain healthcare and life insurance benefits for eligible retirees, their spouses, and their dependents through San Antonio Water System Retiree Health Trust (SAWS OPEB Plan), a single-employer defined benefit plan administered by SAWS. The authority to establish and amend the OPEB provisions is vested in the SAWS Board of Trustees.

By State law, any employee that retires under either the TMRS or SAWS retirement plans is eligible, at the time of retirement, to obtain health insurance benefits similar to those offered to active SAWS employees. Retirees may also purchase coverage for their spouse and qualifying dependents at group rates partially subsidized by SAWS. Any plan participant eligible for Medicare is required to enroll in a Medicare Advantage Plan. No supplemental health benefits are provided to those participants enrolled in Medicare Advantage Plans. Employees hired after December 31, 2013 will not be eligible for any subsidized medical benefits upon retirement from SAWS.

SAWS does not issue a separate financial report for its OPEB plan.

The following is the participant summary as of January 1, 2018, the most recent actuarial valuation date:

Active employees	1,131
Retired employees	852
Total	1,983

Contributions — The contribution requirements of plan participants are established and may be amended by the SAWS Board. Contributions made by retirees for health insurance benefits vary based on retirement date, years of service and the health care options selected. Plan participants made contributions toward plan benefits totaling \$1,353 for year-ended December 31, 2018.

SAWS contributions to the plan are also established by the Board. Prior to 2012, SAWS only funded the shortfall between annual benefit payments and retiree contributions (current benefit payments). In March 2012, SAWS established an OPEB Trust for the exclusive purpose of prefunding future benefit payment for eligible retirees and their dependents. In addition to making contributions to the trust, SAWS has continued to fund current benefit payments outside of the trust. SAWS intends to fund current benefit payments as well as make annual contributions to the trust in accordance with a plan that, at a minimum, fully funds the actuarially determined annual required contributions for these benefits thereby improving the funded status of the SAWS OPEB Plan over a period of time.

Actuarial Methods and Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

San Antonio Water System (SAWS) (Continued)

The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for SAWS' OPEB plan.

Assumptions						
Actuarial Valuation Date	1/1/2018					
Actuarial Value of Assets	Market Value					
Actuarial Cost Method	Entry Age Normal					
Remaining Amortization Period	16 Years - Closed					
Actuarial Assumptions:						
Investment Rate of Return	6.50%					
Inflation Rate	2.50%					
Healthcare Cost Trend:						
Initial	5.50%					
Ultimate	3.84%					

For the 2018 valuation, the mortality rate was based on RP-2014 Healthy Employee mortality Tables for males and females for pre-retirement employees and RP-2014 Healthy Annuitant Mortality Table for postemployment retirees. Historical and assumed mortality improvement (MI) was based on the Principal Mortality Improvement (PMI) Scale used by SAWSRP. This scale was updated for the 2018 valuation.

Net OPEB Liability — The net OPEB liability was determined by an actuarial valuation as of January 1, 2018.

Total OPEB liability	\$ 146,691
Plan fiduciary net position	 58,511
Total OPEB Liability	\$ 88,180
Plan fiduciary net position as a	
percentage of the total OPEB liability	39.89%

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San Antonio Water System (SAWS) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate — The discount rate used to measure the Total OPEB Liability at December 31, 2018 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

The following table presents the SAWS OPEB Plan Net OPEB Liability calculated at December 31, 2018 using the discount rate of 6.50%, as well as what the Net OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

	1.00	1.00% Decrease		rent Discount	1.00% Increase		
		5.50%		6.50%		7.50%	
Total OPEB Liability	\$	106,770	\$	88,180	\$	72,899	

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates – The following table presents the change in the SAWS OPEB Plan Net OPEB Liability calculated at December 31, 2018 assuming healthcare cost trends decrease or increase by one percentage point from the assumptions used in Total OPEB liability.

	1.0	0% Decrease	Assı	umed Rates	1.00	0% Increase
	(4.50% (5.50%			(6.50%		
	decreasing to		de	decreasing to		creasing to
	2.84%)		2.84%) 3.84			4.84%)
Total OPEB Liability	\$	74,140	\$	88,180	\$	105,192

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The long-term expected rate of return amounts does not include inflation.

	January 1, 2018					
		Long-term expected real				
Asset Class	Target Allocation	rate of return				
Fixed Income - Core Bond	38.0%	0.72%				
Domestic Equity - Large Cap	36.0%	6.45%				
Foreign Equity - Large Core	12.3%	6.35%				
Domestic Equity - Small Cap	9.0%	7.82%				
Foreign Equity - Emerging Markets	2.7%	8.96%				
Cash	2.0%	0.00%				
Total	100.0%					

San Antonio Water System (SAWS) (Continued)

SAWS implemented GASB Statement No. 75 in 2018. The following table summarizes the changes in Net OPEB Liability at December 31, 2018 in accordance with this Statement.

Changes in the Total OPEB Liability				
Total OPEB Liability				
Service Cost	\$	2,428		
Interest	Y	9,221		
Assumption changes		(351)		
Difference between expected and actual		(331)		
•		/2 2E0\		
experience		(3,358)		
Benefit payments		(6,209)		
Net change in Total OPEB Liability	\$	1,731		
Total OPEB Liability - Beginning		144,960		
Total OPEB Liability - Ending	\$	146,691		
Plan Fiduciary Net Position				
Contributions - Employer	\$	13,709		
Contributions - Employee				
Net investment income		7,127		
Benefit payments		(6,209)		
Administrative Expense		(144)		
Net change in Plan Fiduciary Net Position	\$	14,483		
Plan Fiduciary Net Position - Beginning		44,028		
Plan Fiduciary Net Position - Ending	\$	58,511		
Total OPEB Liability	\$	88,180		

OPEB Expense – SAWS recognized \$6,997 in OPEB expense for the fiscal year-ended December 31, 2018 based on a measurement date of December 31, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The following table summarizes Deferred Outflows of Resources and Deferred Inflows of Resources associated with the SAWS OPEB plan at December 31, 2018 from the following sources:

	Outfl	erred ows of ources	(Inf	eterred flows) of sources
Difference in expected and actual experience	\$	-	\$	(2,552)
Changes of assumptions				(267)
Net difference in projected and actua	l			
earnings on OPEB plan investments				(3,221)
Total	\$		\$	(6,040)

Notes to Financial Statements

Note 10 Postemployment Retirement Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

Contributions made after the measurement date of \$15,308 will be recognized as a reduction of the Net OPEB Liability for the year-ending December 31, 2018. Other amounts reported as deferred inflow of resources will be recognized in OPEB expense as follows:

	Ne	t Deferred
Year-Ended	Outfl	ows (Inflows)
December 31,	of	Resources
2019	\$	(1,695)
2020		(1,695)
2021		(1,695)
2022		(955)
2023		
Thereafter		
Total	\$	(6,040)

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Note 11 CPS Energy South Texas Project (STP)

Joint Operations

Units 1 and 2 — CPS Energy is one of three participants in STP, currently a two-unit nuclear power plant with each unit having a nominal output of approximately 1,330 MW. The other participants in STP Units 1 and 2 are NRG South Texas LLP, a wholly owned subsidiary of NRG Energy, Inc. (NRG), and the City of Austin. The units, along with their support facilities and administrative offices, are located on a 12,220-acre site in Matagorda County, Texas. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. CPS Energy's 40.0% ownership in STP Units 1 and 2 represents approximately 1,064 MW of total plant capacity.

Effective November 17, 1997, the Participation Agreement among the owners of STP was amended and restated. At that time, the South Texas Project Nuclear Operating Company (STPNOC), a Texas nonprofit, nonmember corporation created by the owners, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STPNOC. STPNOC is financed and controlled by the owners pursuant to an operating agreement among the owners and STPNOC. Currently, a four-member board of directors governs STPNOC, with each owner appointing one member to serve with STPNOC's chief executive officer.

In September 2017, the Nuclear Regulatory Commission (NRC) approved STPNOC's license renewal applications for STP Units 1 and 2, which extends the operating licenses to 2047 and 2048, respectively.

Under the Nuclear Waste Policy Act (NWPA), the Department of Energy (DOE) has an obligation to provide for the permanent disposal of high-level radioactive waste, which includes used nuclear fuel at U.S. commercial nuclear power plants such as STP. To fund that obligation, all owners or operators of commercial nuclear power plants entered into a standard contract under which the owners paid a fee to the DOE based on the amount of electricity generated and sold from the power plant, along with additional assessments. In exchange for collecting this fee and the assessments, the DOE undertook the obligation to develop a high-level waste repository for safe, long-term storage of the fuel and, no later than January 31, 1998, to transport and dispose of the used fuel. To date, no high-level waste repository has been licensed to accept used fuel. The National Association of Regulatory Utility Commissioners (NARUC) challenged further collection of this fee; and on November 19, 2013, the Court ruled in favor of NARUC and ordered the DOE to submit to the U.S. Congress a proposal to reduce the fee to zero until certain conditions are met. While the reporting to the DOE of used nuclear fuel volumes will continue, effective May 16, 2014, the rate was reduced to zero.

Multiple cases have been filed in the U.S. Court of Federal Claims by the existing owners or operators of nuclear facilities against the DOE related to its failure to meet its obligations under the NWPA. The owners/operators were seeking damages related to ongoing used nuclear fuel storage costs incurred because the DOE did not meet its obligation. On August 31, 2000, in *Maine Yankee Atomic Power Company, et. al. v. United States*, the U.S. Court of Appeals for the Federal Circuit affirmed that the DOE had breached its obligations to commercial nuclear power plant owners for failing to live up to its obligations to dispose of used nuclear fuel. Subsequent to that decision, the DOE settled with certain commercial nuclear power plant owners and agreed to provide funds to pay for storage costs while the DOE continues to develop a permanent high-level waste repository.

Joint Operations (Continued)

In February 2013, STPNOC, on behalf of the owners of STP, entered into a similar settlement with the DOE. Under the terms of the settlement, the DOE reimbursed STP for certain costs incurred in continuing onsite storage of all of its used nuclear fuel through December 2013. A settlement extension, executed on January 24, 2014, extended the term of the Spent Fuel Settlement Agreement with the DOE through December 31, 2016. In the most recent settlement agreement dated March 15, 2017, the DOE extended its commitment to reimburse STP for allowable spent fuel management expenditures through December 31, 2019. Pursuant to STPNOC's analysis of NRC guidance, STPNOC recently completed building an on-site independent spent fuel storage installation (ISFSI or the Dry Cask Storage Project) and the ISFSI commenced operations in January 2019.

Ongoing costs for the spent fuel management project are being funded by the STP owners as expenditures are incurred. CPS Energy requests reimbursement periodically from its Decommissioning Trusts for CPS Energy's portion of allowable costs. Annually, STPNOC submits claims to the DOE for the reimbursement of allowable costs for spent fuel management. Allowable costs are returned by STP to the owners upon receipt of funds from the DOE. In turn, the settlement amount received from the DOE by CPS Energy is reimbursable to the Trusts. Qualifying spent fuel management costs not reimbursable by the DOE are funded by the Trusts. Any costs not reimbursable by the DOE or the Trusts are recorded as an STP operating and maintenance expense or capital costs.

On March 11, 2011, a region of Japan sustained significant loss of life and destruction as a result of a major earthquake and resulting tsunami. Following the incident, the NRC convened a Near-Term Task Force to conduct a review of the Commission's processes and regulations in light of the events at Fukushima. The Near-Term Task Force's 90-day report confirmed the safety of U.S. nuclear power plants and included 12 recommendations to the NRC to enhance readiness to safely manage severe events. The NRC Commissioners directed the staff to implement several of the recommendations that were identified as those that should be implemented without unnecessary delay. In addition, the Commissioners directed the staff to identify the schedule and resource needs associated with those Near-Term Task Force recommendations that were identified as long-term actions and/or that require additional staff study to inform potential regulatory changes. On March 12, 2012, the NRC issued three Orders and one Request for Information letter. These actions represented the first regulatory activity initiated as a result of the lessons learned from the events at Fukushima. The Orders outlined actions that must be taken and also provided a compliance deadline. License holders were to complete the actions within two refueling outages or by December 31, 2016, whichever came first. To date, STPNOC has submitted the requested information and complied with the NRC Orders in a timely manner on all deadlines that have come due.

Unit 1 Project – On November 18, 2015, STP Unit 1 Shutdown Bank Control Rod D6 was determined to be inoperable following a scheduled refueling and maintenance outage. In December 2016, STP received notification from the NRC that Unit 1 Control Rod D6 License Amendment Request (LAR) had been approved. The approved LAR permanently changes the Unit 1 Technical Specifications to reflect future operations without Shutdown Bank Control Rod D6. The approved changes were implemented during the spring 2017 Unit 1 refueling outage.

Joint Operations (Continued)

On February 9, 2017, STPNOC received a final significance determination notice from the NRC that concluded a previously identified security-related finding was Greater than Green and of low to moderate significance. The finding was identified during an NRC inspection conducted from October 19 through December 1, 2016. STPNOC took prompt actions to address the finding. Beginning February 16, 2017, the NRC webpage reflected STP Units 1 and 2 in the Regulatory Response column of the Reactor Oversight Process (ROP) Action Matrix. In August 2017, STP successfully completed an NRC Inspection (95001) and in September 2017, the NRC determined that the actions taken by STPNOC were effective in identifying and correcting the cause and returned STP to the Licensee Response column of the NRC ROP effective October 2017.

On June 24, 2017, STPNOC informed the owners that they had received NRC notification regarding two proposed apparent violations related to an Office of Investigation (OI) review into its Fire Watch Program. The two proposed violations were both based on results of the OI investigation into apparent willful violations involving the Fire Marshall during the 2014 – 2015 timeframe. Both violations are related to the falsification of Fire Watch records, whereby the Fire Marshall failed to provide complete and accurate information. Following an internal STP investigation into the Fire Watch Program in 2015, the Fire Marshall was terminated.

The NRC assessed these issues under the Traditional Enforcement program and recommended Severity Level 3 for these apparent violations because they involved supervisory personnel. For reference, Severity Level 4 violations are the lowest level of significance, with Severity Level 1 infractions being the most severe.

On June 29, 2017, STPNOC received a letter from the NRC that includes options of response. In response, STP documented in its corrective action program the reasons for the violations and the actions taken to address the issue. The NRC has noted that STP has already taken significant actions to address the Fire Marshall issue.

In late August 2017, the NRC upheld their recommendation and assigned Severity Level 3 to the violations under the Traditional Enforcement program. The NRC noted to STPNOC that civil penalty could have been assessed for these violations but the NRC considered STP's significant actions to address the issues and terminate the employment of the Fire Marshall. The NRC assigned credit for these actions and the violations were closed with no further action.

On January 11, 2018, STPNOC received a draft notice of enforcement letter from the Texas Commission on Environmental Quality (TCEQ) for three violations, which all occurred in 2016. The violations were identified and reported by STPNOC to TCEQ and are related to STP's air quality permit. These deviations were included in STP's 2017 semi-annual report submitted to the TCEQ in February 2017.

On February 15, 2018, the TCEQ transmitted a proposed agreed order assessing a minimal administrative penalty regarding the Notice of Enforcement issued on January 11, 2018, for late reporting of the air quality permit deviation in 2016. The order acknowledges that STP submitted the report in February 2017 and did not require any additional corrective action. On June 26, 2018, the TCEQ issued a letter approving closure of the enforcement action received in January 2018 related to an air quality permit violation that occurred in 2016. The TCEQ acknowledged that corrective action was complete and the administrative penalty had been paid. No further action is required.

Joint Operations (Continued)

Units 3 and 4 Project – In September 2007, NRG and CPS Energy signed the South Texas Project Supplemental Agreement under which CPS Energy elected to participate in the development of two new nuclear units at the STP site, STP Units 3 and 4, pursuant to the terms of the participation agreement among the STP owners and agreed to potentially own up to 50.0% of STP Units 3 and 4. Also in September 2007, STPNOC, on behalf of CPS Energy and NRG, filed with the NRC a combined construction and operating license (COL) application to build and operate STP Units 3 and 4. This COL application was the first complete application for new commercial nuclear units to be filed with the NRC in nearly 30 years. On November 29, 2007, the NRC announced it had accepted the COL application for review.

On March 26, 2008, NRG announced the formation of Nuclear Innovation North America (NINA). Upon the formation of NINA, NRG had an 88.0% ownership interest in NINA, while Toshiba America Nuclear Energy Corporation (TANE) owned the remaining 12.0%. NRG contributed its 50.0% ownership of, and its development rights to, STP Units 3 and 4 to NINA. As a result, NINA became CPS Energy's partner for the co-development of STP Units 3 and 4.

In June 2009, CPS Energy management provided the Board its formal assessment and recommendations concerning these options compared to other possible new generation types including the first public estimate of the cost of the first possible project at \$13,000,000, inclusive of financing costs. Reports of higher cost estimates, however, resulted in reconsideration of the advisability of participating in the STP Units 3 and 4 Project and, ultimately, in CPS Energy's decision to limit participation in further development of STP Units 3 and 4. In a settlement negotiated with NRG and the other participants in the development of STP Units 3 and 4, CPS Energy received a 7.6% ownership interest in STP Units 3 and 4. CPS Energy is not liable for any STP Units 3 and 4 project development costs incurred after January 31, 2010.

Despite the project having secured the NRC's authorization for the issuance of the COL, in January 2016 CPS Energy concluded that as a result of sustained changes in a number of environmental and economic factors directly affecting the projected economic feasibility of completing construction of STP Units 3 and 4, the project had experienced a permanent impairment. CPS Energy determined it was appropriate to write off the entire investment in STP Units 3 and 4. The impairment loss was reported as an extraordinary item on CPS Energy's Statements of Revenues, Expenses, and Changes in Net Position for the period ended January 31, 2016. This noncash transaction did not impact CPS Energy's debt service coverage ratio; however, there was a resulting increase from 61.1% to 63.7% in the debt to debt and net position ratio at January 31, 2016.

In June 2018, NINA sent a written request to the NRC to terminate the STP Units 3 and 4 COLs. The NRC approved this request on July 12, 2018, thereby terminating the COLs for STP Units 3 and 4. Effective October 1, 2018, NINA executed an Assignment Agreement and Mutual Release with the owners of STP Units 1 and 2 and NINA Units 3 and 4. This agreement returns ownership of the STP Units 3 and 4 assets, including rights for future expansion, to the STP Units 1 and 2 owners and essentially restores the site ownership arrangement to pre-2006 terms.

See Note 5 Capital Assets for more information about CPS Energy's capital investment in STP.

Nuclear Insurance

STP maintains required insurance coverage pursuant to the Price-Anderson Act, providing limitations on liability and governmental indemnities with respect to nuclear incidents. Pursuant to the Price-Anderson Act, effective November 1, 2018, the maximum amount that each licensee may be assessed following a nuclear incident at any insured facility is \$137,600, taking into account a 5.0% adjustment for administrative fees and subject to adjustment for inflation every five years, for the number of operating nuclear units and for each licensed reactor, payable at \$200,496 per year per reactor for each nuclear incident. CPS Energy and each of the other participants of STP are subject to such assessments, which will be borne on the basis of their respective ownership interests. For purposes of these assessments, STP currently has two licensed reactors. The participants have purchased the maximum limits of nuclear liability insurance, as required by law, and have executed indemnification agreements with the NRC in accordance with the financial protection requirements of the Price-Anderson Act. A nuclear liability policy, with a maximum limit of \$450,000 for the nuclear industry as a whole, provides protection from nuclear related claims. A Master Worker Certificate policy, also with a maximum limit of \$450,000 for the nuclear industry as a whole, provides protection from radiation tort claims of workers at nuclear facilities.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage insurance in a minimum amount of approximately \$1,100,000. NRC regulations also require that the proceeds from this insurance be used first to ensure that the licensed reactor is in a safe and stable condition so as to prevent any significant risk to the public health or safety, and then to complete any decontamination operations that may be ordered by the NRC. Any funds remaining would then be available for covering direct losses to property.

The owners of STP Units 1 and 2 currently maintain nuclear property insurance at or above the legally required amount. The nuclear property insurance consists of primary property damage insurance and excess property damage insurance, both subject to a retrospective assessment being paid by all members of Nuclear Electric Insurance Limited (NEIL). A retrospective assessment could occur if property losses, as a result of an accident at any nuclear plant insured by NEIL, exceed the accumulated funds available to NEIL. CPS Energy also maintains accidental outage insurance through STP's NEIL membership that provides weekly indemnity payments for an insured property loss subject to an applied deductible period.

Nuclear Decommissioning

In 1991, CPS Energy started accumulating funds for the decommissioning of its 28.0% ownership in STP Units 1 and 2 in an external trust in accordance with the NRC regulations. The 28% Decommissioning Trust's assets and related liabilities are included in CPS Energy's financial statements as a component unit. Excess or deficient funds related to the 28% Trust will be distributed to or received from CPS Energy's ratepayers after decommissioning is complete.

In conjunction with the acquisition of the additional 12.0% interest in STP Units 1 and 2 in May 2005, CPS Energy also assumed control of a relative portion of the Decommissioning Trust previously established by the prior owner, American Electric Power (AEP). The 12% Decommissioning Trust's assets and related liabilities are also included in CPS Energy's financial statements as a component unit. Subject to Public Utility Commission of Texas (PUCT) approval as may be requested in the future, excess or deficient funds related to the 12% Trust will be distributed to or received from AEP's ratepayers after decommissioning is complete.

Nuclear Decommissioning (Continued)

CPS Energy, together with the other owners of STP Units 1 and 2, files a certificate of financial assurance with the NRC for the decommissioning of the nuclear power plant every two years or upon transfer of ownership. The certificate assures that CPS Energy and the other owners meet the minimum decommissioning funding requirements mandated by the NRC. The owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically.

In fiscal year 2009, CPS Energy determined that some preshutdown decommissioning and spent fuel management activities would be required prior to shutdown of STP Units 1 and 2. As a result, separate trust accounts were created to pay for preshutdown decommissioning activities. Additionally, funds in the Trusts applicable to spent fuel management were transferred to separate spent fuel management accounts so that they were not commingled with funds allocable to preshutdown or postshutdown decommissioning costs. Based on projected costs, the spent fuel management accounts are currently fully funded; therefore, no contributions were made to these accounts in fiscal year 2019. In fiscal year 2019, no contributions were made to fund preshutdown decommissioning costs for CPS Energy's 28.0% ownership in STP. No preshutdown decommissioning expenses were incurred for the 28.0% ownership in calendar year 2018. For the 12% Trust, preshutdown costs were funded by AEP's ratepayers. The 12% Trust incurred no preshutdown decommissioning expenses in the calendar year 2018.

The most recent cost study, which was finalized in May 2018, estimated decommissioning costs for the 28.0% ownership in STP Units 1 and 2 at \$694,056 and \$297,452 for the 12.0% ownership in STP Units 1 and 2 in 2018 dollars. Included in the cost study was a 10.0% contingency component as required to comply with the PUCT. Based on the level of funds accumulated in the 28% Trust and an analysis of this cost study, CPS Energy determined that no further decommissioning contributions will be required to be deposited into the Trust.

As of December 31, 2018, CPS Energy had accumulated \$414,763 in the 28% Trust. Total funds are allocated to decommissioning costs, preshutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2018, the 28% Trust funds allocated to decommissioning costs totaled \$264,096, which exceeded the calculated financial assurance amount of \$111,234.

As of December 31, 2018 \$152,925 had been accumulated in the 12% Trust. Total funds are allocated to decommissioning costs, preshutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2018, the 12% Trust funds allocated to decommissioning costs totaled \$105,510, which exceeded the calculated financial assurance amount of \$47,672.

Nuclear Decommissioning (Continued)

CPS Energy adopted GASB Statement No. 83 during fiscal year 2019 and concurrently restated its prior fiscal year financial statements to reflect the effects for all periods presented. Implementation of the new guidance resulted in a change in accounting for the decommissioning liability related to STP Units 1 and 2. CPS Energy accounts for decommissioning by recognizing its pro rata share of an Asset Retirement Obligation (ARO) based on the best estimate of the current values of outlays expected to be incurred, determined by the most recent cost study. A new cost study is performed every five years; and, in years subsequent to the latest study, the statement requires the current value of CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded a deferred outflow of resources that is being amortized over the remaining useful life of the plant which is calculated assuming the longer total plant life due to the license extensions approved in fiscal year 2018. Restatement for the ARO resulted in a change in the calculation of decommissioning expense reflected in the Statements of Activities, which is now based on the amortization of the deferred outflow.

Both Decommissioning Trusts also have separate calendar-year financial statements, which are separately audited and can be obtained by contacting the Controller at CPS Energy.

STP Pension Plan and Other Post-retirement Benefits

STPNOC maintains several pension and other post-retirement benefit plans covering most employees, including a noncontributory defined-benefit pension plan, defined-benefit post-retirement plan, supplementary nonqualified unfunded pension plan, supplemental retirement plan, deferred compensation program, and a contributory savings plan. The owners of STPNOC, including CPS Energy, although not sponsors to the STPNOC plans, share in all plan costs in the same proportion as their respective ownership percentages.

The noncontributory defined-benefit pension plan covers certain employees. Effective January 1, 2007, STPNOC approved a change to the pension plan to preclude the eligibility of employees hired after December 31, 2006, in the plan. Employees hired after this date receive enhanced matching contributions under the STP Nuclear Operating Company Savings Plan.

STPNOC also maintains a defined-benefit post-retirement plan that provides post-retirement health and welfare benefits. As of May 1, 2014, certain STPNOC employees voted to transition STPNOC's medical plan to a Taft-Hartley multi-employer health and welfare plan. During calendar year 2018, there were additional plan design changes related to the STPNOC post-retirement health and welfare benefits resulting in additional employees transitioning to the Taft-Hartley multi-employer plan, therefore, reducing STPNOC's OPEB liability as of December 31, 2018. STPNOC pays monthly premiums for the benefits, to be partially funded by participating employees.

Employees whose eligible compensation exceeds the limitations established under the 1974 Employee Retirement Income Security Act, \$275 for 2019, are covered by a supplementary nonqualified, unfunded pension plan, which is provided for by charges to operations sufficient to meet the projected benefit obligations. The accruals for the costs of that plan are based on substantially the same actuarial methods and economics as the noncontributory defined-benefit pension plan. An unfunded supplemental retirement plan and other unfunded deferred compensation programs are maintained by STPNOC for certain key individuals.

The effect to CPS Energy of funding obligations related to the defined-benefit plans sponsored by STPNOC was \$8,145 for fiscal year 2019 and was reflected as an adjustment for STP Pension Cost on the Statement of Activities.

Note 12 Commitments and Contingencies

Primary Government (City)

Grants

The City has received significant financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a materially adverse effect on the City's financial position at September 30, 2019. Grant funding received from federal, state, and other governmental agencies but not yet earned as of September 30, 2019 was \$43,875.

Capital Improvement Program

The City will be undertaking various capital improvements during fiscal year 2020. The estimated cost of these improvements is \$714,821; of this amount \$255,355 will be funded from the 2017 General Obligation Bonds. The 2020 Capital Improvements Program consists of the following:

Function/Program		2020
General Government	_	
Information Technology	\$	53,081
Municipal Facilities		104,088
Total General Government	\$	157,169
Public Health & Safety		
Drainage	\$	83,830
Fire Protection		3,705
Law Enforcement		7,896
Total Public Health & Safety	\$	95,431
Recreation & Culture		
Libraries	\$	10,400
Parks		116,875
Total Recreation & Culture	\$	127,275
Transportation		
Air Transportation	\$	52,116
Street		279,756
Total Transportation	\$	331,872
Total Neighborhood Improvements	\$	3,074
Total Capital Plan	\$	714,821

These projects are scheduled to be funded with a combination of grants, contributions from others, bonds, certificates, notes and other designated City resources.

Primary Government (City) (Continued)

Litigation

The City is a party to various claims and lawsuits alleging personal and property damages, wrongful death, breach of contract, environmental matters, civil rights violations, and employment matters. The estimated liability, including an estimate of incurred but not reported claims, is recorded in the Insurance Reserve Fund in the amount \$16,523. The City estimates the amounts of unsettled claims under its self-insurance program and believes that the self-insurance reserves recorded as appropriations in the Insurance Reserve Fund are adequate to cover losses for which the City may be liable. Whether additional claims or revisions to estimates required for settlement on existing claims could have a material effect on the basic financial statements cannot be determined.

Jimmy Maspero and Regina Maspero, et al. v. City of San Antonio, et al. Plaintiffs allege that on September 19, 2012, Plaintiffs' vehicle was involved in a collision with a vehicle being pursued by a San Antonio Police Department (SAPD) patrol car causing the death of two of Plaintiffs' children and severe permanent injuries to the remaining Plaintiffs (two children, two adults). The Plaintiffs asserted a "state-created danger" theory under 42 U.S.C. §1983 alleging a violation of Plaintiffs' 14th Amendment substantive due process. Plaintiffs are also asserting State law theories of negligence. Plaintiffs seek to recover damages for mental anguish, physical pain, impairment, medical expenses, and the wrongful death of two of their children. Plaintiffs are seeking monetary damages of at least \$3,000. This case has been remanded back to State district court. On February 19, 2018, the District Court granted the City's plea to the jurisdiction, dismissing all claims. Plaintiffs' motion for a new trial was denied. Plaintiffs have filed an appeal to the Fourth Court of Appeals. On August 28, 2019, the Fourth Court issued its opinion reversing the trial court and remanding the case to the trial court for further proceedings. The City filed a motion for rehearing en banc, which was denied. The City is filing a petition for review to the Texas Supreme Court.

Elena Scott, Individually and as Representative of the Estate of Antronie Scott v. City of San Antonio, et al./Diane Peppar, et al. v. City of San Antonio, et al. A SAPD officer was attempting to execute an arrest warrant when Plaintiff's decedent exited his vehicle with an object the officer believed was a weapon. The officer discharged his service weapon, fatally wounding decedent. Plaintiff has filed suit under 42 U.S.C. §1983 alleging use of excessive force. This case was consolidated with Diane Peppar vs. City of San Antonio. Diane Peppar is decedent Antronie Scott's mother. In March 2019, the Court granted the City's motion for summary judgment, dismissing all claims against the City. The officer's motion for summary judgment was granted in part but denied as to the claims of excessive force and unreasonable seizure. This matter is set for trial on March 30, 2020.

Rogelio Carlos III, et al. v. Carlos Chavez, et al. SAPD Special Weapons and Tactics (SWAT) officers were assisting High Intensity Drug Trafficking Areas (HIDTA) in searching for a fleeing suspect. Plaintiff was misidentified by the HIDTA officer as being the suspect. The HIDTA officer engaged and attempted to physically apprehend Plaintiff and was assisted by SAPD SWAT officers. Plaintiff suffered minor injuries as a result of the arrest, although he later complained of neck and shoulder/arm pain. Several months after the incident, Plaintiff underwent surgery, during which procedure, Plaintiff was paralyzed. Plaintiff has filed suit against the City and various officers under 42 U.S.C. §1983. The Plaintiff has amended his suit to include the physicians involved in the Plaintiff's surgical procedure. Discovery is completed. Motions for summary judgment have been filed. This case has not been set for trial.

Notes to Financial Statements

Note 12 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Neka Scarborough Jenkins v. City of San Antonio. Plaintiff's decedent was driving northbound on Blanco Road and attempted to turn left onto Lockhill Selma at a controlled traffic signal. Plaintiff contends that the traffic signal for her lane of traffic was facing the wrong direction. While making the turn, decedent was struck by an oncoming vehicle and was killed. Plaintiff claims the City had prior notice but failed to correct the issue within a reasonable period of time. Plaintiff also claims the investigation revealed the light was placed too low and was not at the correct height for a traffic signal. This litigation is brought under the Texas Tort Claims Act (TTCA) and discovery is ongoing. Under the TTCA, damages are capped at \$250. This case is not yet set for trial.

Patricia Slack, et al. v. City of San Antonio and Steve Casanova. SAPD officers responded to persons complaining they had been assaulted in front of a nearby residence. The officers went to the address provided by the victims and approached the front door, which was behind a security door made of metal bars. The officers knocked, and the door swung open to the living room, although the security door remained closed. One individual stood and approached the door while reaching his hand into his waistband. Officer Casanova discharged his weapon. A bullet fired by Officer Casanova grazed one individual and fatally struck a second individual. A suit was brought on behalf of the estate of the deceased, the injured individual and another individual on the scene. Plaintiffs have filed suit under 42 U.S.C. §1983 alleging use of excessive, deadly force. Discovery is ongoing. No trial date has been set.

<u>Texas Sterling Construction Co. v. City of San Antonio.</u> The City contracted with Plaintiff in a Construction Manager at Risk Contract to build road improvements on Bulverde Road. Plaintiff billed on a unit cost basis and after the City paid all the bills, Texas Sterling Construction Co. wrote complaining it should have been paid for actual costs. They also claim the City caused multiple delays. Plaintiff filed suit for breach of contract and is claiming damages in excess of \$250. Discovery is ongoing. This case is set for trial on September 14, 2020.

Jesse Quinones, et al. v. City of San Antonio. On May 2, 2017, a SAPD officer was operating his patrol vehicle on non-emergency patrol, when he rear-ended a 2003 Tahoe with eight passengers. The officer was following plaintiffs' vehicle as they went through a green light. A third vehicle on the cross street ran the red light in front of the officer. The officer looked back at the third vehicle and did not see the Quinones vehicle stop in front of him for a traffic signal. As a result of the accident, Plaintiff Quinones is claiming back injury and has obtained a future surgical recommendation at a cost greater than \$250. This case is set for trial October 19, 2020.

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Primary Government (City) (Continued)

Leases

The City leases City-owned property to others consisting of buildings, real property, and parking spaces. Costs of specific leased components are not readily determinable. The Airport System's revenue is net of Ground Abatement Credits and Building Improvement Credits allowed to lessees per signed contracts. Total rental revenue from operating leases received for the fiscal year-ended September 30, 2019 was \$17,856 for Governmental Activities and \$50,272 for Business-Type Activities, which consisted of \$48,875 for the Airport System, \$117 for Solid Waste Management, and \$1,280 for Nonmajor Enterprise. As of September 30, 2019, the leases provide for the following future minimum rentals:

			Lea	ses Revenues				•	
	Gov	ernmental			Soli	d Waste	No	nmajor	
	Α	ctivities		Aviation	Man	agement	Ent	terprise	Total
Fiscal year ending September 30,					•				
2020	\$	17,166	\$	40,817	\$	100	\$	1,257	\$ 59,340
2021		16,671		14,667		100		220	31,658
2022		15,747		13,990		100		224	30,061
2023		15,739		13,805		100		226	29,870
2024		16,051		6,785		100		197	23,133
2025-2029		47,507		19,207		500		284	67,498
2030-2034		9,334		7,474		100			16,908
2035-2039		2,739		4,882					7,621
2040-2044		1,749							1,749
2045-After		228							228
Future Minimum Lease Rentals	\$	142,931	\$	121,627	\$	1,100	\$	2,408	\$ 268,066

Landfill Postclosure Care Costs

In October 1993, the City Council approved closure of the Nelson Gardens Landfill, which immediately stopped accepting solid waste. Subsequent to landfill closure, federal and state laws required the City to incur certain postclosure care costs over a period of 30 years. As of September 30, 1994, the City estimated these costs for postclosure of the Nelson Gardens Landfill at \$3,825. The estimate was based on projected costs for installation of a leachate and groundwater collection system, installation of a methane recovery system, geotechnical and environmental engineering services, and monitoring and maintaining the facility for a 30-year period. In accordance with GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost, the estimated postclosure cost for the Nelson Gardens Landfill is recorded as a liability and expensed in the Solid Waste Management Fund. This cost is an estimate and is subject to changes resulting from inflation/deflation, advances in technology, or changes in applicable laws or regulations. Each fiscal year, the City performs an annual re-evaluation of the postclosure care costs associated with the Nelson Gardens Landfill. The annual re-evaluation conducted for the fiscal year-ended September 30, 2019, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of \$1,043. The City contracted with a third party in 2010 to capture and sell methane gas in exchange for a percentage of the revenue earned and postclosure maintenance costs assumed by the third party. This resulted in the City reducing its postclosure liability by \$78 from the prior fiscal year.

Notes to Financial Statements

Note 12 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Texas Commission on Environmental Quality (TCEQ) Financial Assurance

The City is required, under the provision of the Texas Administrative Code, to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ) related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. In relation to new and modification permits for closed landfills from TCEQ, the City has an obligation to provide financial assurance of the postclosure cost estimates for landfills. Additionally, financial assurance is required to demonstrate financial responsibility for underground storage petroleum facilities. Based on the number of underground petroleum storage tanks, the City is required to provide \$1,000 of financial assurance related to the underground storage facilities. The City completes and submits its financial assurance to TCEQ annually.

Arbitrage

The City has issued certain tax-exempt obligations that are subject to IRS arbitrage regulations. Noncompliance with these regulations, which pertain to the utilization and investment of proceeds, can result in penalties, including the loss of the tax-exempt status of the applicable obligations retroactive to the date of original issuance. In addition, the IRS requires that interest income earned on proceeds in excess of the arbitrage rate on applicable obligations be rebated to the federal government. The City monitors its bond proceeds in relation to arbitrage regulations, and "arbitrage rebate" is estimated and recorded in the government-wide and proprietary financial statements when susceptible to accrual, and in the governmental fund type when matured. As of September 30, 2019, the City has no arbitrage liability for its governmental or proprietary funds.

CPS Energy

Litigation

In the normal course of business, CPS Energy is involved in legal proceedings related to alleged personal and property damages, breach of contract, condemnation appeals, and discrimination cases. In addition, CPS Energy's power generation activities and other utility operations are subject to extensive state and federal environmental regulation. In the opinion of CPS Energy's management, the outcome of such proceedings will not have a material adverse effect on the financial position or results of operations of CPS Energy.

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CPS Energy (Continued)

Leases

Capital Leases – CPS Energy was not a contracted party to any capital leases during fiscal year 2019, either as a lessee or lessor.

Operating Leases – In fiscal year 2014, CPS Energy entered into an agreement to sell 69 of its communication towers to an independent third party. Title to 62 of the towers was conveyed to the purchaser in January 2014. (Towers count is not expressed in thousands). Resolution of easement issues related to the remaining sites was concluded in February 2017, resulting in the transfer of title to the purchaser for five additional towers for a total of 67 towers. CPS Energy retained title to the remaining two towers. Additionally, new licensing agreements were entered into between CPS Energy and the purchaser for CPS Energy's ongoing use of the towers and the purchaser's use of CPS Energy's communication buildings for a period of 40 years, with three five-year options by the purchaser to extend the agreement.

See Note 5 Capital Assets for additional information related to the sale.

In accordance with lease guidance provided in GASB Statement No. 62, leases related to the communication towers sale, both with CPS Energy as lessor and as lessee, have been classified as operating leases. Future minimum lease payment information provided on the following pages includes lease revenue and lease expense to be recognized as a result of the following lease components of the communication towers sale.

- Lease of Tower Space for CPS Energy Communication Equipment The parties to the sale transaction agreed that no cash would be paid by CPS Energy for the space it leased on the communication towers for the 40-year term of the lease agreement. As a result, the total sale transaction proceeds received from the purchaser were reduced by an amount representing an advance payment to the purchaser of the net present value of the estimated total lease obligation. This value represents a prepaid lease expense to CPS Energy, benefitting a period of time equal to the 40-year term of the leases. In accordance with GASB Statement No. 62, the value of this prepaid lease obligation for space on the 67 towers (not in thousands) was recorded at fair value and totaled \$20,190, which is being amortized to lease expense over the 40-year term.
- Lease of Communication Building Space The parties agreed that no cash would be paid by the purchaser for the space it leased in CPS Energy's communication buildings for the term of the lease agreement. As a result, the total sale transaction proceeds received from the purchaser included an additional amount representing an advance payment by the purchaser of the net present value of the estimated total lease obligation. This value represents unearned lease revenue to CPS Energy to be generated over a period of time equal to the 40-year term of the leases. In accordance with GASB Statement No. 62, the value of this unearned lease revenue for space in the 67 communication buildings (not in thousands) was recorded at fair value and totaled \$6,831, which is being amortized to nonoperating income over the 40-year term.

CPS Energy (Continued)

Leases (Continued)

Additionally, the communication towers sale transaction included an assignment of existing operating lease agreements with tenants who had equipment located on the towers. At the time of sale, there were approximately 127 lease agreements outstanding (not in thousands), with CPS Energy as lessor for space on the towers and in CPS Energy's communication buildings, having remaining terms varying from fewer than two years to ten years. In fiscal year 2014, these leases provided approximately \$2,845 in proceeds to CPS Energy, which was recognized as nonoperating income. With the sale of the towers, these leases were assigned to the purchaser, and the right to collect future cash flows from the leases was conveyed. The estimated net present value of these cash flows, including annual escalations based on estimated future Consumer Price Indices, total approximately \$6,500 for the 62 towers conveyed in the initial closing plus an additional \$463 for the five towers subsequently conveyed. Proceeds to CPS Energy from the tower sale transaction included a purchase price for these leases, which was recorded as a deferred inflow of resources totaling \$6,500 in accordance with guidance provided in GASB Statement 65. As of January 31, 2019, the balance of unearned revenue reported as deferred inflow of resources was \$2,136. Revenue from the sale of future revenues related to these leases will be recognized over the term of the original leases in accordance with guidance provided in GASB Statement No. 48, Sales and Pledges of Receivable and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues.

Following is a brief description of CPS Energy's current leases, as well as future minimum payments and receipts related to those leases.

CPS Energy has entered into operating lease agreements to secure the usage of communication towers space, railroad cars, natural gas storage facilities, land, office space, parking lot space and engineering equipment. The lease for the parking lot space and several of the leases for office space, as well as the communication towers space, include an escalation in the monthly payment amount after the first year of each lease.

CPS Energy's projected future minimum lease payments for noncancelable operating leases with terms in excess of one year are as follows:

	Ope	rating Lease
Year-Ended January 31,	P	ayments
2020	\$	8,284
2021		8,239
2022		4,338
2023		1,781
2024		1,665
Thereafter		64,484
Total future minimum lease payments	\$	88,791

CPS Energy's minimum lease payments for all operating leases for which CPS Energy was the lessee amounted to \$9,143 in fiscal year 2019. Contingent lease payments amounted to \$52 in fiscal year 2019.

CPS Energy has entered into operating lease agreements allowing cable and telecommunication companies to attach telephone, cable, and fiber-optic lines to CPS Energy's electric poles. Operating leases also exist between CPS Energy and telecommunication companies allowing the companies to attach communication equipment to CPS Energy's communication and transmission towers. As described previously, CPS Energy sold 67 of its communication towers to a third party in January 2014.

CPS Energy (Continued)

Leases (Continued)

CPS Energy has three operating leases for the use of land that it owns, and it has entered into multiple agricultural leases allowing the lessees to use CPS Energy's land for sheep and cattle grazing. The three land leases contain provisions for contingent lease receipts based on the Consumer Price Index. Additionally, the majority of the operating leases pertaining to the use of CPS Energy's transmission towers contain provisions for contingent lease receipts that will equal the lesser of a 15.0% increase in the prior five-year lease payment or the percentage increase in the Consumer Price Index over the same five-year period.

Projected future minimum lease receipts to CPS Energy for noncancelable operating leases with terms in excess of one year are as follows:

	Operating Lease		
Year-Ended January 31,	Receipts		
2020	\$	805	
2021		744	
2022		761	
2023		629	
2024		571	
Thereafter		21,104	
Total future minimum lease receipts	\$	24,614	

CPS Energy's minimum lease receipts for all operating leases for which CPS Energy was the lessor amounted to \$8,406 in fiscal year 2019. Contingent lease receipts amounted to \$33 in fiscal year 2019. There were no sublease receipts in fiscal year 2019.

Other

Purchase and construction commitments approximated \$6,632,565 at January 31, 2019. This amount includes construction commitments, provisions for coal purchases through December 2021, and natural gas purchases through June 2027; the actual amount to be paid will depend on CPS Energy's actual requirements during the contract period and the price of gas. Also included are provisions for wind power through 2038, solar power through 2044, landfill power through 2029, and raw uranium associated with STP fabrication and conversion services needed for refueling through 2026.

On January 20, 2009, the Board approved a policy statement affirming that CPS Energy's strategic direction centers on transforming from a company focused on providing low-cost power from traditional generation sources to a company providing competitively priced power from a variety of sources, including low and non-carbon emitting sources. To be sustainable, CPS Energy has to balance its financial viability, environmental commitments and social responsibility as a community-owned provider.

CPS Energy (Continued)

Other (Continued)

In fiscal year 2008, CPS Energy entered into a Natural Gas Supply Agreement with SA Energy Acquisition Public Facility Corporation (SAEAPFC), a component unit of the City, to purchase, to the extent of its gas utility requirements, all natural gas to be delivered under a Prepaid Natural Gas Sales Agreement. Under the Prepaid Natural Gas Sales Agreement between SAEAPFC and a third-party gas supplier, SAEAPFC has prepaid the cost of a specified supply of natural gas to be delivered over 20 years.

On February 25, 2013, SAEAPFC executed certain amendments to the Prepaid Natural Gas Sales Agreement entered into with J. Aron in 2007 and other related documents with respect to the 2007 prepayment transaction with J. Aron. Under the resolution and the amendments, Goldman, Sachs & Co. surrendered for cancellation \$111,060 of the SA Energy Acquisition Public Facility Corporation Gas Supply Revenue Bonds, Series 2007 owned by J. Aron; Goldman, Sachs & Co.; or affiliates. In exchange, SAEAPFC agreed to reduce future required natural gas delivery volumes from 104.6 MMBtu to 81.3 MMBtu and to adjust the notional amount of its commodities price hedge so that hedged revenue from gas sales will bear at least the same proportion to annual debt service requirements as before the transaction. In conjunction with the transaction, a portion of the savings related to the purchase of natural gas from SAEAPFC that would have been passed on to CPS Energy's distribution gas customers over the 20-year life of the original agreement was accelerated. Distribution gas customers benefitted from the accelerated savings from March 1, 2013 through June 30, 2015. CPS Energy's 20-year commitment under the Natural Gas Supply Agreement is included in the aforementioned purchase and construction commitments amount.

On June 30, 2016, as a result of a Novation Agreement by and among The Bank of New York Mellon Trust Company, N.A., as trustee (Trustee), the SAEAPFC, Depfa Bank plc (Transferor) and J. Aron & Company (Transferee), the Transferee assumed all of the Transferor's rights, title and interest in and to the Investment Agreement and all the duties, obligations and liabilities under the Investment Agreement (excluding any rights, obligations or liabilities of the Trustee or the Transferor prior to the Novation Effective Date). In addition, an Amended and Restated Investment Agreement was entered into to amend and restate the terms of the Investment Agreement. Consequently, a Second Supplemental Indenture to the Trust Indenture, by and between the SAEAPFC and the Trustee, was executed. The original Investment Agreement dated June 21, 2007, was replaced by the Amended and Restated Investment Agreement. The amendments contain provisions in the event of a downgrade in the credit rating on the guaranteed investment contract provider. If the higher rating between J. Aron and its guarantor, Goldman, Sachs & Co., falls below 'BB+' by S&P, or 'Ba1' by Moody's, which results in a ratings event, J. Aron is required to provide collateral equal to 100.0% of the invested balance held by J. Aron plus any accrued interest.

In fiscal year 2003, CPS Energy entered into a 20-year agreement with Brooks to upgrade the electric and gas utility systems located within the Brooks City-Base. CPS Energy and Brooks have each committed to invest \$6,323 (\$4,284 in year 2002 dollars, which accumulates interest at the rate of 3.7% compounded annually) to upgrade the infrastructure at that location. Annual reductions to Brooks' obligation were made from incremental revenues to the City for electric and gas sales to customers that reside on the Brooks-developed property. Annual reductions to Brooks' obligation were also made in accordance with contract terms for economic development at Brooks City-Base that benefits CPS Energy's systems. To date, capital renewals and upgrades of \$14,372 have surpassed the \$12,646 commitment and Brooks has met its obligation, net of annual interest of \$4,192.

CPS Energy (Continued)

Other (Continued)

In September 2010, CPS Energy and the University of Texas at San Antonio (UTSA) entered into an agreement (Strategic Alliance) whereby UTSA agreed to perform services for CPS Energy in support of its function as a provider of electric and gas utility services while supporting the progress of the City in renewable energy technologies and energy research. The Strategic Alliance calls for CPS Energy to invest up to but not exceeding \$50,000 over ten years. The investment made through January 31, 2019, was \$9,015 from funds currently allocated to research and development. Future funding will be determined by the scope of the projects defined by the partnership and is subject to annual approval by the CPS Energy Board of Trustees. Projects will be designed to produce clear value to CPS Energy and its customers.

CPS Energy sells its excess power into the wholesale market with a balanced portfolio that includes a mix of short-term (less than a month) and mid-term (one month to a year) transactions with market participants and long-term (one to five years) and super long-term (five years or more) wholesale power agreements with other public power entities and cities. In addition to a long-standing wholesale power relationship with the city of Floresville, CPS Energy currently has agreements to provide either full or partial requirements to six other public power entities. These agreements have varying terms expiring between December 2021 and December 2025. The volumes committed under these agreements represent approximately 5.0% to 7.0% of current capacity. CPS Energy regularly monitors the market values of these transactions to manage contract provisions with the counterparties.

On June 20, 2011, CPS Energy announced its New Energy Economy initiative. The program is designed to focus on more clean energy sources rather than traditional energy sources and includes several major initiatives to which CPS Energy has committed (current commitments are included in the aforementioned \$6,632,565):

- CPS Energy offers customers the opportunity to better manage their home's energy use through the My Thermostat Rewards program. The program gives customers access to a wide choice of programmable thermostat options. Customers benefit from better control of their home's air conditioning use and the visibility to program settings from their mobile devices. Customers in My Thermostat Rewards can choose to have a CPS Energy contractor install a free programmable thermostat in their place of residence. Alternatively, they can purchase and self-install their own thermostat from a list of qualifying devices and receive a rebate from CPS Energy. In exchange for the rebate, customers allow CPS Energy to periodically control and interrupt service to manage peak energy periods. The program is funded through Save for Tomorrow Energy Plan (STEP). As of January 31, 2019, there were 144,679 (not reported in thousands) CPS Energy customers enrolled in My Thermostat Rewards.
- CPS Energy is in the process of replacing 25,000 San Antonio street lights with 250 Watt equivalent light-emitting diode (LED) street lights. The street lights use 60.0% less energy than standard sodium lights and are designed to last 12 to 15 years, thereby reducing maintenance costs. Approximately \$2,200 of the deployment costs were funded through STEP, with the remainder being funded by the City. Through January 31, 2019, approximately 23,500 LED street lights have been installed. The installation of the remaining 1,500 is currently on hold pending feedback from the City on lighting for the downtown area. (Street lights in this paragraph are not reported in thousands).

CPS Energy (Continued)

Other (Continued)

- The City also requested the replacement of 30,000 residential streetlights with 100 Watt equivalent LED streetlights. CPS Energy began this project in Districts 2 and 5, where a total of 5,100 replacement LED lights were installed in fiscal year 2017. A total of 4,275 were installed in fiscal year 2018. This project with the City has been placed on hold indefinitely at their request. At this time, new lights are installed or replaced on a limited basis as requested. LED street lights have become the standard for ongoing city-wide street light maintenance. As older sodium lights fail, they will be replaced with LED equivalents. (Street lights in this paragraph are not reported in thousands).
- In November 2011, CPS Energy entered into a \$77,025 prepaid agreement with SunEdison for purchased power equal to approximately 60.0% of the anticipated output from 30 MW of solar energy facilities in the San Antonio area. Subsequent to the execution of this agreement, SunEdison transferred 100.0% of its interests in these facilities to San Antonio Solar Holdings LLC. A subsidiary of SunEdison continued as operator of these facilities. The unamortized balance of the prepayment was \$56,813 at January 31, 2019. The agreement expires in 2037, and the purchase of the balance of the output is on a pay-as-you-go basis.
- In July 2012, CPS Energy executed a Master Agreement with OCI Solar Power (OCI) for approximately 400 MW from seven facilities. All seven facilities became operational by the end of 2017. In addition, CPS Energy also executed two separate 25-year Purchase Power Agreements for Project Pearl and for Project Ivory for an additional 100 MW. Project Pearl became operational in October 2017, and Project Ivory, which recently sold to D.E. Shaw Renewable Investments, began commercial operation in December 2018. In March 2017, CPS Energy and OCI executed an Amended and Restated Master Power Purchase and Economic Development Agreement. The original Master Agreement was replaced in order to simplify the agreement and reflect pertinent terms going forward.

The table below represents the OCI solar farms facilities included in the revised 25-year power purchase agreement:

		Acilieveu	
		Commercial	
Facility	Capacity in MW	Operations	
Alamo 1	40.7	December 2013	
St. Hedwig (Alamo 2)	4.4	March 2014	
Walzem (Alamo 3)	5.5	January 2015	
Eclipse (Alamo 4)	39.6	August 2014	
Helios (Alamo 5)	95.0	December 2015	
Sirius 1 (Alamo 6)	110.2	March 2017	
Solara (Alamo 7)	106.4	September 2016	
Sirius 2 (Pearl)	50.0	October 2017	
Lamesa 2 (Ivory)	50.0	December 2018	
Total 25-years Power Purchase Agreements	501.8		

Achieved

CPS Energy (Continued)

Other (Continued)

- In December 2013, CPS Energy, along with partners Silver Spring Networks and Landis+Gyr, began CPS Energy's Grid Optimization project, or more commonly known as Smart Grid. In January 2018, Itron, Inc. purchased Silver Spring Networks. Silver Springs Networks will operate as a subsidiary of Itron, under the name Itron Networked Solutions, Inc. There was no change in the product or services provided. This project is providing a standards-based networking platform, advanced metering infrastructure and distribution automation solutions across CPS Energy's service territory. The completed system also facilitates wireless two-way communication between CPS Energy and its customers, allowing increased energy efficiency and offering greater customer control and savings. The targeted number of project deployments were completed in the summer of 2018, although various project closeout activities will continue through the end of the fiscal year. The estimated cost of this project is approximately \$270,000 and has brought approximately 50 jobs (not expressed in thousands) to San Antonio as of January 31, 2019.
- Simply Solar is the trademarked name for CPS Energy's pilot solar initiatives Roofless Solar and SolarHostSA. Roofless Solar is being offered by CPS Energy in partnership with Clean Energy Collective (CEC). CEC built and maintains a 1 MW community solar farm in the CPS Energy service territory and sold 107.5 Watt panels in the array to customers who wanted to enjoy the benefits of solar power without having to install their own system. On June 18, 2015, CPS Energy entered into an agreement to purchase the output from the solar farm for 25 years. On December 17, 2018, CPS Energy entered into a 25-year agreement with Big Sun SA 1 (Big Sun) to expand the Roofless Solar program by an additional 5 MW. Big Sun will be installing community solar panels on carports at commercial businesses across San Antonio. The panels will be sold to customers who then receive bill credits from CPS Energy for their share of the solar production. For the SolarHostSA program, CPS Energy partnered with PowerFin Partners to install up to 5 MW of rooftop systems on customer homes and businesses. The program provides participating customers a monthly credit for hosting the systems on their rooftops. The program makes solar accessible to more customers by eliminating the significant upfront cost of traditional rooftop systems. On August 12, 2015, CPS Energy entered into an agreement to purchase the output from the rooftop systems for an initial term of 20 years.

In June 2017, CPS Energy awarded a construction contract to renovate the new corporate headquarters to Sundt Construction. The Board approved a guaranteed maximum price of \$145,000. CPS Energy also made provisions for a \$5,000 contingency fund which may be used to fund additional requirements related to the headquarters project. CPS Energy expects to start moving its employees into the renovated headquarters during calendar year 2020.

In fiscal year 2018, CPS Energy entered into a 50-year agreement with Joint Base San Antonio (JBSA) to operate and maintain the natural gas and electric utility systems as JBSA Randolph, Lackland and Lackland Training Annex. The agreement includes a cost reimbursable transition period that closed on June 30, 2019. In addition, the Department of Defense (DOD) transferred ownership of these systems to CPS Energy through a bill of sale effective July 1, 2019. The DOD will reimburse CPS Energy for the costs to operate, maintain and upgrade these systems throughout the contract term.

San Antonio Water System (SAWS)

Litigation

SAWS is the subject of various claims and potential litigation, which arise in the ordinary course of its operations. Management, in consultation with legal counsel, makes an estimate of potential costs that are expected to be paid in the future as a result of known claims and potential litigation and records this estimate as a contingent liability.

Postclosure Care Costs

In connection with a desalination injection well permits obtained by SAWS from the Texas Commission on Environmental Quality (TCEQ), SAWS has an obligation to plug the injection wells once the wells are no longer in service. These wells became operational in 2016 and have an expected useful life of 50 years based on SAWS experience with other wells throughout the system. At December 31, 2018, SAWS has recorded a liability of \$482 related to this post-closure obligation based on the current projected cost to plug wells of similar size, depth and diameter.

Other

In March 2007, SAWS was notified by Region 6 of the United States Environmental Protection Agency (EPA) of alleged failures to comply with the Clean Water Act due to the occurrence of sanitary sewer overflows. The EPA subsequently referred the matter to the United States Department of Justice (DOJ) for enforcement action. SAWS engaged in settlement negotiations with the EPA and the DOJ to resolve the allegations. On June 4, 2013, the Board approved a Consent Decree between SAWS, the United States of America, and the State of Texas to resolve this enforcement action. During the ten to 12 year term of the Consent Decree, SAWS estimates the cost to perform the operating and maintenance requirements of the Consent Decree will be approximately \$250,000. SAWS currently estimates that the capital expenditures associated with the requirements of the Consent Decree could range from \$1,200,000 to \$1,300,000. As with any estimate, the actual amounts incurred could differ materially.

Through December 31, 2018, capital expenditures related to the Consent Decree total \$418,255, which includes certain work which was previously planned prior to entry into the Consent Decree. Since entry into the Consent Decree, SAWS has performed its obligations under terms of the Consent Decree and management believes SAWS is in material compliance with such terms, conditions, and requirements. Since 2010, SAWS has seen a significant reduction in sanitary sewer overflows, from 538 in 2010 to 259 in 2018, even though San Antonio had the wettest September on record and the 3rd wettest month ever recorded (figures in this sentence are not in thousands). SAWS will continue to perform best practices to assure the capacity and operations of the collection system provides uninterrupted service to the San Antonio community and surrounding counties.

SAWS operates the Mitchell Lake Site Wastewater Treatment Facility pursuant to a Texas Pollutant Discharge Elimination Permit (Permit) issued by the TCEQ under a delegation of authority from the EPA. In October 2015, the EPA orally notified SAWS that SAWS violated the effluent discharge limitations provided in that Permit as a result of discharges occurring during significant rainfall events.

San Antonio Water System (SAWS) (Continued)

Other (Continued)

On August 18, 2016, SAWS received an Administrative Order from EPA that alleges that SAWS violated the Permit by failing to meet effluent limits as required by the Permit. SAWS responded to the Administrative Order by letter dated September 15, 2016, describing that SAWS was exploring the construction of wetlands to treat discharges from Mitchell Lake as a means of achieving Permit compliance.

SAWS has engaged consulting experts and conducted preliminary feasibility evaluations of reconstructing the existing dam and spillway and constructing extensive treatment wetlands below Mitchell Lake. A pilot wetlands project is currently under construction to evaluate the performance of wetlands in treating Mitchell Lake water. SAWS purchased a 283 acre tract of land that is anticipated to be necessary for the implementation of a full downstream wetlands treatment process. SAWS has partnered with the U.S. Army Corps of Engineers on an Aquatic Ecosystem Restoration Feasibility Study for Mitchell Lake. The three year study will include an investigation into the methods of restoring lost and/or degraded ecological functions within the lake while reducing the eutrophic conditions of the lake water.

On February 7, 2019, SAWS received an Administrative Order from the EPA (which supersedes the August 18, 2016 Administrative Order) that establishes a schedule of compliance activities including submission of a Pilot Wetlands Performance Report by December 31, 2020, completion of the wetlands by September 30, 2024, and submission of various progress and annual reports. No monetary penalties were assessed, although the EPA reserves all rights to seek any appropriate remedies. It is premature to estimate the final cost of the project that SAWS will implement to construct downstream wetlands and modified dam structures, or the ultimate success of the pilot project.

On September 5, 2019, SAWS announced they will increase the water supply fee rates on average by 9.9% beginning January 1, 2020. The additional revenue will enable SAWS to help fund the Vista Ridge Pipeline Project and to support the new Agua Vista station, which will receive and treat Vista Ridge water. The rate increase additionally will aid SAWS in covering the incremental 1.3% transfer of funds to the City (2.7% to 4.0% of eligible revenues) effective October 1, 2019.

On October 30, 2014, the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (the Agreement) between the City, acting by and through SAWS and Vista Ridge, LLC (VR), pursuant to which VR has committed to make available to SAWS, and SAWS has agreed to pay for, up to 50,000 acre-feet of potable water (Project Water) per year for an initial period of 30 years plus a limited (20 year) extension period under certain circumstances, hereinafter referred to as the operational phase. To produce and deliver the Project Water, VR will develop well fields to withdraw water from the Carrizo and Simsboro Aquifers in Burleson County, Texas pursuant to currently-held long-term leases with landowners and construct (or cause to be constructed) a 142-mile pipeline from this well field to northern Bexar County (the well fields and the pipeline, together, the Project). The pipeline will be connected to the SAWS distribution system at a delivery point in northern Bexar County (the Connection Point). The execution of the Agreement represents a significant diversification of the City's water source, as SAWS projects that Project Water, if delivered at the maximum amount, will account for approximately 20.0% of the SAWS' current annual usage. (Figures in this paragraph are not in thousands).

San Antonio Water System (SAWS) (Continued)

Other (Continued)

At the end of the operational phase, ownership of the Project will be transferred to SAWS at no cost. SAWS has also entered into a separate agreement with Blue Water Vista Ridge, LLC, the lessee of the Project Water, to continue to acquire the 50,000 acre-feet of untreated groundwater upon the termination of the Agreement and transfer of the Project to SAWS, and the cost of such water at the end of the Agreement will be tied to prevailing Edwards Aquifer leases.

The Project achieved financial close in November 2016 and is now in the construction phase. During the construction phase of the Project, VR will complete the construction of the Project and SAWS must construct any improvements necessary to accept and integrate Project Water. The anticipated capital cost of SAWS improvements is currently projected to be \$209,854. The construction phase is scheduled to be completed in 2020 and will result in the commencement of the aforementioned 30-year operational phase, during which period SAWS is obligated to pay for water (up to 50,000 acre-feet annually) made available to it by VR at the Connection Point.

Pursuant to the terms of the Agreement, SAWS will pay costs arising under the Agreement, as maintenance and operating expense of the System from a flow of funds perspective, only for Project Water made available at the Connection Point (which payment will include the costs of operating and maintaining the Project). SAWS will have no obligation to pay for any debt issued by VR, and any such debt will be non-recourse to SAWS.

On May 17, 2016, SAWS exercised its contractual right to fix the Capital and Raw Groundwater Unit Price under the Agreement based on the methodology provided for therein. This action served to lock in the price of the Project Water component of SAWS annual payment requirement of \$1,606 per acre-foot for the entire 30 year term (and any extension of that term) of the Agreement. (Figures in this sentence are not in thousands).

In addition to the Capital and Raw Groundwater Unit Price, SAWS will pay operations and maintenance costs deemed to be compensable by an independent budget panel as a direct pass through under the Agreement as well as electricity cost (paid directly by SAWS to the utility providers). Through December 2018, SAWS has paid \$5,900 for electrical costs to the utility providers. Finally, SAWS is responsible for compensating the Project Company for any major repairs and replacement costs, which may arise and are deemed to be compensable by the budget panel. It is estimated that the water will initially cost approximately \$2 per acre-foot, resulting in an estimated initial annual cost to SAWS of approximately \$100,000 for 50,000 acre-feet (acreage not in thousands) of delivered water. Delivery of water from the Project is expected to begin in April 2020. On November 19, 2015, the City Council approved a series of increases to the water supply fee through 2020 to support the acquisition of new water supplies, including water supplied from the Project.

Because all Project assets will transfer to SAWS at the end of the contract, once the operational phase begins, SAWS anticipates recording capital assets and a contract liability equal to the acquisition value of the Project Company infrastructure. Management currently estimates the initial recorded value for the capital assets and contract liability to be \$927,403.

San Antonio Water System (SAWS) (Continued)

Other (Continued)

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding VR debt, contract breakage costs and return of and return on equity contributions by VR's principals. SAWS also has the obligation to purchase the Project assets in similar fashion in the event of a SAWS default under the Agreement. The termination payment as of December 31, 2018, was estimated to be \$734,046. The termination payment will continue to increase throughout the construction phase as additional funds are expended by the Project Company on the construction of the project. By the time the operational phase is reached in 2020 the termination payment could be as much as \$1,000,000.

As of December 31, 2018, SAWS has entered into various water leases to obtain rights to pump water from the Edwards Aquifer. The term of these agreements vary, with some expiring as early as 2019 and others continuing until 2023. Some of the leases include price escalations and the annual cost per acre-foot ranges from \$100 to \$140. (Figures in this sentence are not in thousands). Under these various leases, SAWS paid \$4,443 in 2018.

The future commitments under these leases are as follows:

	2019	2020	2021	2022	2023	
Lease obligations	\$ 3,537	\$ 3,406	\$ 3,207	\$ 2,635	\$ 1,098	
Lease obligations (acre-feet)	25,651	24,741	23,261	19,161	8,179	

SAWS also has commitments to purchase water supplies under various contracts. All water provided under these contracts is subject to availability.

Total payments under these water purchase agreements were \$33,485 in 2018. A summary of all estimated future payments under all these commitments is provided in the following table. The estimated fixed water payments consist of the take or pay commitments under the agreements. The estimated variable water payments will be made only if water is made available to SAWS. These estimates assume price escalations but do not assume the extension of any water purchase agreement. As with any estimates, the actual amounts paid could differ materially.

	2019	2020	2021	2022	2023	Thereafter
Purchased water payments - fixed	\$ 22,110	\$ 22,657	\$ 22,785	\$ 23,200	\$ 23,614	\$ 569,466
Acre-feet purchased - fixed	43,054	44,054	42,554	42,554	42,554	1,005,490
Purchased water payments - variable	\$ 14,308	\$ 14,524	\$ 14,170	\$ 14,362	\$ 14,562	\$ 87,841
Acre-feet purchased - variable	14,062	13,924	13,289	13,156	13,026	56,344

Under a contract with Guadalupe Blanco River Authority (GBRA), SAWS will receive 4,000 acre-feet of water annually through the end of the contract in 2037. Additionally, SAWS must purchase water not sold by GBRA to other third parties. The additional amount of water available in 2019 is estimated to be 4,500 acre-feet and is projected to decline over the remaining term of the contract as the demand increases for other GBRA customers. The cost of the water escalates over time with projected prices ranging from \$1,118 per acre-foot in 2019 to approximately \$1,901 per acre-foot by 2037. SAWS has an option to extend this contract until 2077 under new payment terms. (Figures in this paragraph are not in thousands).

Notes to Financial Statements

Note 12 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

Under a contract with the Massah Development Corporation, SAWS has a minimum take or pay commitment to purchase 100 acre-feet per month or 1,200 acre-feet per year of raw water from the Lower Glen Rose/Cow Creek formations of the Trinity Aquifer in northern Bexar County at projected prices ranging from \$640 to \$764 per acre-foot. This agreement expires in 2025 and SAWS has a unilateral option to extend the contract for ten years. (Figures in this paragraph are not in thousands).

Under a contract with Sneckner Partners, Ltd., SAWS has a take or pay commitment to purchase 1,500 acre-feet of water annually from the Trinity Aquifer at a minimum annual cost of \$225 per acre-foot through 2020. (Figures in this sentence are not in thousands). SAWS has a unilateral option to extend the contract through 2026. As part of this contract, SAWS agreed to make quarterly defined payments for any residential customers that are connected to the system within a defined geographical area that begin taking water service from SAWS. SAWS began making these payments during 2012 as the area has begun to experience some development. SAWS has made payments totaling \$332 for new customer connections under the terms of this contract. While it is impossible to estimate the exact amount of any potential future payments associated with this provision of the agreement, management's estimate of this potential contingent liability is approximately \$500.

In 2012, SAWS entered into an agreement with Water Exploration Company, Ltd. (WECO) to purchase groundwater produced by WECO from the Trinity Aquifer. In connection with this agreement, two prior water purchase agreements between DSP and WECO were terminated. In 2018, Texas Water Supply Company assumed the assets of WECO, including this agreement between SAWS and WECO. The 2012 agreement has a term of 15 years, with two optional five-year extensions. SAWS is obligated to purchase up to 17,000 acre-feet per year in monthly increments not to exceed 1,417 acre-feet if water is available to be produced. SAWS only pays for delivered water meeting all state and federal drinking water standards. Pumping under this contract may not reduce the Trinity Aquifer below 600 feet Mean Sea Level at test wells on the tracts. The projected price to be paid per acre-foot of raw water ranges from \$994 in 2019 to \$1,153 by 2027. (Figures in this paragraph are not in thousands).

In 2010, SAWS was granted a permit by the Gonzales County Underground Water Conservation District (District) to produce 11,688 acre-feet of water from the Carrizo Aquifer in Gonzales County. SAWS has entered into 23 separate agreements with land owners to produce water under that permit. (Agreement count and acreage not in thousands). These agreements remain in force indefinitely as long as SAWS continues to make payments in accordance with the terms of the agreements. SAWS makes payments to the landowners based on actual water produced. SAWS expects to produce the maximum water available under its permit in 2019 and projects payments to landowners will be \$1,256. These payments escalate annually based on the average of the increase in the Consumer Price Index and Producers Price Index.

Note 12 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

In 2011, SAWS entered into an agreement with the Schertz Seguin Local Government Corporation (SSLGC) to treat the water produced by SAWS under its permit with the District at its treatment plant in Gonzales County and transport that water through SSLGC's existing transportation pipeline to a SAWS facility in Schertz, Texas, and to purchase up to 5,000 acre-feet of wholesale water annually from SSLGC. As part of this agreement, SSLGC agreed to expand its treatment facilities to handle the volume of water supplied by SAWS. SSLGC issued contract revenue bonds in 2012 to finance the expansion. SAWS is unconditionally obligated to make monthly payment to SSLGC beginning in December 2014 equal to 1/12th the annual debt service payment owed by SSLGC on the contract revenue bonds regardless of the amount of water actually provided by SAWS to SSLGC for treatment and transportation. In addition to the payment made to SSLGC for the expansion of the treatment plant, SAWS makes payments to SSLGC for treating and transporting the SAWS produced water. (Figures in this paragraph are not in thousands).

The initial term of the agreement with SSLGC expires in 2050 and can be renewed for successive terms of five years unless SAWS chooses to cancel the contract upon the expiration of any term. The projected price paid to SSLGC to treat and transport water provided by SAWS is projected to be \$524 per acre-foot in 2019 and ranging from \$532 per acre-foot to \$670 per acre-foot from 2020 through 2050. This projected price includes the debt service associated with the expansion of SSLGC's treatment plan. Payments for any wholesale water purchased from SSLGC is based on SSLGC's wholesale water rates. (Figures in this paragraph are not in thousands).

Under a contract with Bexar-Medina-Atascosa Counties W.C.I.D. No. 1 (BMA), SAWS has a take or pay commitment to purchase 19,974 acre-feet of untreated water annually from Medina Lake. If BMA is unable to deliver water to SAWS, BMA issues a credit for the undelivered water which can be used to offset payments due to BMA during the next calendar year. The price of the water is based on the rate charged by GBRA for raw water. GBRA's rate for raw water at December 31, 2018, was \$147 per acre-foot. The agreement has been amended several times with the current agreement being effective in 2008 and ending in 2049. (Figures in this paragraph are not in thousands).

Under a contract with Canyon Regional Water Authority (CRWA), SAWS is required to make certain contractually required minimum payments each year to fund capital and operating expenses of CRWA. Additionally, SAWS makes payments based on the number of acre-feet of water SAWS commits to take in a given year. SAWS currently has access to 6,300 acre-feet through 2023 and 6,800 acre-feet annually from 2024 through 2042. For 2019, SAWS has committed to taking 5,300 acre-feet with a projected cost of \$1,348 per acre-foot. (Figures in this paragraph are not in thousands).

SAWS is also committed under various contracts for completion of construction or acquisition of utility plant totaling \$577,124 as of December 31, 2018. Funding of this amount will come from excess revenues, contributions from developers, restricted assets and available commercial paper capacity.

Notes to Financial Statements

Note 12 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. A liability is recorded once payment appears to be probable. As of December 31, 2018, SAWS has no arbitrage rebate liability associated with any outstanding bonds.

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Note 13 Other Obligations

Primary Government (City)

Pollution Remediation Obligation

The City follows the provisions of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations.

The general nature of existing pollution that has been identified on City property is consistent with City operations of acquiring properties for infrastructure and improvement development. Under most circumstances, the triggering event relevant to the City is the voluntary commencement of activities to clean up the pollution. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49 utilizing information provided by the City's respective departments which included previous knowledge of clean-up costs, existing contracts, etc. Depending on the length of time it takes the City to remediate the pollution, costs may be different from that estimated below as a result of market rate changes, price increases or reductions, improvements to technology, or changes in applicable laws or regulations.

	В	ginning alance er 1, 2018	Ado	ditions	De	letions	В	Ending Balance Bober 30, 2019
Governmental Activities: Liabilities Construction in Progress Business-Type Activities:	\$	196 156	\$	320 298	\$	(140) (156)	\$	376 298
Liabilities	\$	1,274	\$	-	\$	-	\$	1,274

The Governmental Activities' liabilities were a result of cost estimates to clean existing pollution found on land acquired by the City's Transportation and Capital Improvements Department for the construction of streets, drainage and parks. Any net change in the Governmental Activities pollution remediation liability that was not capitalized under Construction in Progress was expensed under the City's public works and public safety activities.

The City foresees receiving \$475 in recoveries from third parties for the costs associated with cleaning up these pollution obligations.

The Business-Type Activities' liability was a result of cost estimates to clean existing pollution found on land acquired by the Airport System for the construction of airport structures. As the City acquired this property in the early 1940s, the liability did not meet the criteria to be capitalized, and as such was expensed in fiscal year 2009. The City had no additional pollution remediation costs in business-type activities in fiscal year 2019.

Asset Retirement Obligations

The City adopted GASB Statement No. 83, Certain Asset Retirement Obligations, during fiscal year 2019 and accounts for Asset Retirement Obligations (AROs) by recognizing the obligations as a liability based on the best estimate of the current value of outlays expected to be incurred once the assets are retired. The Statement requires the AROs be adjusted for the effects of inflation or deflation at least annually. In addition to the AROs, the City has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups.

Note 13 Other Obligations (Continued)

Primary Government (City) (Continued)

Asset Retirement Obligations (Continued)

The Governmental Activities include 34 fuel storage tanks and three oil tanks with useful lives of 40 years (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At September 30, 2019, the ARO liability related to the storage tanks was \$742.

The Business-Type Activities include seven fuel storage tanks with useful lives of 40 years (not reported in thousands), and one X-ray machine with a useful life of ten years. The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The Airport X-ray machine also has special requirements for the decommissioning/sanitizing of the equipment when it is retired. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the assets. At September 30, 2019, the ARO liability related to these assets was \$314.

	Beg	inning					ı	Ending
	Ва	lance					В	Balance
	Octobe	er 1, 2018	Addi	tions	Dele	etions	Septem	nber 30, 2019
Governmental Activities:								_
Liabilities	\$	807	\$	-	\$	(65)	\$	742
Business-Type Activities:								
Liabilities	\$	314	\$	-	\$	-	\$	314

CPS Energy

Pollution Remediation Obligation

GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, requires that a liability be recognized for expected outlays for remediating existing pollution when certain triggering events occur. The general nature of existing pollution that has been identified at CPS Energy sites is consistent with that experienced within the electric and gas utilities industry. Under most circumstances, the triggering event most relevant to CPS Energy is the voluntary commencement of activities to clean up pollution.

Under Federal Energy Regulatory Commission guidance, reserves have been established for dismantling and closure costs. In fiscal year 2008, in preparation for implementation of GASB Statement No. 49, a portion of those reserves were reclassified to remediation and dismantling reserve accounts reported on the Statement of Net Position within other liabilities. When a triggering event occurs, those reserves will be reclassified as a pollution remediation liability also reported within other liabilities.

The pollution remediation liability was \$2,662 as of January 31, 2019. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49 utilizing information provided by CPS Energy's environmental staff and consultants.

Note 13 Other Obligations (Continued)

CPS Energy (Continued)

Asset Retirement Obligation

CPS Energy adopted GASB Statement No. 83, Certain Asset Retirement Obligations, during fiscal year 2019 and accounts for Asset Retirement Obligations (AROs) by recognizing the obligations as a liability based on the best estimate of the current value of outlays expected to be incurred once the assets are retired. The Statement requires the AROs be adjusted for the effects of inflation or deflation at least annually. In addition to the AROs, CPS Energy has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The following asset groups have been included in the ARO reflected on the Statement of Net Position:

• STP Units 1 and 2 – CPS Energy is one of three participants in STP, currently a two-unit nuclear power plant located in Matagorda County, Texas. The Code of Federal Regulations (CFR) provides the main decommissioning requirements mandated by the Nuclear Regulatory Commission that issues the operational license of the site. The ARO is based on an external cost study performed every five years. The most recent study was finalized in May 2018 and estimates costs in 2018 dollars. The associated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of the units. Total asset lives for the units are 60 years based on the operating license extensions.

The deferred outflows of resources are based on the estimated remaining useful life of the assets at the time of implementation. CPS Energy has established two decommissioning trusts that are reported as blended component units combined into the CPS Energy financial statements to cover the eventual decommissioning associated with STP Units 1 and 2. At January 31, 2019, the ARO related to STP Units 1 and 2 was \$991,508.

- Vaults CPS Energy has approximately 200 underground vaults with useful lives of 46 years (vault count not reported in thousands). The vaults have regulatory requirements to be met prior to removal and after retirement under the CFR and TCEQ. Methods and assumptions to determine the associated liability were based on an internal calculation of cost per square foot of each tank which includes assessment, remediation, transportation and disposal costs. The associated costs are being amortized utilizing a straight-line method over the average estimated remaining useful life of the vaults. At January 31, 2019, the ARO related to the vaults was \$9,192.
- Fuel Storage Tanks CPS Energy has 14 underground fuel storage tanks with useful lives of 30 years (fuel storage tank count not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The methods and assumptions used to determine the liability associated with the tanks were based on a cost analysis performed by an outside engineering consulting firm in July 2018. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At January 31, 2019, the ARO related to the storage tanks was \$3,650.

Note 13 Other Obligations (Continued)

CPS Energy (Continued)

Other

CPS Energy has two Long-Term Service Agreements (LTSA) with General Electric (GE) for two of its combined-cycle power plants, Arthur Von Rosenberg (AVR) and Rio Nogales.

 AVR – In 2007, CPS Energy entered into a 20-year LTSA with GE to provide maintenance services and select replacement parts for the AVR power plant. In September 2015, the contract was amended primarily to add a provision for the advance purchase from GE of three new sets of Advanced Gas Path (AGP) parts to eventually be installed at the AVR plant.

In fiscal year 2017, delivery was complete and title was transferred to CPS Energy for all three sets of AGP parts. AGP parts not immediately required for maintenance procedures are recorded to inventory until the installation process for each set of parts at the power plant is initiated, at which time the costs are reclassified to capital assets. The liability for the purchase, along with other LTSA payment obligations, is recorded as a liability on the Statement of Net Position.

The balance of the AVR LTSA obligation at January 31, 2019, totaled \$33,058 of which \$2,065 and \$30,993 was reported as a current and noncurrent liability, respectively, on the Statement of Net Position.

Rio Nogales – In March 2017, the existing Rio Nogales power plant LTSA contract was amended primarily
to add a provision for the advance purchase from GE of four new sets of AGP parts to eventually be
installed at the power plant. At January 31, 2019, two sets of AGP parts had been delivered and are
reported as noncurrent inventory.

The balance of the Rio Nogales LTSA obligation at January 31, 2019, totaled \$25,072 of which \$16,984 and \$8,088 was reported as a current and noncurrent liability, respectively, on the Statement of Net Position.

San Antonio Water System (SAWS)

Pollution Remediation Obligation

SAWS had no material pollution remediation liabilities at December 31, 2018.

Asset Retirement Obligation

SAWS will adopt GASB Statement No. 83 in fiscal year 2020.

Note 14 Risk Financing

Primary Government (City)

Property and Casualty Liability

Factory Mutual Insurance Company provides coverage for the City's real property and contents. The City's deductible for property damage is \$100 and the insurance will reimburse up to \$2,000,000.

As of October 1, 2013, the City is completely self-insured for liability claims. Effective January 1, 2015, all auto and general liability claims were brought in-house to be administered internally.

Obligations for claims under these programs are accrued in the City's Self-Insurance Program's Insurance Reserve Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

Workers' Compensation

As of May 1, 2013, the City is completely self-insured for workers' compensation claims. The City utilizes a third-party administrator to adjust its claims.

Obligations for claims under these programs are accrued in the City's Self-Insurance Program's Workers' Compensation Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

Employee Health Benefits

The City offers employees and their eligible dependents a comprehensive employee benefits program including medical, dental, vision, and basic and supplemental life insurance. Employees may also participate in healthcare or dependent care spending accounts. The City's health program is self-insured and the City's vision plan is fully-insured. The City offers two dental plans that are both fully-insured. Obligations for benefits are accrued in the Employee Health Benefits Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

In fiscal year 2019, the City purchased medical claims stop loss insurance from HM Life Insurance Company. The stop loss insurance covers civilian and uniformed active employees, non-Medicare eligible retirees, and eligible dependents for claims paid exceeding \$1,100. The purchase of the stop loss insurance mitigates the risk to the City's Self Insurance Fund – Employee Benefits and Retiree Health Care Fund in the event a large catastrophic claim occurs.

Retiree Health Benefits

The City offers medical coverage for its retirees and their dependents. The City offers both self-insured and fully-insured plans to participating employees who are eligible to retire from the TMRS Pension Plan immediately following severance from the City. Self-Funded obligations for benefits are accrued in the City's Retiree Health Care Insurance Fund (a fiduciary fund of the City) based upon the City's estimates of the aggregate liability for unpaid benefits. The City additionally determined and accrued OPEB liabilities based on an actuarial assessment of historical self-funded claims data performed and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the OPEB liability as additional contributions.

Primary Government (City) (Continued)

Unemployment Compensation Program

The Unemployment Compensation Program provides a central account for payment of unemployment compensation claims. As of the fiscal year-end, claims were being administered externally and are paid to the Texas Workforce Commission on a reimbursement basis. All costs incurred are recorded on a claim paid basis in the Employee Benefits Insurance Fund.

Extended Sick Leave Program

The Extended Sick Leave Program is used to pay benefits associated with short-term disability, long-term disability and continued long-term disability. Benefits are administered by the City. Actual costs are incurred when extended leave is taken. Short-term and long-term disability is funded by the employee's department. Continued long-term disability is funded out of the Employee Benefits Insurance Fund and is reimbursed by the employee's department.

Employee Wellness Program

The Employee Wellness Program supports a culture of wellness and provides employees and their family members with the necessary tools to achieve and maintain a healthy lifestyle, while positively impacting medical claim trends. The City offers a variety of programs including personalized onsite and telephonic health coaching, smoking cessation, health education sessions, and an activity-based program that outfits employees with a free pedometer. Through this activity-based program, employees are able to track their activity over the course of 12 months, during which they can earn up to \$0.5 in financial contributions. In fiscal year 2019, the City contributed \$892 towards employees' Flexible Spending or Health Savings accounts. The Employee Wellness Program is managed out of the Employee Benefits Insurance Fund.

Claims Liability

The liability for the Employee Health Benefits Program is based on the estimated aggregate amount outstanding at the Statement of Net Position date for unpaid benefits. Liabilities for the Insurance Reserve and Workers' Compensation Programs are reported when it is probable that a loss has occurred as of the Statement of Net Position date, and the amount of the loss can be reasonably estimated. These liabilities include allocable loss adjustment expenses, specific incremental claim adjustment expenses such as the cost of outside legal counsel, and a provision for claims that have been incurred but not reported (IBNR). Unallocated claim adjustment expenses have not been included in the calculation of the outstanding claims liability, as management of the City feels it would not be practical or cost beneficial. In addition, based on the difficulty in determining a basis for estimating potential recoveries and the immateriality of prior amounts, no provision for subrogation or salvage has been included in the calculation of the claims liability. The claims liability reported in the accompanying financial statements for both the Insurance Reserve and Workers' Compensation Programs is based on a 2.0% discount rate due to the multi-year life cycle to close out these claims and the average historical, as well as forecasted, yield on the City's investments.

Primary Government (City) (Continued)

Claims Liability (Continued)

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Health Benefits, and Workers' Compensation Programs Funds for the fiscal years as indicated:

Fund	0	tober 1,	Chang	e in Estimate	Estimate Claims Incurred Claims Payments Septemb		Claims Payments		ember 30,	
Insurance Reserve:			_	_						
Fiscal Year 2018	\$	17,051	\$	3,730	\$	693	\$	(4,594)	\$	16,880
Fiscal Year 2019		16,880		3,301		1,639		(5,297)		16,523
Employee Health Benefits ¹ :										
Fiscal Year 2018	\$	9,391	\$	33,807	\$	77,799	\$	(111,788)	\$	9,209
Fiscal Year 2019		9,209		32,769		89,765		(123,937)		7,806
Retiree Health Care:										
Fiscal Year 2018	\$	421	\$	2,898	\$	4,051	\$	(6,921)		449
Fiscal Year 2019		449		2,855		3,976		(6,929)		351
Workers' Compensation:										
Fiscal Year 2018	\$	35,413	\$	(78)	\$	8,437	\$	(9,310)	\$	34,462
Fiscal Year 2019		34,462		(4,041)		9,340		(8,745)		31,016

¹ Fiscal Year 2019 fund financial claims expense reflects an additional \$148 paid for Unemployment Claims that are not included in the calculation of claims liability.

CPS Energy

Insurance and Reserves — CPS Energy is exposed to various risks of loss including, but not limited to, those related to torts, theft or destruction of assets, errors and omissions, and natural disasters. CPS Energy maintains property and liability insurance programs that combine self-insurance with commercial insurance policies to cover major risks. The property insurance program provides \$3,500,000 of replacement-value coverage for property and boiler machinery loss, including comprehensive automobile coverage, and fire damage coverage for construction equipment, and valuable papers. The deductible for the property insurance policy is \$1,000 for non-power plant/non-substation locations, \$2,500 for substations, and \$5,000 for power plant locations.

The liability insurance program includes:

- \$100,000 of excess general liability coverage over a retention amount of \$3,000;
- \$25,000 of fiduciary liability coverage;
- \$100,000 of employment practice liability coverage; and
- Other property and liability insurance coverage, which includes directors and officers, cyber insurance, commercial crime, employee travel and event insurance.

CPS Energy also manages its own workers' compensation program. To support this program, \$35,000 of excess workers' compensation coverage over a retention amount of \$3,000 is maintained. No claims settlements exceeded insurance coverage, and there were no decreases in coverage in the last three fiscal years.

CPS Energy (Continued)

Actuarial studies are performed periodically to assess and determine the adequacy of CPS Energy insurance reserve retentions. Actuarial valuations include nonincremental claims expenses. An actuarial study was performed in the fourth quarter of fiscal year 2018.

In the following table, the remaining balance under the property reserves column at January 31, 2019 relates to estimated obligations for the cleanup, closure, and post-closure care requirements of CPS Energy's landfills. CPS Energy has seven landfill sites, four of which are at full capacity. The estimates for landfills, surface impoundment, and ash ponds liability are based upon capacity to date and are subject to change due to inflation or deflation, as well as new developments in technology, applicable laws or regulations.

Under CPS Energy's reserve program, all claims are recorded against the reserve.

Fund	Liability February 1,		Claims Adjustments		Claims Payments		Liability January 31,	
Property Reserves:								
Fiscal Year 2018	\$	6,735	\$	1,873	\$	-	\$	8,608
Fiscal Year 2019		8,608		2,915				11,523
Employee and Public Liability Claims:								
Fiscal Year 2018	\$	22,097	\$	4,589	\$	(5,869)	\$	20,817
Fiscal Year 2019		20,817		6,369		(6,383)		20,803

Counterparty Risk — CPS Energy is exposed to counterparty risk associated with various transactions primarily related to debt, investments, fuel hedging, suppliers, and wholesale power. Counterparty risk is the risk that a counterparty will fail to meet its obligations in accordance with the terms and conditions of its contract with CPS Energy. CPS Energy has policies and practices in place to ensure the solvency of counterparties is assessed accurately, monitored regularly, and managed actively through its Enterprise Risk Management and Solution Division.

Fuel Hedging — The 1999 Texas utility deregulation legislation, Senate Bill 7, contained provisions modifying the Texas Public Funds Investment Act (PFIA) to allow municipal utilities the ability to purchase and sell energy-related derivative instruments in order to hedge or mitigate the effect of market price fluctuations of natural gas, fuel oil, and electric energy. In 2002, CPS Energy began hedging its exposure to changes in natural gas prices, with the goal of controlling fuel costs to native load customers and stabilizing the expected cash flows associated with wholesale power transactions.

CPS Energy reports its derivative instruments in accordance with GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which addresses recognition, measurement, and disclosures related to derivative instruments. CPS Energy does not use derivative instruments for speculative purposes. The only derivative instruments entered into are for the purposes of risk mitigation; therefore, these instruments are considered potential hedging derivative instruments under GASB Statement No. 53.

On December 17, 2018, the Board reaffirmed the Energy Price Risk Management Policy, which sets forth the guidelines for the purchase and sale of certain financial instruments and certain physical products, collectively defined as hedge instruments. The essential goal of the Energy Price Risk Management Policy is to provide a framework for the operation of a fuel and energy price hedging program to better manage CPS Energy's risk exposure in order to stabilize pricing and costs for the benefit of CPS Energy and its customers.

CPS Energy (Continued)

In accordance with the requirements of GASB Statement No. 53, all fuel hedges are reported on the Statements of Net Position at fair value. The fair value of option contracts is determined using a Black Scholes pricing model based on the New York Mercantile Exchange (NYMEX) closing futures prices as of the last day of the reporting period. For fixed-price contracts, the fair value is calculated by deriving the difference between the closing futures prices on the last day of the reporting period and the futures or basis swap purchase prices at the time the positions were established.

All hedging derivative instruments were evaluated for effectiveness at January 31, 2019, and as a result of changes in Western Area Hub Association (WAHA) market conditions and a deterioration in the related WAHA correlation test, the hedge instruments were categorized into three broad groups for the purposes of testing. In Category One, hedges utilize nature gas forwards and options that are priced based on the underlying Henry Hub natural gas price, while the physical gas was purchased at the Houston Ship Channel (HSC). Therefore, effectiveness testing was based on the extent of correlation between the first of the month index prices of natural gas at this location and the settlement price at Henry Hub. The correlation coefficient was established as the critical term to be evaluated, with .9 established as the minimum standard. The testing demonstrated a substantial offset in the fair values, as evidenced by the calculated R value, .9, indicating that the changes in cash flows of the derivative instruments substantially offset the changes in cash flows of the hedgeable item. Additionally, the substantive characteristics of the hedge have been considered, and the evaluation of this effectiveness measure has been sufficiently completed and documented such that a different evaluator, using the same method and assumptions, would reach substantially similar results.

In Category Two, hedges utilize both Henry Hub based natural gas forwards and locational basis swaps to the appropriate natural gas hub (WAHA or HSC) with volumes matching the underlying expected physical transaction. Considering the substantive characteristics of these hedge transactions, these instruments were tested for effectiveness utilizing the consistent critical terms method prescribed under GASB Statement No. 53.

The introduction of Category Three became necessary as fundamentals of the WAHA market changed over the last year. In response to these changes, certain forward hedge positions were modified to include WAHA basis swaps. These modified hedge positions utilize the regression analysis method prescribed under GASB Statement No. 53 when a change in market conditions exist, which establishes the following three critical regression analysis terms to be evaluated: the R-squared must be at least .8, the slope must be between (.8) and (1.3), and the F-statistic must demonstrate that the model is significant using a 95.0% confidence interval. The testing demonstrated a substantial offset in fair values, as evidenced by the calculated critical terms. Tests were performed for call and put options separately, regressing each against the WAHA natural gas forward price. The R-squared values were both .9, the slopes were both (.9), and the F-statistic value was both 1.1, which is below the F Critical one-tail table value of 1.8 at the 95.0% confidence interval, demonstrating model significance. Collectively, this regression test indicates that the changes in cash flows of the derivative instruments substantially offset the changes in cash flows of the hedgeable item.

As of January 31, 2019, the total fair value of outstanding hedge instruments was a net liability of \$1,620 Fuel hedging instruments with a fair value of \$1,709 and (\$1,709) are classified on the Statements of Net Position as a component of current assets and current accounts payable and accrued liabilities, respectively. Long-term fuel hedges with a fair value of \$1,267 and (\$2,914) are classified as a component of other noncurrent assets and other noncurrent liabilities, respectively.

CPS Energy (Continued)

Consistent with hedge accounting treatment required for derivative instruments that are determined to be effective in offsetting changes in the cash flows of the hedged item, changes in fair value are reported as deferred (inflows) outflows of resources on the Statements of Net Position until the contract expiration that occurs in conjunction with the hedged expected fuel purchase transaction. When fuel hedging contracts expire, at the time the purchase transactions occur, the deferred balance is recorded as an adjustment to fuel expense. The deferred outflows and deferred inflows of resources related to fuel hedges totaled \$4,606 and \$273 respectively at January 31, 2019.

Following is information related to CPS Energy's outstanding fuel hedging derivative instruments, using the referenced index of Henry Hub:

	Fuel Derivative Transactions as of January 31, 2019									
			Volumes			Ch	anges in			
	Type of Transaction	Duration	in MMBtu	Fai	ir Value	Fa	ir Value			
Long	Natural Gas SWAP	Feb 2019 - Dec 2022	26,702,285	\$	(2,155)	\$	(1,937)			
Short	Natural Gas SWAP	Feb 2019 - Dec 2022	3,279,023		185		363			
Long	Natural Gas Call Option	Feb 2019 - Jan 2022	30,961,179		1,253		(2,532)			
Short	Natural Gas Call Option	Jan 2020	1,000				2			
Long	Natural Gas Put Option	Jan 2020	1,000				(1)			
Short	Natural Gas Put Option	Feb 2019 - Jan 2022	30,961,179		(815)		1,892			
Long	HSC Basis Swap	Feb 2019 - Dec 2022	24,808,285		719		2,625			
Short	HSC Basis Swap	Feb 2019 - Dec 2022	1,009,023		(107)		(165)			
Long	HSC Gas Daily Swap	Feb 2019	784,000		(27)					
Long	WAHA Basis Swap	Mar 2019 - Jan 2022	23,506,317		(603)		(502)			
Long	WAHA Gas Daily Swap	Feb 2019	378,000		(14)		4			
				\$	(1,564)	\$	(251)			

In the event purchased options are allowed to expire, the related premiums paid to acquire those options will be lost. When a short position is established and options are sold, premiums are received, and an obligation to honor the terms of the option contract, if exercised, is created. The decision to exercise the options or let them expire rests with the purchasing party.

Futures contracts represent a firm obligation to buy or sell the underlying asset. If held to expiration, the contract holder must take delivery of, or deliver, the underlying asset at the established contract price. Basis swap contracts represent a financial obligation to buy or sell the underlying delivery point basis. If held to expiration, the financial difference determined by mark-to-market valuation must be settled on a cash basis. Only if expressly requested in advance may an exchange for physical assets take place.

CPS Energy (Continued)

Credit Risk — CPS Energy executes over-the-counter hedge transactions directly with approved counterparties. These counterparties are generally highly rated entities that are leaders in their respective industries. CPS Energy monitors the creditworthiness of these entities on a daily basis and manages the resulting financial exposure via a third-party, vertically integrated risk system. Contractual terms with each existing counterparty vary, but each is structured so that, should the counterparty's credit rating fall below investment grade, no unsecured credit would be granted, and the counterparty would be required to post collateral for any calculated credit exposure. In the event of default or nonperformance by counterparties, brokers, or NYMEX, the operations of CPS Energy could be materially affected. However, CPS Energy does not expect these entities to fail to meet their obligations given the level of their credit ratings and the monitoring procedures in place with which to manage this risk. As of January 31, 2019, the exposure to all hedge-related counterparties was such that no material counterparty credit risk existed.

Termination Risk — For CPS Energy's fuel hedges that are executed over-the-counter directly with approved counterparties, the possibility exists that one or more of these derivative instruments may end earlier than expected, thereby depriving CPS Energy of the protection from the underlying risk that was being hedged or potentially requiring CPS Energy to make a significant termination payment. This termination payment between CPS Energy and its counterparty is determined based on current market prices. In the event a transaction is terminated early, CPS Energy would likely be able to replace the transaction at current market prices with similar, although not exact, terms with one of its other approved counterparties.

Basis Risk — CPS Energy is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged will be priced based on a pricing point (HSC or WAHA) different than that at which the contracts are expected to settle (Henry Hub). For January 2019, the HSC price was \$3.75 per MMBtu, the WAHA price was \$1.54 per MMBtu and the Henry Hub price was \$3.64 per MMBtu. (Figures in this paragraph are not in thousands).

Congestion Revenue Rights — In the normal course of business, CPS Energy acquires Preassigned Congestion Revenue Rights (PCRR) and Congestion Revenue Rights (CRR) as a hedge against unexpected congestion costs. The CRRs are purchased at market value, at semi-annual and monthly auctions. Non-Opt-In Entities are granted the right to purchase PCRRs annually at a percentage of the cost of CRRs. While PCRRs exhibit the three characteristics of derivatives as defined in GASB Statement No. 53, they are generally used by CPS Energy as factors in the cost of transmission. Therefore, these PCRRs meet the normal purchases and sales scope exception and are reported on the Statement of Net Position at cost and classified as prepayments.

From time to time, CPS Energy purchases PCRRs and sells them at the same auction at market price. In this case, the PCRRs are considered investments, and the proceeds are reported as either investment gains or losses. There were no gains or losses on the sale of PCRRs and CRRs for fiscal year 2019.

Fair Value Measurement — CPS Energy records assets and liabilities in accordance with GASB Statement No. 72, Fair Value Measurement and Application, which determines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. More information regarding GASB Statement No. 72 is disclosed in Note 4 Cash and Cash Equivalents, Security Lending and Investments. On the next page is the liability portion disclosure of GASB Statement No. 72:

CPS Energy (Continued)

	January 31, 2019							
	Level 1		Level 2		Level 3		_	Total
Liabilities								
Financial Instruments								
Current fuel hedges	\$	1,032	\$	331	\$	-	\$	1,363
Noncurrent fuel hedges		2,679		506				3,185
Total financial instruments	\$	3,711	\$	837	\$		\$	4,548

San Antonio Water System (SAWS)

Risk Management — SAWS provides health care benefits to eligible employees and retirees through a self-insured plan that includes medical, prescription drug, and dental benefits. The payment of claims associated with these benefits is handled by third party administrators. Plan participants contribute a portion of the cost of providing these benefits through payroll deductions or monthly premiums, annual deductibles, and other co-payments. SAWS was self-insured for the first \$350 of medical claims per person during 2018.

SAWS is exposed to various risks of financial loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SAWS is self-administered and self-insured for the first \$2,000 of each workers' compensation and general liability claim and is fully self-insured for automobile liability. Claims that exceed the self-insured retention limit for workers' compensation and general liability are covered through SAWS' comprehensive commercial insurance program (CCIP). Additionally, under the CCIP, SAWS maintains deductible programs for public officials and employment practices liability, fiduciary liability, pollution legal liability, drone liability, cyber liability and crime with varying deductibles. Property coverage is on a replacement cost basis with a deductible of \$250 per occurrence. Settled claims during the last three years have not exceeded the insurance coverage in any year.

The claims liability for health care benefits and other risks, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. Changes in the liability amount for the last two fiscal years were as follows:

			San	Antonio Wa	iter Sy	stem	•	•	•		
Schedule of Changes in Claims Liability											
	Bal	ance at					Bal	ance at	Est	imated	
Beginning of					Cla	aims and	E	nd of	Due Within		
Year-Ended	Year-Ended Fiscal Year Estimates		Payments		Fiscal Year		One Year				
December 31, 2018	\$	7,187	\$	26,738	\$	(25,728)	\$	8,197	\$	8,197	
December 31, 2017		7,273		22,586		(22,672)		7,187		7,187	

San Antonio Water System (SAWS) (Continued)

Pay-Fixed, Receive-Variable Interest Rate Swap — In 2003, SAWS entered into an interest rate swap agreement in connection with its City of San Antonio, Texas, Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B (Series 2003 Bonds) issued in a variable interest rate mode. The Series 2003 Bonds were issued to provide funds for SAWS' capital improvements program and to refund certain outstanding commercial paper notes.

The swap was used to hedge interest rates on the Series 2003 Bonds to a synthetic fixed rate that produced a lower interest rate cost than a traditional long-term fixed rate bond issued at that time. In August 2008, SAWS used commercial paper notes to redeem \$110,615 of the \$111,615 outstanding principal of the Series 2003 Bonds due to unfavorable market conditions relating to the ratings downgrade of the 2003 Bond insurer, MBIA Insurance Corporation. In 2009, SAWS redeemed the remaining \$1,000 of the Series 2003 Bonds through the issuance of additional commercial paper. The interest rate swap agreement was not terminated upon the redemption of the 2003 Bonds and instead serves as an off-market hedge for that portion of the commercial paper notes outstanding which pertain to the redemption of the 2003 Bonds. SAWS currently intends to maintain a portion of its outstanding commercial paper in amounts matching the notional amounts of the swap. SAWS did not recognize any economic gain or loss as a result of this refunding since the debt service requirements of the commercial paper notes are expected to closely match the debt service requirements of the refunded debt. At December 31, 2018, \$80,995 of commercial paper notes was hedged by the interest rate swap agreement.

Terms — The swap agreement contains scheduled reductions to the outstanding notional amounts that are expected to follow the original scheduled reductions in the Series 2003 Bonds. The Series 2003 Bonds were issued on March 27, 2003, with a principal amount of \$122,500. The swap agreement matures on May 1, 2033. At the time the swap was entered into, the counterparty was Bear Stearns Financial Products, Inc. (Bear Stearns FPI), with the index for the variable rate leg of the swap being the Securities Industry and Financial Markets Association Municipal Swap Index.

In 2008, JPMorgan Chase & Co. announced its acquisition of The Bear Stearns Companies, Inc., the parent of Bear Stearns FPI. JPMorgan Chase & Co. has guaranteed the trading obligations of Bear Stearns and its subsidiaries. Effective June 16, 2009, the swap agreement was amended between SAWS, JPMorgan Chase & Co., and MBIA to provide for JPMorgan Chase Bank N.A. to become the swap counterparty and allow for the remainder of outstanding Series 2003 Bonds to be redeemed, while maintaining the swap agreement as an obligation to all parties. The amendment provides for the conditional release of MBIA's swap insurance policy upon the occurrence of certain future events. The combination of commercial paper notes and a floating-to-fixed swap creates a synthetic fixed-rate of 4.2%. The synthetic fixed-rate protects against the potential of rising interest rates.

Fair Value — The swap had a negative fair value of approximately \$12,516 at December 31, 2018. This value is based on Level 2 inputs in the fair value hierarchy using the zero-coupon valuation method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These net payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

San Antonio Water System (SAWS) (Continued)

The swap agreement meets the criteria of an effective hedge under GASB Statement No. 53 and therefore qualifies for hedge accounting treatment. Since the fair value is negative, the fair value is recorded as a non-current liability. Changes in the swap's fair value are recorded as a deferred outflow of resources and included on the Statement of Net Position. At the time the 2003 Bonds were redeemed in 2008, the fair value of the swap was negative \$6,200. The deferred outflow at the time of redemption was included in the carrying value of the 2003 Bonds and resulted in a loss on redemption of \$6,200. This loss is included in the deferred charge on bond refunding on the Statement of Net Position and is being amortized over the remaining life of the 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was \$3,184 at December 31, 2018.

Credit Risk — As of December 31, 2018, SAWS was not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, SAWS would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, JPMorgan Chase Bank, N.A., was rated 'Aa2' by Moody's Investors Service, 'A+' by Standard & Poor's, and 'AA' by Fitch Ratings as of December 31, 2018. The amended swap agreement contains a credit support annex which will become effective upon the release of MBIA from the swap insurance policy. Collateralization would be required by either party should the fair market value of the swap reach applicable thresholds as stated in the amended swap agreement.

Basis Risk — SAWS is exposed to basis risk to the extent that the interest payments on its hedged commercial paper notes do not match the variable-rate payments received on the associated swap. SAWS attempts to mitigate this risk by matching the outstanding hedged commercial paper notes associated with the redemption of the variable-rate debt to the notional amount and amortization schedule of the swap and selecting an index for the variable-rate leg of the swap that is reasonably expected to closely match the interest rate on the hedged commercial paper notes.

Termination Risk — SAWS may terminate the swap at any time for any reason. JPMorgan Chase may terminate the swap if SAWS fails to perform under the terms of the agreement. The ongoing payment obligations under the swap are insured as provided for in the swap amendment, and JPMorgan Chase cannot terminate as long as the insurer does not fail to perform. Also, if at the time of the termination the swap has a negative fair value, SAWS would be liable to the counterparty for a payment equal to the swap's fair value.

Market-access Risk — SAWS is subject to market-access risk as \$80,995 of variable-rate debt hedged by the swap is outstanding in commercial paper notes with current maturities of approximately 30 days hedged by the interest rate swap. As previously noted, SAWS intends to reissue the commercial paper notes in amounts matching the notional amounts of the swap.

San Antonio Water System (SAWS) (Continued)

Swap Payments and Associated Debt — As of December 31, 2018, debt service requirements of the hedged commercial paper notes and net swap payments, assuming current interest rates remain the same, are detailed in the following table. As rates vary, variable-rate interest payments and net swap payments will vary. Principal payments assume that commercial paper will be repaid in accordance with the amortization schedule of the swap.

Pay-Fixed, Receive-Variable Interest Rate Swap
Estimated Debt Service Requirements of Variable-Rate
Debt Outstanding and Net Swap Payments

			Interest Paid		Inte	rest Rate	
Year	Pı	rincipal	on Debt		Sw	ap, Net	Total
2019	\$	3,880	\$ 1,372		\$	1,936	\$ 7,188
2020		4,055		1,302		1,838	7,195
2021		4,240		1,229		1,735	7,204
2022		4,435		1,153		1,627	7,215
2023		4,640		1,073		1,514	7,227
2024-2028		26,560		4,030		5,688	36,278
2029-2033		33,185		1,407		1,985	 36,577
Total	\$	80,995	\$	11,566	\$	16,323	\$ 108,884

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Note 15 Interfund Transfers

The following is a summary of interfund transfers for the City for the fiscal year-ended September 30, 2019:

General Fund: Debt Service Fund Nonmajor Governmental Funds Airport System Solid Waste Management Nonmajor Enterprise Funds Internal Service Funds Total General Fund Debt Service Fund: General Fund Nonmajor Governmental Funds	18,336 93 1,376 2,949	2,308 74,100
Debt Service Fund Nonmajor Governmental Funds Airport System Solid Waste Management Nonmajor Enterprise Funds Internal Service Funds Total General Fund Debt Service Fund: General Fund	 93 1,376 2,949	\$ 74,100 247
Nonmajor Governmental Funds Airport System Solid Waste Management Nonmajor Enterprise Funds Internal Service Funds Total General Fund Debt Service Fund: General Fund	 93 1,376 2,949	\$ 74,100 247
Airport System Solid Waste Management Nonmajor Enterprise Funds Internal Service Funds Total General Fund Debt Service Fund: General Fund	\$ 93 1,376 2,949	247
Solid Waste Management Nonmajor Enterprise Funds Internal Service Funds Total General Fund Debt Service Fund: General Fund	\$ 1,376 2,949	
Nonmajor Enterprise Funds Internal Service Funds Total General Fund Debt Service Fund: General Fund	\$ 2,949	
Internal Service Funds Total General Fund Debt Service Fund: General Fund	\$ 	
Total General Fund Debt Service Fund: General Fund	\$ 22,754	3,422
Debt Service Fund: General Fund	\$ 22,754	 577
General Fund	<u> </u>	\$ 80,654
Nonmajor Governmental Funds	2,308	
	 15,758	
Total Debt Service Fund	\$ 18,066	\$ -
Pre-K 4 SA:		
Nonmajor Governmental Funds	 37,411	
Total Pre-K 4 SA	\$ 37,411	\$ -
2017 General Obligation Bonds:		
Nonmajor Governmental Funds		96,509
Total 2017 General Obligation Bonds	\$ -	\$ 96,509
Nonmajor Governmental Funds:		
General Fund	74,100	18,336
Debt Service Fund		15,758
Pre-K 4 SA		37,956
2017 General Obligation Bonds	96,509	
Nonmajor Governmental Funds	248,964	248,964
Solid Waste Management	2,018	82
Nonmajor Enterprise Funds	1,745	616
Internal Service Funds	 3,981	 1
Total Nonmajor Governmental Funds	\$ 427,317	\$ 321,713
Airport System:		
General Fund		93
Total Airport System	\$ -	\$ 93
Solid Waste Management:	 	
General Fund	247	1,376
Nonmajor Governmental Funds	82	2,018
Internal Service Funds	313	
Total Solid Waste Management	\$ 642	\$ 3,394
Nonmajor Enterprise Funds:		
General Fund	3,422	2,949
Nonmajor Governmental Funds	616	1,745
Nonmajor Enterprise Funds	223	223
Total Nonmajor Enterprise Funds	\$ 4,261	\$ 4,917
Internal Service Funds:		
General Fund	577	
Nonmajor Governmental Funds	1	3,981
Solid Waste Management		313
Internal Service Funds	85	85
Total Internal Service Funds	\$ 663	\$ 4,379
Total	\$ 511,114	\$ 511,659

Notes to Financial Statements

Note 15 Interfund Transfers (Continued)

Transfers are made to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. These transfers are in the form of operating subsidies, grant matches, and funding for capital projects. In addition, transfers are routinely made from other funds to fund debt service payments and for other restricted purposes. Some examples include the 1/8 cent sales and use tax collected by the City and provided to Pre-K 4 SA for operations; 15.0% of the Hotel Occupancy Tax (HOT) collections are used to fund Historic Preservation which operates in the General Fund; and Bond proceeds used to fund capital projects. All transfers are in accordance with budgetary authorizations.

Different fiscal year-ends exist between the City and Pre-K 4 SA (September 30th and June 30th, respectively); therefore, interfund transfers do not eliminate by \$545. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to Pre-K 4 SA represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30, 2019; however, Pre-K 4 SA's due from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2019. These transfers are in accordance with legislative and contractual requirements.

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Note 16 Fund Balance Classifications

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table. Please see the definitions of the various fund balance classifications in Note 1 Summary of Significant Accounting Policies.

		neral ınd	S	Debt ervice Fund	Pre-	-K 4 SA	Ce H	vention enter lotel nance	G Ob	2017 eneral ligation Bonds	Gove	onmajor ernmental Funds		Total ernmental Funds
Fund Balances:														
Nonspendable:														
In nonspendable form:														
Materials and Supplies	\$	6,866	\$	_	\$	_	\$	_	\$	_	\$	5,127	\$	11,993
Prepaid, Deposits and Other	•	218	Ċ		·		·				•	1,535		1,753
Legally or contractually intact:												•		•
Permanent Fund Corpus												5,068		5,068
Total Nonspendable	\$	7,084	\$	_	\$	_	\$	_	\$		\$	11,730	\$	18,814
Restricted:	<u> </u>	,												
Education						7,126						14,531		21,657
Environmental						, -						110		110
Social Services												1,231		1,231
Parks & Recreation												86,245		86,245
Library												1,329		1,329
Health Services												23,907		23,907
Welfare												283		283
Convention and Tourism												2,661		2,661
Urban Redevelopment and Housing												1,451		1,451
Economic Development & Opportunity												52,349		52,349
Law Enforcement												4,329		4,329
Fire Protection		44										25		69
Debt Service		2,348		32,466				6,439				5,095		46,348
Other Purposes		2,510		32, 100				0,133				438		438
Drainage - Capital Projects										49,132		76,129		125,261
Municipal Facilities - Capital Projects										26,542		73,738		100,280
Parks - Capital Projects										76,147		11,545		87,692
Streets - Capital Projects										215,579		137,233		352,812
Other Capital Projects										17,262		53,000		70,262
Total Restricted	\$	2,392	\$	32,466	ς.	7,126	\$	6,439	Ġ	384,662	\$	545,629	\$	978,714
Committed:		2,332		32,400		7,120		0,433		304,002		343,023		370,714
Parks & Recreation		4,700										11,510		16,210
Health Services		357										11,510		357
Welfare		1,778												1,778
Convention and Tourism		1,770										93,200		93,200
Urban Redevelopment and Housing		2,499										12,243		14,742
Economic Development & Opportunity		23,011										12,243		23,011
Law Enforcement		7,014										780		7,794
Fire Protection		3,569										780		3,569
Public Works		5,010												5,010
General Government		7,302										6,220		13,522
Municipal Facilities - Capital Projects		5,264										8,526		13,790
Parks - Capital Projects		1,304										8,320		1,304
Streets - Capital Projects		34,861										1,218		36,079
Other - Capital Projects		11,751										2,060		13,811
Total Committed		08,420	\$		\$		\$		\$		\$	135,757	\$	244,177
Assigned:	<u> </u>	06,420	<u> </u>		<u> </u>		<u> </u>		<u> </u>		<u> </u>	155,757	<u> </u>	244,177
												107		107
Education Parks & Recreation												197 1,443		197
												1,443 7		1,443 7
Health Services														
Economic Development & Opportunity		24										2,578		2,578
Other Purposes	ċ	21			<u>,</u>		<u>,</u>		<u>,</u>		<u> </u>	4 225	<u>,</u>	21
Total Assigned	\$	21 47 125	\$		\$		\$		\$		\$	4,225	\$	4,246
<u>Unassigned</u> Total Fund Balance		47,125 65,042	\$	32,466	ċ	7,126	Ċ	6,439	خ -	384,662	\$	(6,463)	\$	240,662
rotal Fullu Balance	3 ر	03,042	<u> </u>	32,400	\$,,120	\$	0,433	<u>ې</u>	J04,UUZ	<u>ې</u>	690,878	ب	1,486,613

Note 16 Fund Balance Classifications (Continued)

The City utilizes encumbrance accounting to ensure specified remaining unspent balances are adequately carried forward into the next fiscal year. Encumbrances are created for purchase order, grant match requirements, and capital project funding. The City further carries forward available unspent uncommitted funds identified through the Closing Ordinance into the next fiscal year as authorized by City Council. The encumbrance and carryforward amounts are reported in the committed and restricted fund balance as follows:

N	onmajor		Total
Gov	ernmental	Gov	ernmental
	Funds		Funds
\$	546,032	\$	650,951
	Gov	Nonmajor Governmental Funds \$ 546,032	Governmental Gov Funds

The City further maintains a 10.0% of General Fund revenues Budgeted Financial Reserve which was adopted by City Council. This Reserve is reviewed and adopted by City Council annually in the City's Budget Ordinance. Additions to the balance are considered annually as part of the City's overall budget adoption process and are contingent upon the General Fund's overall estimated expenditures and related funding.

With adoption of the 2019 Budget, the City continued to follow established Financial Policies. These Financial Policies include a reserve policy to maintain a minimum General Fund ending balance of 15.0%, comprised of a budgeted financial reserve of 10.0%, and a targeted 5.0% for a two year budget plan. Other requirements include an additional \$1.0 million contingency reserve in the General Fund and a \$3.0 million contingency reserve for the capital budget; maintain Public Safety spending below 66.0% of the General Fund's expenditures; manage structural balance in the General Fund, and address Internal Service fund deficits within three to five years.

The balance within the Budgeted Financial Reserve as of September 30, 2019 was \$122,924. This Reserve balance is presented in the General Fund under the unassigned fund balance classification. In addition, at the end of fiscal year 2019, \$101,796, or 8.2% of budgeted revenues, was reserved for a two-year balanced budget. The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management.

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Notes to Financial Statements

Note 17 Deficits in Fund Balances / Net Position

Grants

As of September 30, 2019, a deficit fund balance is reported in the Categorical Grant-in Aid and HOME Program in the amounts of \$7,655 and \$650, respectively. These deficits are due to costs not being reimbursed by the grantor within 60 days after year-end. The City anticipates receiving payment in fiscal year 2020 for these costs.

Capital Projects Funds

As of September 30, 2019, a deficit fund balance is reported in the General Obligation Projects Fund in the amount of \$170, and in the Improvement Projects Fund in the amount of \$533 due to timing of funding. The City maintains a one year reimbursement resolution for projects included in the annually adopted capital budget, thereby covering these deficits in fiscal year 2020.

Enterprise Funds

As of September 30, 2019, deficit net positions are reported in Solid Waste Management and Development Services in the amounts of \$61,077 and \$7,306, respectively. The City does not currently prefund its net OPEB liability or the net pension liability; as a result these funds will continue to exhibit an increasing deficit net position. The City will continue to pay for these obligations as they become due.

Internal Service Funds

As of September 30, 2019, a deficit net position is reported for Information Services in the amount of \$43,007 and for Capital Management Service Fund (CMS) in the amount of \$23,738. The deficit is due to the funds not including long-term liabilities in their rate assessments. The City does not prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit an increasing deficit net position. The City will continue to pay for these obligations as they become due.

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Note 18 Other Disclosures

Primary Government (City)

Donor Restricted Endowment

The City has five Permanent Funds: Carver Cultural Center Endowment, City Cemeteries, William C. Morris Endowment, Boza Becica Endowment and Southern Edwards Plateau Endowment. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The City's endowments' spending policy for authorizing and spending investment income is a total return policy. Income will include not only interest and dividends, but also include increases and/or decreases in the market value of the endowed assets, if applicable. Market value fluctuations are included as an integral part of investment returns. The net position from these endowment funds are reported in the government-wide financial statements.

The Carver Cultural Center Endowment Fund generated \$9 in investment earnings. These earnings can be used for the Carver Community Cultural Center's operating program or reinvestment expenses (as detailed in the grant agreement). This fund is managed in accordance with the Uniform Prudent Management of Institutional Funds Act, which is codified as Section 163.001 in the Texas Property Code. The principal portion of the fund came from a one-time grant from the National Endowment for the Arts.

The City Cemeteries Fund generated \$98 in investment earnings to be expended for specified purposes. Chapter 713 of the Texas Health and Safety Code governs what expenditures the City may incur when spending the interest income. Per Chapter 713, the revenue can be spent for the maintenance and care of the graves, lots, and burial places, and to beautify the entire cemetery. The principal amount of this fund is increased each year by sales of lots from the San Jose Cemetery. The principal is required to be retained in perpetuity.

The William C. Morris Endowment Fund generated \$8 in investment earnings. These earnings are used on an annual basis to enhance educational programming and services for children provided at the City libraries. The earnings of the funds will be expended in accordance with the spending policy of the Library's Board of Directors or Trustees.

The Boza Becica Endowment Fund generated \$14 in investment earnings. These earnings will be used for the acquisition of books and materials for the San Antonio Public Library in accordance with the terms and conditions of the Last Will and Testament of Boza Becica. The principal is required to be retained in perpetuity.

The Southern Edwards Plateau Endowment generated \$8 in investment earnings. This fund is managed in accordance with the Endangered Species Act of 1973, which is codified as Section 83.005 in the Texas Parks and Wildlife Code Chapter 83. These earnings will be used to fund management and monitoring of the preserves in support of the Southern Edwards Plateau Habitat Conservation Plan. The principal amount of this fund is increased each year by outside donations and transfers from the Development Services Fund. The principal is required to be retained in perpetuity.

Note 18 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements

The City has a fixed term agreement with Mission Park in which Mission Park pays the City 40.0% of burial plot sales and 10.0% of revenue from services, merchandise and products for the life of the contract (ending December 2035 with an option to renew). All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Mission Park will provide. Mission Park collects all fees and pays the City its portion. The assets include 84 acres acquired at a value of \$1,820. The City received an upfront payment of \$130 in fiscal year 2011. In fiscal year 2019, the City received \$312 in revenue from Mission Park.

The City has a management agreement with MGA-SA. In the agreement, MGA-SA manages the City's golf courses and in return retains all funding to cover operations and improvements. All permanent structures existing on the golf courses and those added during the term of the agreement are property of the City. The City determines and/or approves of the services provided to the public. The assets include eight golf courses valued at \$43,256. MGA-SA collects all fees and pays the City loan payments due on outstanding debt and a short term loan. In fiscal year 2019, the City received \$1,117 in revenue from MGA-SA.

The City has a concession agreement with Go Rio San Antonio, LLC (Go Rio) in which Go Rio pays the City 51.0% of river barge services and 15.0% of revenue from merchandise, food and beverage, advertising and other ancillary services for the life of the contract (ending December 2027 with an option to renew). The assets include 44 barges and accompanying equipment acquired at a value of \$9,189. All capital improvements to the barges become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Go Rio will provide. Go Rio collects all fees and pays the City its portion. In fiscal year 2019, the City received \$9,505 in revenue from Go Rio.

The City has a management agreement with Landry's for operation of the Tower of the Americas (ending June 2021 with an option to renew). The City will receive the greater of a minimum annual guaranteed payment of \$984 or revenue based on 10.0% of restaurant services, 35.0% of revenue from admission fees, 30.0% of revenue from parking, 15.0% from retail at the ground level gift shop and observation deck, 5.0% from theater tickets and vending, and 50.0% from telescope and other revenues not otherwise listed. The assets include the Tower of the Americas building, telescopes, movie theater equipment and renovations with a combined value of \$2,690. All capital improvements have to be approved and become property of the City. The City retains ownership of the property after the contract expires. The City approves the rates and services Landry's will provide. Landry's collects all fees and pays the City its portion. In fiscal year 2019, the City received \$1,743 in revenue from Landry's.

Note 18 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements (Continued)

The City has a management agreement with San Antonio Botanical Garden Society, Inc., (SABGC) for operation of the San Antonio Botanical Garden (ending December 31, 2039 with an option to extend). The City will receive revenue based on restaurant, gift shop, plant sales and rentals. SABGC is also entitled to keep part of this revenue to reinvest in capital improvements in lieu of payments to the City. All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services SABGC will provide. SABGC collects all fees and pays the City its portion. The assets include the 37.8 acres, new welcome center, education and events center, classrooms, various new garden areas and expanding parking lot, with a combined value of \$19,052, net of depreciation, and \$5,405 made in improvements in fiscal year 2019. In fiscal year 2019, the City received \$10 in revenue from SABGC.

The City has a concession agreement with Alanis Wrecker Service for operation of the Growden Vehicle Storage Facility (ending September 30, 2023 with an option to extend). The City will receive a minimum annual guaranteed payment of \$2,000 or a percentage amount calculated based on their total adjusted gross sales, whichever is greater. Alanis Wrecker Service is required to make minimum \$500 in improvements per year for the first two years to the vehicle storage facility. All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The assets include the vehicle storage facility, administration building, supply shed, drop shed, golf cart shed, and property shed with a combined value of \$1,099. In fiscal year 2019, the City received \$3,000 in revenue from Alanis.

CPS Energy

Service Concession Arrangements

In accordance with GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, a service concession arrangement between CPS Energy, owner, and Thousand Trails Management Services, Inc. (TTMSI), provider, was signed on November 20, 2009. TTMSI provides labor, supervision, management, services and equipment for Braunig Lake Park and Calaveras Lake Park, which are owned by CPS Energy. Gross receipts are distributed based on the contract agreement, which expires on November 30, 2024. CPS Energy is to retain ownership of both parks upon expiration of the arrangement.

At January 31, 2019, a receivable was recorded in the amount of \$1,089, related to the TTMSI SCA. This balance represents the net amount of gross receipts less expenditures as of January 31, 2019 for both parks. The asset book values as of January 31, 2019 for Braunig Lake Park and Calaveras Lake Park were \$859 and \$843, respectively.

Note 19 Prior Period Restatement

Primary Government (City)

GASB 83 Restatement

In fiscal year 2019, the City implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. The implementation resulted in a restatement of the City's governmental and business-type activities beginning net positions and long-term liabilities.

Governmental Activities

The City's Statement of Net Position restatements for the Governmental Activities are as follows:

	Net Position		
Beginning Net Position, as previously reported	\$	1,896,849	
GASB 83 Restatement - ARO		(531)	
Net Position as Restated, October 1, 2018	\$	1,896,318	

	 ect of ange
Beginning ARO Liabilities	\$ -
GASB 83 Restatement - ARO	 808
Restated Liabilities - ARO	\$ 808

Business-Type Activities

The Airport System was the only fund impacted as part of the implementation of GASB Statement No. 83, the effect of the restatement is as follows:

	Busi	ness-Type	Airport			
	Α	ctivities	System			
Beginning Net Position, as previously reported	\$	356,003	\$	405,952		
GASB 83 Restatement - ARO		(48)		(48)		
Restated Beginning Net Position	\$	355,955	\$	405,904		

	Effe	Effect of		
	Ch	Change		
Beginning ARO Liabilities	\$	-		
GASB 83 Restatement - ARO		314		
Restated Liabilities - ARO	\$	314		

Note 19 Prior Period Restatement (Continued)

Discretely Presented Component Units

CPS Energy

CPS Energy adopted the requirements of GASB Statement No. 83 in fiscal year 2019. The impact for CPS Energy is as follows:

	As Originally Reported		As	Restated	_	ffect of Change
Statement of Net Position						
Deferred outflows of resources						
Unamortized asset retirement obligation costs	\$		\$	507,964	\$	507,964
Total deferred outflows of resources	\$	-	\$	507,964	\$	507,964
Noncurrent liabilities						
Decommissioning	\$	463,098	\$	-	\$	(463,098)
Asset retirement obligations				1,004,350		1,004,350
Decommissioning net costs refundable		125,968		97,405		(28,563)
Total noncurrent liabilities	\$	589,066	\$	1,101,755	\$	512,689
Net Position	\$	3,498,289	\$	3,493,564	\$	(4,725)
Statement of Revenues, Expenses and Changes in Ne	t Po	sition				
Operating expense						
Operation and maintenance	\$	539,797	\$	540,104	\$	307
Decommissioning		29,639		16,525		(13,114)
Nonoperating expense						
Decommissioning net costs recoverable						
(refundable)	\$	(18,651)	\$	(31,765)	\$	13,114

SAWS

Effective January 1, 2018, SAWS implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). In accordance with the pronouncement, SAWS recorded a charge to unrestricted net position as of January 1, 2018, of \$18,290 to reflect the Net OPEB Liability for SAWS defined benefit OPEB plan.

	Net Position
Beginning Net Position, as previously reported	\$ 2,854,278
GASB 75 Restatement - OPEB	(18,290)
Net Position as Restated, January 1, 2018	\$ 2,835,988

Note 20 Subsequent Events

Primary Government (City)

Build America Bonds (BABs) Subsidy Sequestration

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the federal government will reduce the BABs subsidy by 5.9% for payments to be made during the period beginning October 1, 2019, through the end of the fiscal year September 30, 2020. There is still uncertainty regarding whether or not the reduction will continue after that date. In February 2020, the City will receive \$29 from the IRS for the BAB's payment. The subsidy reduction for fiscal year 2020 will result in an approximate \$4 increase in the City's debt-related interest expense. The change does not have a material impact on the City's debt financing. The BABs were partially refunded in fiscal year 2019 and will be fully paid off in fiscal year 2020.

Collective Bargaining Agreement

The collective bargaining agreement (CBA) between the City and the International Association of Fire Local 624 (IAFF) expired September 30, 2014, with the parties continuing to operate under the ten year evergreen clause included in the agreement. In December 2019, City and union representatives began a two week binding arbitration process that resulted in the formation of a new labor contract between the City and its firefighters. A panel of three arbitrators awarded a new CBA on February 13, 2020. The new CBA is a five year agreement that will end on December 31, 2024. There is a maximum evergreen period of five years. Firefighters will receive a total of 17.0% in pay increases, a combination of 7.0% lump sum and 10.0% recurring wages, over the five year term. Additionally firefighters will have the option of two healthcare plans, a PPO Value Plan and a Consumer Driven Healthcare Plan. Firefighter's contributions to the healthcare plan will increase by 10.0% annually during both the term of the contract and the evergreen period.

Long-Term Debt

On October 29, 2019, the City issued \$6,065 in Texas Municipal Facilities Corporation Contract Revenue Notes, Taxable Series 2019 to pay costs related to the redevelopment of two buildings at Brooks City Base. The notes were issued through private placement with Frost Bank at a 2.4% interest rate with maturities between 2020 and 2034.

On December 5, 2019, the City issued \$178,475 in Airport System Revenue Refunding Bonds, Series 2019A (AMT), Airport System Revenue Refunding Bonds, Taxable Series 2019B, Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding Bonds, Series 2019A (AMT), and Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding Bonds, Taxable Series 2019B for interest cost savings. The refunding transaction resulted in a net present value debt service savings of \$32,405 or 16.6%, of the par amount of the bonds being refunded. The bonds have maturities between 2026 and 2040 with interest rates between 2.6% and 5.0%.

On January 16, 2020, Council approved amending the agreement of the Texas Variable Rate Combination Tax and Revenue Certificates of Obligation, Series 2016. The certificates have an interest rate of 2.6%. The City amended the agreement to extend the term rate period from January 31, 2020 to July 31, 2020 and the mandatory principal payment due February 1, 2020 to February 1, 2021.

On January 29, 2020, the City issued \$11,300 in Texas Public Property Finance Contractual Obligations, Series 2020 to prepay all outstanding General Fund lease purchased equipment including helicopters, breathing apparatus, thermal imaging cameras, bunker gear, ambulances, direct capture filtration and fire trucks. The notes were issued through private placement at a 1.7% interest rate with maturities between 2021 and 2025.

Note 20 Subsequent Events (Continued)

Pre-K 4 SA

On February 13, 2020 City Council voted to order an election on whether to extend the 1/8 cent sales tax for Pre-K 4 SA eight more years. Pre-K 4 SA was created when voters first approved a 1/8-cent per dollar share of the City sales tax that created Pre-K 4 SA in November 2012. The program operates four centers, each offering full-day pre-kindergarten to 4-year-olds, and it trains teachers and distributes grants to participating school districts, many of which have ramped up their own pre-kindergarten offerings in recent years. The issue will appear on the May 2nd ballot. The current tax, which voters approved in 2012, expires in June 2021.

CPS Energy

Long-Term Debt

In July 2019, CPS Energy executed a Bill of Sale with the Department of Defense for \$87,054 for the electric and gas systems at three Joint Base San Antonio (JBSA) installations: JBSA Randolph, JBSA Lackland and JBSA Lackland Training Annex. In addition to the fixed assets acquired, deferred inflows for the unrealized future recoveries associated with JBSA agreement were recorded at the time of the purchase which are being amortized over the 50-year Utilities Privatization Contract that covers the JBSA systems.

On September 25, 2019, CPS Energy issued \$114,685 of New Series 2019 Senior Lien Revenue Refunding Bonds. Bond proceeds, including the \$22,829 premium associated with the bonds, were used to refund \$116,775 par value of the New Series 2012 Revenue Bonds. The refunding transaction resulted in net present value debt service savings of \$3,137 or 2.7%, of the par amount of the bonds being refunded. The true interest cost for this issue, which has maturities in 2026 through 2030, is 1.5%.

On November 21, 2019, CPS Energy issued \$252,640 of New Series 2019 Junior Lien Revenue Refunding Bonds. Bond proceeds, including \$52,849 premium associated with the bonds, were used to partially refund the 2010A Senior Lien Revenue Bonds (Build America Bonds) and the 2010B Junior Lien Revenue Bonds (Build America Bonds). The refunding transaction resulted in a net present value debt service savings of \$50,128 or 16.7%, of the par amount of the bonds being refunded. The true interest cost for this issuance, which has maturities in 2033 through 2041, is 2.9%.

On December 2, 2019, CPS Energy remarketed \$124,205 of Series 2015A Variable-Rate Junior Lien Revenue Refunding Bonds. The issuance of \$891 premium, in conjunction with the remarketing, resulted in a principal paydown for the remarketed bonds of \$350. The bonds have maturities in 2029 through 2033. The coupon rate for these bonds is 1.8%, with a current yield of 1.6% and true interest cost of 4.3%, which reflects stepped interest rate provisions applicable to the bonds.

On December 2, 2019, CPS Energy remarketed \$99,740 of Series 2015C Variable-Rate Junior Lien Revenue Refunding Bonds. The issuance of \$715 premium, in conjunction with the remarketing, resulted in a principal paydown for the remarketed bonds of \$260. The bonds have maturities in 2038 through 2045. The coupon rate for these bonds is 1.8%, with a current yield of 1.6% and true interest cost of 5.2%, which reflects stepped interest rate provisions applicable to the bonds.

On January 28, 2020, CPS Energy issued \$134,580 of New Series 2020 Senior Lien Revenue Refunding Bonds. Proceeds, including the \$36,436 premium associated with the bonds, were used to refund \$170,000 par value of the Commercial Paper Series A. The true interest cost for this issue, which has maturities in 2026 through 2049, is 3.1%.

Note 20 Subsequent Events (Continued)

CPS Energy (Continued)

Long-Term Debt (Continued)

On January 28, 2020, CPS Energy issued \$127,770 of Series 2020 Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds, including the \$3,078 premium associated with the bonds, were used to refund \$50,000 and \$80,000 par value of the Commercial Paper Series A and Commercial Paper Series C, respectively. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in 2042 through 2049, is 5.0%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 1.8% and a stepped rate of 7.0%, which is only applicable if the bonds are not remarketed before their expiration date.

On January 28, 2020, \$108,000 of New Series 2016 Senior Lien Revenue Refunding Bonds were legally defeased with cash. Under this defeasance, the debt obligations were technically voided as the cash was escrowed with a third party to service the debt.

During fiscal year 2020, CPS Energy issued a total of \$320,000 in commercial paper to help fund construction costs and refunded \$430,000. As of January 31, 2020, CPS Energy had \$95,000 of commercial paper outstanding. On April 11, 2019, the total authorized commercial paper capacity was increased from \$600,000 to \$700,000 as a result of City Council approval.

San Antonio Water System (SAWS)

Rate Increase

On September 5, 2019, SAWS announced they will increase the water supply fee rates on average by 9.9% beginning January 1, 2020. The additional revenue will enable SAWS to help fund the Vista Ridge Pipeline Project and to support the new Agua Vista station, which will receive and treat Vista Ridge water.

Long-Term Debt

On January 29, 2019, SAWS issued \$166,480 Texas Water System Variable Rate Junior Lien Revenue Bonds, Series 2019A (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, and (ii) pay the cost of issuance. The bonds are multi-modal variable rate bonds, initially issued in a term mode through April 30, 2024 at an interest rate of 2.6% with a yield of 2.5%. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On June 25, 2019, SAWS deposited \$178,931 from available cash on hand in an irrevocable trust for the legal defeasance of \$16,490 Texas Water System Revenue Bonds, Taxable Series 2009B (Direct Subsidy – Build America Bonds); \$23,510 Texas Water System Revenue Refunding Bonds, Series 2011A; \$107,330 Texas Water System Revenue Refunding Bonds, Series 2012; and \$20,620 Texas Water System Revenue and Refunding Bonds, Series 2012A. The defeasance of these bonds reduced future debt service by approximately \$213,000 between 2020 and 2028.

Notes to Financial Statements

Note 20 Subsequent Events (Continued)

San Antonio Water System (SAWS) (Continued)

Long-Term Debt (Continued)

On September 25, 2019, SAWS issued \$30,765 Texas Water System Junior Lien Revenue Bonds, Series 2019B through the Texas Water Development Board. The bonds were sold under the Drinking Water State Revolving Fund Program. The proceeds from the sale of the bonds were used to (i) finance capital improvement projects which qualify under the Texas Water Development Board Program, and (ii) pay the cost of issuance. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On October 23, 2019, SAWS issued \$82,565 Texas Water System Revenue Refunding Bonds, Series 2019C (no reserve fund). The proceeds from the sale of the bonds were used to (i) refund the Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2007, (ii) refund the Texas Water System Junior Lien Revenue Bonds, Series 2009, (iii) refund \$64,660 in outstanding Texas Water System Taxable Bonds, Series 2010B (Direct Subsidy – Build America Bonds), and (iv) pay the cost of issuance. The refunding reduced total future debt service payments by approximately \$28,408 and resulted in an economic gain of \$14,246. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations. The bonds have maturities between 2020 and 2030 with interest rates between 4.0% - 5.0%.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN ANTONIO, TEXAS

Budgetary Comparison Schedule - (Unaudited) General Fund

Year-Ended September 30, 2019

(In Thousands)

	2019							
	BUDGETED AMOUNTS					UDGETARY BASIS	VARIANCE WITH	
	ORIGINAL		FINAL			ACTUAL	FINAL BUDGET	
Resources (Inflows): Taxes	\$	694,719	\$	701,354	\$	708,138	\$	6,784
Licenses and Permits		9,123		9,415		7,351		(2,064)
Intergovernmental		5,031		5,624		6,376		752
Revenues from Utilities		381,311		373,692		377,652		3,960
Charges for Services		69,135		69,426		68,062		(1,364)
Fines and Forfeits Miscellaneous		11,729 11,099		11,267 11,536		9,911 31,103		(1,356) 19,567
Investment Earnings		6,019		8,506		9,365		19,567
Contributions		0,013		0,500		44		44
Transfers from Other Funds		22,238		22,238		22,754		516
Amounts Available for Appropriation	\$	1,210,404	\$	1,213,058	\$	1,240,756	\$	27,698
Charges to Appropriations (Outflows):								
General Government		85,338		93,545		91,761		1,784
Public Safety		768,414		771,980		771,469		511
Public Works		70,945		76,456		75,235 29,978		1,221
Health Services Welfare		29,277 38,072		30,015 39,950		29,978 38,951		37 999
Culture and Recreation		121,907		129,919		129,548		371
Economic Development and Opportunity		9,965		24,281		24,626		(345)
Urban Redevelopment and Housing Debt Service:		27,655		27,923		27,848		75
Principal Retirement		3,240		3,240		3,240		
Interest		115		115		115		
Transfers to Other Funds Total Charges to Appropriations:	\$	81,678 1,236,606	Ś	140,493 1,337,917	Ś	138,002 1,330,773	\$	2,491 7,144
Surplus (Deficiency) of Resources Over (Under)	<u> </u>	1,230,000	<u> </u>	1,337,317	<u> </u>	1,330,773	,	7,144
Charges to Appropriations		(26,202)		(124,859)		(90,017)		34,842
Fund Balance Allocation		26,202		124,859		90,017		(34,842)
Excess (Deficiency) of Revenues Over Expenditures	\$	_	\$	_	\$	_	\$	
			<u> </u>					
Explanation of Differences between Budgetary Inflows and Outflows an Sources/Inflows of Resources: Actual amounts (budgetary basis) "available for appropriation" from the			Expend	litures				
comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but a	are not r	evenues					\$	1,240,756
for financial reporting purposes								(22,754)
Total revenues as reported on the statement of revenues, expenditures in fund balances - governmental funds	s, and cn	ianges					\$	1,218,002
Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" fro comparison schedule Differences - budget to GAAP:	om the b	oudgetary					\$	1,330,773
Encumbrances and Earmarks for supplies and equipment ordered by year the orders are placed for budgetary purposes, but in the year			ted in t	he				
are received for financial reporting purposes								(104,919)
Transfers to other funds are outflows of budgetary resources but ar for financial reporting purposes Total expenditures as reported on the statement of revenues, expendit		•						(80,654)
in fund balances - governmental funds	wies, all	a changes					\$	1,145,200

General Fund Budgetary Information

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City department and activity within individual funds cannot legally exceed the final budget approved by the City Council. Amendments to line items within a departmental budget may be initiated by Department Directors.

The City's prepares an annual budget for the General Fund on a modified accrual basis which is consistent with generally accepted accounting principles. The annual budgetary data reported for the General Fund represents the original appropriation ordinance and amendments thereto as adopted by the City Council, adjusted for encumbrances outstanding at the beginning of the fiscal year. All annual appropriations lapse at fiscal year-end.

CITY OF SAN ANTONIO, TEXAS

Budgetary Comparison Schedule - (Unaudited) Pre-K 4 SA

Year-Ended June 30, 2019

(In Thousands)

BUDGETANY SAIS SUBSTANY SAIS SUBSTANY SAIS SUBSTANY SAIS SUBSTANY SAIS			2019						
Sale & Use Tax		BUDGETED AMOUNTS						VARIANCE WITH	
Sale & Use Tax							CTUAL		
State Acad Match		<u></u>							
Margas for Services 1,480		\$,	\$	•	\$	•	\$	
Table Part			,		,		•		` '
Manuta Natilable for Appropriation			•		,		,		
Amounts Available for Appropriation S 42,970 S 43,761 S 44,138 S 377	· · · · · · · · · · · · · · · · · · ·								
Charges to Appropriations (Outflows): Education: 24,607 25,031 24,748 283 Transportation Services 789 776 776 776 Pre-K Facility Leases 9,895 9,787 9,587 170 Competitive Grants 4,808 4,340 3,919 421 Professional Development 1,978 1,899 1,897 2 Program Assessment 307 307 307 307 Enrollment/Attendance Services 776 647 548 99 Public Relations/Marketing 869 811 861 (50) Sales Tax Collection Fee 727 729 742 (13) Administration 2,549 2,442 2,367 75 Transfers to Other Funds 2 4,272 4,383 4,243 1,40 Total Charges to Appropriations: \$ 1,577 \$ 51,122 \$ 49,995 1,127 Supplies Cepticiency) of Resources: Charges to Appropriations: \$ 2,0 \$	Interest/Miscellaneous		_						
Education Centers	Amounts Available for Appropriation	\$	42,970	\$	43,761	\$	44,138	\$	377
Pre-K Education Centers	Charges to Appropriations (Outflows):								
Transportation Services 789 776 776 Pre-K Facility Leases 9,885 9,757 9,587 170 Competitive Grants 4,808 4,340 3,919 421 Professional Development 1,978 1,899 1,897 2 Program Assessment 307 307 307 307 Enrollment/Attendance Services 776 647 548 99 Public Relations/Marketing 869 811 861 (50) Sales Tax Collection Fee 727 729 742 (13) Administration 2,549 2,442 2,367 75 Transfers to Other Funds² 4,272 4,383 4,243 140 Total Charges to Appropriations (8,607) (7,361) (5,877) 1,504 Surplus (Deficiency) of Resources Over (Under) (8,607) (7,361) (5,877) 1,504 Excess (Deficiency) of Revenues Over Expenditures \$ \$ \$ \$ \$ \$ \$ \$ \$ <									
Pro-K Facility Leases									283
Competitive Grants 4,808 4,340 3,919 421 Professional Development 1,978 1,899 1,897 2 Program Assessment 307 307 307 Enrollment/Attendance Services 776 647 548 99 Public Relations/Marketing 869 811 861 (50) Sales Tax Collection Fee 727 729 742 (13) Administration 2,549 2,424 2,367 75 Transfers to Other Funds ² 4,272 4,383 4,243 140 Total Charges to Appropriations: \$ 51,577 \$ 51,122 4,995 \$ 1,127 Surplus (Deficiency) of Resources Over (Under) (8,607) (7,361) (5,857) 1,504 Fund Balance Allocation 8,607 7,361 5,857 1,504 Fund Balance Allocation 8,607 7,361 5,857 1,504 Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures \$ 44,138 44,138 Differences - budget to GAAP:<	·								470
Professional Development 1,978 1,897 30			,		-, -				
Program Assessment 307 3	•		,		,				
Encollment/Attendance Services 776 647 548 99 Public Relations/Marketing 869 811 861 (50) Sales Tax Collection Fee 727 729 742 (13) Administration 2,549 2,442 2,367 75 Transfers to Other Funds 2 4,252 4,383 4,243 140 Total Charges to Appropriations: \$51,577 \$51,122 \$49,995 \$1,127 Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations (8,607) 7,361 5,857 \$1,505 Excess (Deficiency) of Resources Over Expenditures \$9 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	•		,		,				2
Public Relations/Marketing 869 811 861 (50) Sales Tax Collection Fee 7727 729 742 (13) Administration 2,549 2,442 2,367 75 Transfers to Other Funds 2 4,272 4,383 4,243 140 Total Charges to Appropriations: \$51,577 \$51,122 \$49,995 \$1,127 Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations (8,607) (7,361) (5,857) 1,504 Fund Balance Allocation (8,607) (7,361) (5,857) 1,504 Fund Balance Allocation (8,607) (7,361) (5,857) (1,504) Excess (Deficiency) of Revenues Over Expenditures \$\$0 - \$ 0 - \$									99
Administration 2,549 2,442 2,367 75 Transfers to Other Funds 2 4,272 4,383 4,243 140 Total Charges to Appropriations: \$5,157 \$5,1122 \$49,995 \$1,127 Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations 8,8,607 (7,361) (5,857) \$1,504 Fund Balance Allocation 8,607 7,361 \$5,857 \$1,504 Excess (Deficiency) of Revenues Over Expenditures \$\$\$ \$\$\$ \$									
Transfers to Other Funds 2 4,272 4,383 4,243 1,200 Total Charges to Appropriations: \$51,577 \$51,122 \$49,995 \$1,127 Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations 8,8,607 7,361 \$5,857 \$1,504 Fund Balance Allocation 8,607 7,361 \$5,857 \$1,504 Excess (Deficiency) of Revenues Over Expenditures \$\$\$ \$\$\$ \$\$\$\$ \$	Sales Tax Collection Fee		727		729		742		(13)
Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations Charges to Appropriations Charges to Appropriations Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations Surplus (Deficiency) of Resources (Under) Surplus (Database Allocation (Subjective Surplus Surp	Administration		2,549		2,442		2,367		75
Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations Fund Balance Allocation 8,607 7,361 (5,857) 1,504 Fund Balance Allocation 8,607 7,361 (5,857) 1,504 Fund Balance Allocation Excess (Deficiency) of Revenues Over Expenditures \$ - \$ - \$ - \$ - \$ Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures Sources/Inflows of Resources: Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes for financial reporting purposes In fund balances - governmental funds S 6,727 Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures and changes Total expenditures as reported on the statement of revenues, expenditures, and changes	Transfers to Other Funds ²		4,272		4,383		4,243		140
Charges to Appropriations Fund Balance Allocation Recess (Deficiency) of Revenues Over Expenditures Sources/Inflows of Resources: Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues are received for financial reporting purposes, but in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received on the statement of revenues, expenditures are reported on the statement of revenues but are not expenditures. 1,504	Total Charges to Appropriations:	\$	51,577	\$	51,122	\$	49,995	\$	1,127
Fund Balance Allocation 8,607 7,361 5,857 (1,504) Excess (Deficiency) of Revenues Over Expenditures \$\$\$ - \$\$ - \$\$ - \$\$\$ - \$\$ Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures Sources/Inflows of Resources: Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes In fund balances - governmental funds Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$4,111 Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures and changes Total expenditures as reported on the statement of revenues, expenditures, and changes	Surplus (Deficiency) of Resources Over (Under)								
Excess (Deficiency) of Revenues Over Expenditures \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	Charges to Appropriations		(8,607)		(7,361)		(5,857)		1,504
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures Sources/Inflows of Resources: Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (37,411) Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$6,727 Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$49,995 Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes	Fund Balance Allocation		8,607		7,361		5,857		(1,504)
Sources/Inflows of Resources: Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds Sources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes	Excess (Deficiency) of Revenues Over Expenditures	\$		\$	-	\$		\$	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures Total expenditures as reported on the statement of revenues, expenditures, and changes	Explanation of Differences between Budgetary Inflows and Outfl	ows and GAAI	Revenues ar	nd Expen	ditures				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures Total expenditures as reported on the statement of revenues, expenditures, and changes	Sources/Inflows of Resources:								
Differences - budget to GAAP: Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds S 6,727 Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes		from the budg	getary						
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures Total expenditures as reported on the statement of revenues, expenditures, and changes	•							\$	44,138
for financial reporting purposes Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes	•								
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in fund balances - governmental funds Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes		diturns and al							(37,411)
Uses/Outflows of Resources: Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$49,995 Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures (4,243) for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes		uitures, anu ci	ialiges					\$	6 727
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 49,995 Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures (4,243) for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes	minana salances governmentarianas							<u> </u>	0,727
comparison schedule \$ 49,995 Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes	Uses/Outflows of Resources:								
Differences - budget to GAAP: Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes		ons" from the	budgetary						
Encumbrances for supplies, equipment, and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes								\$	49,995
year the orders are placed for budgetary purposes, but in the year the supplies, equipment and services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes				and the also	_				
services are received for financial reporting purposes Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes									
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes		the year the si	upplies, equip	illelit all	u				
for financial reporting purposes Total expenditures as reported on the statement of revenues, expenditures, and changes		s but are not e	xpenditures						(4.243)
Total expenditures as reported on the statement of revenues, expenditures, and changes			,						(.,5)
in fund balances - governmental funds \$ 45,752		penditures, ar	nd changes						
	in fund balances - governmental funds							\$	45,752

¹ For financial reporting presentation the revenue is reported as transfers in or intergovernmental; however, the above schedule reflects the fund schedule from the City's 2019 Adopted Budget.

Pre-K 4 SA prepares an annual budget for their fund on a modified accrual basis which is consistent with generally accepted accounting principles. The annual budgetary data reported for the Pre-K 4 SA Fund represents the original appropriation ordinance as adopted by the Pre-K 4 SA board, and any amendments thereto as approved by the City Council, adjusted for encumbrances outstanding at the beginning of the fiscal year. All annual appropriations lapse at fiscal year-end.

² Transfers to funds within Pre-K 4 SA are shown as Education program expenditures for financial reporting purposes.

Pension and Postemployment Schedules

Required Supplementary Schedule – (Unaudited) City of San Antonio (TMRS) Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years

	Measurement Period Ended									
	1	2/31/2018	_ 12	2/31/2017	_ 12	2/31/2016	_ 12	2/31/2015	12	2/31/2014
Total Pension Liability										
Service Cost	\$	55,964	\$	53,965	\$	51,329	\$	47,521	\$	40,902
Interest		128,149		122,010		115,882		114,257		109,316
Differences Between Expected										
and Actual Experience		(3,125)		(1,637)		1,226		(8,192)		(9,979)
Changes of Assumptions								4,540		
Benefit Payments, including Refunds		(07.070)		(04 702)		(76.256)		(74 742)		(74.407)
of Employee Contributions		(87,070)		(81,702)		(76,256)		(74,742)		(71,197)
Net Change in Total Pension Liability	\$	93,918	\$	92,636	\$	92,181	\$	83,384	\$	69,042
Total Pension Liability - Beginning		1,914,057		1,821,421		1,729,240		1,645,856		1,576,814
Total Pension Liability - Ending (a)	\$	2,007,975	\$	1,914,057	\$	1,821,421	\$	1,729,240	\$	1,645,856
Plan Fiduciary Net Position										
Contributions - Employer	\$	44,278	\$	41,828	\$	36,327	\$	35,915	\$	33,125
Contributions - Employee		22,783		21,922		20,830		20,027		18,438
Net Investment Income (loss)		(44,654)		183,805		85,229		1,888		70,349
Benefit Payments, including Refunds										
of Employee Contributions		(87,070)		(81,702)		(76,256)		(74,742)		(71,197)
Administrative Expense		(864)		(953)		(963)		(1,150)		(735)
Other		(45)		(48)		(52)		(57)		(60)
Net Change in Plan Fiduciary Net Position	\$	(65,572)	\$	164,852	\$	65,115	\$	(18,119)	\$	49,920
Plan Fiduciary Net Position - Beginning		1,491,624		1,326,772		1,261,657		1,279,776		1,229,856
Plan Fiduciary Net Position - Ending (b)	\$	1,426,052	\$	1,491,624	\$	1,326,772	\$	1,261,657	\$	1,279,776
City's Net Pension Liability - Ending (a) - (b)	\$	581,923	\$	422,433	\$	494,649	\$	467,583	\$	366,080
Plan Fiduciary Net Position as a Percentage										
of the Total Pension Liability		71.02%		77.93%		72.84%		72.96%		77.76%
Covered Payroll	\$	379,417	\$	365,112	\$	346,584	\$	333,714	\$	307,138
City's Net Pension Liability as a Percentage										
of Covered Payroll		153.37%		115.70%		142.72%		140.11%		119.19%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2015 through September 30, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2015, TMRS adopted a reduction in the investment return assumption from 7.00% to 6.75%, and a reduction in the inflation assumption from 3.00% to 2.50%, which is reflected in December 31, 2015.

Required Supplementary Schedule – (Unaudited) Fire and Police Pension Fund Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years

	Measurement Period Ended									
	12	2/31/2018	1	2/31/2017	12	/31/2016	12	/31/2015 ¹	9,	/30/2014
Total Pension Liability										
Service Cost	Ş	73,354	Ş	71,161	Ş	74,771	\$	96,631	\$	75,600
Interest		259,758		246,848		233,943		277,002		207,003
Differences Between Expected and		50.057		(27.776)		(47.670)		(20,000)		
Actual Experience Changes of Assumptions		50,057		(27,776)		(47,670)		(20,698) 148,315		
Benefit Payments, including Refunds of								140,515		
Employee Contributions		(172,692)		(156,137)		(152,296)		(179,787)		(122,306)
Net Change in Total Pension Liability	\$	210,477	\$	134,096	\$	108,748	\$	321,463	\$	160,297
Total Pension Liability - Beginning		3,545,800		3,411,704		3,302,956		2,981,493		2,821,196
Total Pension Liability - Ending (a)	\$	3,756,277	\$	3,545,800	\$	3,411,704	\$	3,302,956	\$	2,981,493
Plan Fiduciary Net Position										
Contributions - Employer	\$	78,312	\$	75,916	\$	75,958	\$	94,816	\$	76,146
Contributions - Employee		39,182		37,958		37,978		47,408		38,073
Net Investment Income (loss)		(122,694)		407,278		242,007		(1,919)		223,054
Benefit Payments, including Refunds of		(172 (02)		(156 137)		(452.206)		(170 707)		(122 200)
Employee Contributions Administrative Expense		(172,692) (3,480)		(156,137) (3,034)		(152,296) (2,795)		(179,787) (3,677)		(122,306) (2,790)
Net Change in Plan Fiduciary Net Position	<u> </u>	(181,372)	\$	361,981	<u> </u>	200,852	<u> </u>	(43,159)	<u> </u>	212,177
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Plan Fiduciary Net Position - Beginning	_	3,196,529	_	2,834,548		2,633,696		2,676,855		2,464,678
Plan Fiduciary Net Position - Ending (b)	\$	3,015,157	\$	3,196,529	\$	2,834,548	\$	2,633,696	\$	2,676,855
City's Net Pension Liability - Ending (a) - (b)	\$	741,120	\$	349,271	\$	577,156	\$	669,260	\$	304,638
Plan Fiduciary Net Position										
as a Percentage of the Total Pension Liability		80.27%		90.15%		83.08%		79.74%		89.78%
Covered Payroll	\$	318,038	\$	308,101	\$	308,263	\$	384,807	\$	309,031
City's Net Pension Liability										
as a Percentage of Covered Payroll		233.03%		113.36%		187.23%		173.92%		98.58%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2014 through December 31, 2018.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Change of Assumptions: There have been no changes in actuarial assumptions in the last two fiscal years.

¹The Fire and Police Pension Fund changed their fiscal year-end to December 31 effective fiscal year 2015, and therefore the City was required to change its measurement date from September 30 to December 31. These amounts reflect 15 months of pension information.

Required Supplementary Schedule – (Unaudited) CPS Energy Schedule of Changes in Net Pension Liability and Related Ratios Last Ten Fiscal Years

	Measurement Period Ended									
	1/31/2018	1/31/2017	1/31/2016	1/31/2015 1	/31/2014	1/31/2013	1/31/2012			
Total Pension Liability										
Service Cost	\$ 32,569	\$ 31,547	\$ 30,183	\$ 32,591 \$	33,417	\$ 33,470	\$ 31,420			
Interest	132,861	128,991	122,800	117,802	116,155	112,356	105,013			
Changes in Assumptions	77,574			38,296						
Differences Between Expected and										
Actual Experience	6,025	(18,647)	19,691	(35,634)	(24,410)	25,158	(13,581)			
Benefit Payments	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)	(66,147)			
Net Change in Total Pension Liability	\$ 155,479	\$ 50,661	\$ 81,381	\$ 68,736 \$	50,810	\$ 100,307	\$ 56,705			
Total Pension Liability - Beginning	1,784,838	1,734,177	1,652,796	1,584,060	1,533,250	1,432,943	1,376,238			
Total Pension Liability - Ending (a)	\$1,940,317	\$1,784,838	\$1,734,177	\$1,652,796 \$	1,584,060	\$1,533,250	\$1,432,943			
Plan Fiduciary Net Position										
Contributions - Employer	\$ 46,200	\$ 44,500	\$ 46,000	\$ 55,800 \$	44,400	\$ 39,016	\$ 37,687			
Contributions - Employee	13,039	12,144	11,563	12,140	12,569	12,332	11,745			
Net Investment Income (loss)	246,772	207,196	(52,945)	85,520	145,883	110,529	22,510			
Benefit Payments	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)	(66,147)			
Administrative Expense	(389)									
Net Change in Plan Fiduciary Net Position	\$ 212,072	\$ 172,610	\$ (86,675)	\$ 69,141 \$	128,500	\$ 91,200	\$ 5,795			
Plan Fiduciary Net Position - Beginning	1,472,376	1,299,766	1,386,441	1,317,300	1,188,800	1,097,600	1,091,805			
Plan Fiduciary Net Position - Ending (b)	\$1,684,448	\$1,472,376	\$1,299,766	\$1,386,441 \$	1,317,300	\$1,188,800	\$1,097,600			
Net Pension Liability - Ending (a) - (b)	\$ 255,869	\$ 312,462	\$ 434,411	\$ 266,355 \$	266,760	\$ 344,450	\$ 335,343			
Plan Fiduciary Net Position as a Percentage										
of the Total Pension Liability	86.81%	82.49%	74.95%	83.88%	83.16%	77.53%	76.60%			
Covered Payroll	\$ 242,477	\$ 235,360	\$ 256,236	\$ 261,085 \$	260,730	\$ 251,136	\$ 241,318			
Net Pension Liability as a Percentage of Covered Payroll	105.52%	132.76%	169.54%	102.02%	102.31%	137.16%	138.96%			

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2013 through January 31, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: For fiscal year 2019, the annual investment rate of return underlying the calculation of total pension liability was assumed to be 7.25%. For fiscal year 2018, 2017 and 2016, the annual investment rate of return was assumed to be 7.50%. For the previous years presented, the rate used was 7.75%. Based on an experience study completed in 2017, the fiscal year 2019 valuation results include the impact of other revised actuarial assumptions including salary increases and the use of updated mortality tables. No other actuarial assumptions were modified in fiscal year 2018. Other actuarial assumptions were modified in fiscal year 2016 (January 31, 2015 measurement period) without significantly affecting trends in the amounts reported above.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	12	/31/2017	12	/31/2016	12	/31/2015	12/31/2014		
Total Pension Liability									
Service Cost	\$	5,332	\$	4,979	\$	4,810	\$	4,379	
Interest		13,268		12,623		12,480		11,960	
Differences Between Expected and									
Actual Experience		54		29		(1,311)		(1,717)	
Changes of Assumptions						433			
Benefit Payments		(8,332)		(8,186)		(7,337)		(7,461)	
Net Change in Total Pension Liability	\$	10,322	\$	9,445	\$	9,075	\$	7,161	
Total Pension Liability - Beginning		198,069		188,624		179,549		172,388	
Total Pension Liability - Ending (a)	\$	208,391	\$	198,069	\$	188,624	\$	179,549	
Plan Fiduciary Net Position									
Contributions - Employer	\$	3,852	\$	3,609	\$	3,953	\$	3,721	
Contributions - Employee		3,149		2,935		2,892		2,722	
Net Investment Income		23,639		10,909		239		8,818	
Benefit Payments, including Refunds									
of Employee Contributions		(8,332)		(8,186)		(7,337)		(7,461)	
Administrative Expense		(123)		(123)		(146)		(92)	
Other		(6)		(7)		(7)		(8)	
Net Change in Plan Fiduciary Net Position	\$	22,179	\$	9,137	\$	(406)	\$	7,700	
Plan Fiduciary Net Position - Beginning		170,589		161,452		161,858		154,158	
Plan Fiduciary Net Position - Ending (b)	\$	192,768	\$	170,589	\$	161,452	\$	161,858	
Net Pension Liability - Ending (a) - (b)	\$	15,623	\$	27,480	\$	27,172	\$	17,691	
Plan Fiduciary Net Position as a Percentage									
of the Total Pension Liability		92.50%		86.13%		85.59%		90.15%	
Covered Payroll	\$	104,960	\$	97,818	\$	96,389	\$	90,721	
Net Pension Liability as a Percentage of Covered Payroll		14.88%		28.09%		28.19%		19.50%	

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2018.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2015, amounts reported as changes of assumptions resulted primarily from a reduction in the assumed long-term rate of return from 7.00% to 6.75%. In 2015, mortality rates were updated to reflect updated historical data.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	1/	/1/2018	_1,	/1/2017	1,	/1/2016	1	/1/2015	
Total Pension Liability									
Service Cost	ç	\$ 5,859	9	\$ 5,724	\$	5,004	\$	5,204	
Interest		14,354		13,680		12,596		11,709	
Change of Benefit Terms Differences Between Expected and						4,339			
Actual Experience		(1,394)		712		555		(622)	
Changes of Assumptions		1,152		5,532		(405)		2,771	
Benefit Payments		(7,974)		(7,283)		(6,318)		(5,796)	
Net Change in Total Pension Liability	\$	11,997	\$	18,365	\$	15,771	\$	13,266	
Total Pension Liability - Beginning		218,571		200,206		184,435		171,169	
Total Pension Liability - Ending (a)	\$:	230,568	\$	218,571	\$	200,206	\$	184,435	
Plan Fiduciary Net Position									
Contributions - Employer	\$	7,982	\$	7,367	\$	7,890	\$	10,339	
Contributions - Employee		2,484		2,533		2,357			
Net Investment Income		30,741		6,971		1,215		15,695	
Benefit Payments		(7,974)		(7,283)		(6,318)		(5,796)	
Administrative Expense		(380)		(195)		(17)			
Net Change in Plan Fiduciary Net Position	\$	32,853	\$	9,393	\$	5,127	\$	20,238	
Plan Fiduciary Net Position - Beginning		175,279		165,886		160,759		140,521	
Plan Fiduciary Net Position - Ending (b)	\$	208,132	\$	175,279	\$	165,886	\$	160,759	
Net Pension Liability - Ending (a) - (b)	\$	22,436	\$	43,292	\$	34,320	\$	23,676	
Plan Fiduciary Net Position as a Percentage									
of the Total Pension Liability		90.27%		80.19%		82.86%		87.16%	
Covered Payroll	\$	79,417	\$	83,493	\$	85,299	\$	83,812	
Net Pension Liability as a Percentage of									
Covered Payroll		28.25%		51.85%		40.23%		28.25%	

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2018.

Notes to Schedule:

Total pension liability at December 31, 2018 is based on a rollforward of the January 1, 2018 actuarial valuation.

Benefit Changes: Effective June 1, 2014, the defined benefit plan was frozen to new entrants. In 2015, the normal form of distribution changed and a mandatory employee contribution of 3.00% of payroll was instituted.

Changes of assumptions: In 2017, the mortality assumption was updated for the latest improvement scale. In 2016, the long-term rate of returned was reduced to 6.50%. In the measurement period of January 1, 2015, amounts reported as changes of assumptions resulted primarily from a reduction in the assumed long-term rate of return from 7.00% to 6.75%. In 2015, mortality rates were updated to reflect updated historical data.

Required Supplementary Schedule – (Unaudited)
District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	1/1/2018	1/1/2017	1/1/2016	1/1/2015						
Total Pension Liability										
Service Cost	\$ 108	\$ 71	\$ 124	\$ 123						
Interest	424	418	446	424						
Differences Between Expected										
and Actual Experience	101	(381)	18	153						
Changes of Assumptions	15	224								
Benefit Payments	(776)	(324)	(261)	(230)						
Net Change in Total Pension Liability	\$ (128)	\$ 8	\$ 327	\$ 470						
Total Pension Liability - Beginning	6,694	6,686	6,359	5,889						
Total Pension Liability - Ending (a)	\$ 6,566	\$ 6,694	\$ 6,686	\$ 6,359						
Plan Fiduciary Net Position										
Contributions - Employer	\$ 315	\$ 280	\$ 308	\$ 414						
Net Investment Income	764	306	18	394						
Benefit Payments, including Refunds										
of Employee Contributions	(776)	(324)	(261)	(230)						
Administrative Expense	(7)	(8)	(6)	(11)						
Net Change in Plan Fiduciary Net Position	\$ 296	\$ 254	\$ 59	\$ 567						
Plan Fiduciary Net Position - Beginning	5,410	5,156	5,097	4,530						
Plan Fiduciary Net Position - Ending (b)	\$ 5,706	\$ 5,410	\$ 5,156	\$ 5,097						
Net Pension Liability - Ending (a) - (b)	\$ 860	\$ 1,284	\$ 1,530	\$ 1,262						
Plan Fiduciary Net Position as a Percentage										
of the Total Pension Liability	86.90%	80.82%	77.12%	80.15%						
Covered Payroll	N/A	N/A	N/A	N/A						
Net Pension Liability as a Percentage of										
Covered Payroll	N/A	N/A	N/A	N/A						

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2018.

Notes to Schedule:

The plan was frozen in 2008. Therefore, current and future wages have no impact on Net Pension Liability.

Total pension liability at December 31, 2018, is based on a rollforward of the January 1, 2018 actuarial valuation.

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The interest rate of return was modified from 7.00% to 6.50% in 2017. In 2017, the inflation rate was changed to 2.75%. Previously, 2.00% was used. In 2018, the inflation rate was changed to 2.50%

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

			Contr	ibutions in							
			Relat	tion to the							
	Act	tuarially	Ac	tuarially	Contribution	1			Contributions as a		
Year-Ended	Det	ermined	Det	termined	Deficiency				Percentage of		
September 30,	Con	tribution	Contribution		(Excess)		Cove	red Payroll	Covered Payroll		
2010	\$	32,338	\$	32,338	\$	-	\$	258,932	12.49%		
2011		33,883		33,883				270,708	12.52%		
2012		29,981		28,171	1,81	.0		276,095	10.20%		
2013		30,416		30,416				288,246	10.55%		
2014		32,585		32,585				303,141	10.75%		
2015		34,176		34,176				317,518	10.76%		
2016		35,942		35,942				340,660	10.55%		
2017		40,374		40,374				361,009	11.18%		
2018		43,631		43,631				375,931	11.61%		
2019		45,943		45,943				393,916	11.66%		

NOTES TO SCHEDULE OF CONTRIBUTIONS

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal

Amortization method Level Percentage of Payroll, Closed

Remaining amortization period 27 years

Asset valuation method 10 Year smoothed market; 15.00% soft corridor

Actuarial assumptions:

Inflation rate 2.50%

Salary increases 3.50% to 10.50% including inflation

Investment rate of return 6.75% including inflation, net of pension plan investment expense

Retirement age Experience-based table rates that are specific to the City's plan of benefits. Last

updated for the 2015 valuation pursuant to experience study of the period 2010-

2014.

Mortality RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates

multiplied by 109.00% and female rates multiplied by 103.00% and projected on

a fully generational basis with scale BB.

Other Information:

Notes Granted 70.00% ad hoc COLA

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended September 30,	Det	tuarially termined tribution	Relat Act Det	ibutions in ion to the tuarially ermined tribution	bution iency ess)	Cove	red Payroll ¹	Contributions as a Percentage of Covered Payroll
2010	\$	64,215	\$	64,215	\$ -	\$	259,904	24.64%
2011		69,648		69,648			281,897	24.64%
2012		69,998		69,998			283,689	24.64%
2013		73,038		73,038			296,180	24.64%
2014		75,911		75,911			307,987	24.64%
2015		75,641		75,641			306,827	24.64%
2016		74,414		74,414			301,993	24.64%
2017		75,039		75,039			320,955	24.64%
2018		77,488		77,488			313,951	24.64%
2019		79,973		79,973			324,430	24.64%

¹ Payroll is estimated based on the actual member contributions received and a 12.32% contribution rate.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution is calculated using a January 1

valuation date as of the beginning of the fiscal year in which contributions

are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age

Amortization method Level Percentage of Payroll, using 3.50% annual increases

Remaining amortization period 9.88 years remaining as of January 1, 2018

Asset valuation method Five-year smoothed market value based on expected return of 7.25%

Actuarial assumptions:

Inflation rate 3.00%

Salary increases 3.00% (plus merit scale of 0.75% - 11.25%)

Investment rate of return 7.25% including inflation, net of pension plan investment expense

Cost-of-living adjustments 3.00% for retirement before October 1, 1999; 2.25% for retirement on or after October 1, 1999

Retirement rates Group-specific rates based on years of service ranging from 20 to 40 years,

with 100.00% retirement at earlier of age 65 or 40 years of service

Mortality:

Healthy RP-2014 Employee and Healthy Annuitant Tables, with rates loaded by 7.00%

for females, projected generationally with 50.00% of Scale MP-2014

Disabled RP-2014 Annuitant Tables, set forward six years, loaded by 7.00% for females,

projected generationally with 50.00% of Scale MP-2014

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended January 31,	Det	tuarially termined ntribution	Relat Ac Det	ributions in tion to the tuarially termined atribution	Def	tribution ficiency xcess)	Cove	red Payroll	Contributions as a Percentage of Covered Payroll		
2013	\$	39,016	\$	39,016	\$	-	\$	251,136	15.54%		
2014		44,362		44,400		(38)		260,730	17.03%		
2015		48,696		55,800		(7,104)		261,085	21.37%		
2016		46,001		46,000		1		256,236	17.95%		
2017		44,532		44,500		32		235,360	18.91%		
2018		46,234		46,200		34		242,477	19.05%		
2019		58,657		58,700		(43)		254,241	23.09%		

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2013 through January 31, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1,

two years and one month prior to the end of the fiscal year in which

contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
Amortization method Level Dollar
Remaining amortization period 30 years

Asset valuation method Market value gains/losses recognized over five years, beginning with calendar

year 2014; expected value adjusted market value for all prior periods

Actuarial assumptions:

Inflation rate 3.00% per year, compounded annually

Salary increases Average, including inflation: 4.72% for fiscal year 2019, 4.66% for fiscal year 2018,

4.78% for fiscal year 2017, 5.01% for fiscal year 2016, 5.03% for fiscal year 2015,

5.07% for fiscal year 2014, and 5.18% for fiscal year 2013

Investment rate of return 7.25% per year, compounded annually, for fiscal year 2019, 7.50% for fiscal years

2018, 2017 and 2016, 7.75% for prior years

Cost-of-living increases 1.50% per year

Mortality Based on RP-2016 Combined Healthy, with No Collar Adjustment, Male and

Female Tables; with MP-2016 Mortality Improvement Scale for fiscal year 2019; RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females,

projected using Scale BB for 2017 and 2016, and Scale AA for prior years.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,			Contributions in Relation to the Actuarially Determined Contribution		 ribution ncy (Excess)	Cove	ered Payroll	Contributions as a Percentage of Covered Payroll		
2014	\$	3,721	\$	3,721	\$ -	\$	90,721	4.10%		
2015		3,672		3,953	(281)		96,389	4.10%		
2016		3,609		3,609			97,818	3.69%		
2017		3,852		3,852			104,960	3.67%		
2018		4,059		4,059			109,703	3.70%		

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2014 through December 31, 2018.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are calculated as of December 31 and

become effective 12 months later on January 1.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal

Amortization method Level percent of payroll, closed

Remaining amortization period For 2018, the remaining amortization period is 27 years. In 2015 the amortization

period was adjusted to 30 years from 23 in 2014

Asset valuation method 10 year smoothed market value; 15.00% soft corridor

Actuarial assumptions:

Inflation rate 2.50%

Salary increases 3.50% to 10.50%, including inflation

Investment rate of return 6.75%, including inflation, net of pension plan investment expense

Retirement age Experience-based table of rates that are specific to SAWS plan of benefits.

Last updated for the 2015 valuation pursuant to an experience study of the

period 2010 - 2014.

Mortality RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates

multiplied by 109.00% and female rates multiplied by 103.00% and projected on

a fully generational basis with scale BB

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Det	tuarially termined stribution	Det	tuarially termined atribution	Contribution Deficiency (Excess)		Cove	red Payroll	Contributions as a Percentage of Covered Payroll
2014	\$	10,339	\$	10,339	\$	-	\$	83,812	12.34%
2015		7,890		7,890				85,299	9.25%
2016		7,367		7,367				83,493	8.82%
2017		7,982		7,982				79,417	10.05%
2018		7,923		7,923				78,348	10.11%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2014 through December 31, 2018.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are determined as of January 1 of the year

in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal

Amortization method Amortized equally over 15 years using straight line amortization

Remaining amortization period 2013 Unfunded Liability – 15 fixed year period

Other gains/losses, plan amendments and changes in plan assumptions -

10 years

Asset valuation method Four-year smoothed market value

Actuarial assumptions:

Inflation rate 2.00%

Salary increases Scale based on 2011-2013 SAWS experience

Investment rate of return 6.50% including inflation, net of pension plan investment expense

Retirement age In 2015, expected retirement ages were adjusted to reflect actual experience

from 2011-2013.

Mortality In 2017, the mortality table was changed to use adjusted RP-2014 mortality with

scale MP-2016 based on data published by the SOA in 2016. In 2016, the mortality table was changed to use adjusted RP-2014 mortality with scale MP-2016 based on data published by the SOA in 2015. Previously the IRS Prescribed

Generational Mortality table was used.

Required Supplementary Schedule – (Unaudited)
District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended	Dete	uarially ermined	Relatio Actu Dete	outions in on to the uarially rmined	Def	tribution ficiency		Contributions as a Percentage of
December 31,	Cont	ribution	Cont	ribution	(E	xcess)	Covered Payroll	Covered Payroll
2014	\$	307	\$	414	\$	(107)	N/A	N/A
2015		274		308		(34)	N/A	N/A
2016		279		280		(1)	N/A	N/A
2017		315		315			N/A	N/A
2018		247		400		(153)	N/A	N/A

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2014 through December 31, 2018.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are determined as of January 1 of the year

in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Unit Credit

Amortization method Rolling level-amortization over a declining period

Remaining amortization period 2018: 9 years; 2017: 10 years; 2016: 11 years; 2015: 12 years; 2014: 13 years

Asset valuation method Fair value with smoothing

Actuarial assumptions:

Inflation rate 2.50%

Salary increases Earned benefits frozen in 2008

Investment rate of return 6.50% including inflation, net of pension plan investment expense

Retirement age — Normal retirement age — the earlier of age 65, or the "rule of 90" where the

participant's age and years of service added together equal 90 or greater

Mortality In 2018, the mortality projection scale was updated to MP-2017. In 2017, the

table was changed to the RP-2014 table using a mortality improvement scale MP-

2016. Previously, 1994 GAR projected to 2002 was used.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

	Me	asurement	t Period Ended				
	9/	30/2019	_	9/	30/2018		
Total OPEB Liability							
Service Cost	\$	16,893		\$	11,665		
Interest		13,464			11,999		
Differences Between Expected							
and Actual Experience		(12,617)					
Changes of Assumptions		78,030			(32,771)		
Benefit Payments		(7,111)	_		(7,439)		
Net Change in Total OPEB Liability	\$	88,659		\$	(16,546)		
Total OPEB Liability - Beginning		306,065	_		322,611		
Total OPEB Liability - Ending (a)	\$	394,724	_	\$	306,065		
Plan Fiduciary Net Position							
Contributions - Employer	\$	7,111		\$	7,439		
Contributions - Employee							
Net Investment Income							
Benefit Payments, including Refunds							
of Employee Contributions		(7,111)			(7,439)		
Administrative Expense							
Other			_				
Net Change in Plan Fiduciary Net Position							
Plan Fiduciary Net Position - Beginning			_				
Plan Fiduciary Net Position - Ending (b)	\$		_	\$			
City's Total OPEB Liability - Ending (a) - (b)	\$	394,724	_	\$	306,065		

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 2.66% for fiscal year 2019. A rate of 4.24% was assumed for the previous year presented.

Required Supplementary Schedule – (Unaudited)
Fire and Police Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	asurement /31/2018	Period Ended 12/31/2017
Total OPEB Liability		
Service Cost	\$ 25,345	\$ 24,289
Interest	71,055	68,947
Differences Between Expected		
and Actual Experience	2,169	(5,165)
Changes of Assumptions	(43,489)	(25,344)
Benefit Payments	 (35,821)	(33,560)
Net Change in Total OPEB Liability	\$ 19,259	\$ 29,167
Total OPEB Liability - Beginning	 972,646	943,479
Total OPEB Liability - Ending (a)	\$ 991,905	\$ 972,646
Plan Fiduciary Net Position		
Contributions - Employer	\$ 30,892	\$ 27,242
Contributions - Employee	15,442	13,616
Net Investment Income (loss)	(21,629)	25,294
Benefit Payments, including Refunds		
of Employee Contributions	(35,821)	(33,560)
Administrative Expense	(3,070)	(2,660)
Other Contributions - Retirees	 1,817	1,829
Net Change in Plan Fiduciary Net Position	\$ (12,369)	\$ 31,761
Plan Fiduciary Net Position - Beginning	 376,808	345,047
Plan Fiduciary Net Position - Ending (b)	\$ 364,439	\$ 376,808
City's Net Pension Liability - Ending (a) - (b)	\$ 627,466	\$ 595,838
Plan Fiduciary Net Position as a Percentage		
of the Total OPEB Liability	36.74%	38.74%
Covered Payroll	\$ 318,038	\$ 308,101
City's Net OPEB Liability as a Percentage		
of Covered Payroll	197.29%	193.39%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2017 through December 31, 2018.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal year 2019. A rate of 7.25% was assumed for the previous year presented.

Required Supplementary Schedule – (Unaudited) CPS Energy – Health Plan Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios Last Ten Fiscal Years

	Measurement Period Ended									
	1/	/31/2018	1	/31/2017	1	/31/2016	1/31/2015			
Total OPEB Liability										
Service Cost	\$	3,376	\$	3,435	\$	3,319	\$	3,207		
Interest Cost		17,182		18,176		17,601		17,050		
Changes in Plan Benefits		415		(19,185)						
Changes in Assumptions		9,657								
Differences Between Expected and										
Actual Experience		(42.407)		475		(42.756)		(42.275)		
Benefit Payments		(12,197)		(14,001)		(12,756)		(13,275)		
Net Change in Total OPEB Liability	\$	18,433	\$	(11,100)	\$	8,164	\$	6,982		
Total OPEB Liability - Beginning		234,808		245,908		237,744		230,762		
Total OPEB Liability - Ending (a)	\$	253,241	\$	234,808	\$	245,908	\$	237,744		
Plan Fiduciary Net Position										
Contributions - Employer	\$	-	\$	8,500	\$	8,806	\$	3,200		
Contributions - Employee		7,156		6,802		6,734		6,024		
Medicare Part D Payment		998		933		976		933		
Earnings (Loss) on Plan Assets		41,718		38,949		(9,765)		12,536		
Benefit Payments		(19,353)		(20,804)		(19,490)		(19,299)		
Administrative Expense		(1,346)		(1,621)		(1,456)		(1,137)		
Net Change in Plan Fiduciary Net Position	\$	29,173	\$	32,759	\$	(14,195)	\$	2,257		
Plan Fiduciary Net Position - Beginning		260,648		227,889		242,084		239,827		
Plan Fiduciary Net Position - Ending (b)	\$	289,821	\$	260,648	\$	227,889	\$	242,084		
Net OPEB (Asset) Liability - Ending (a) - (b)	\$	(36,580)	\$	(25,840)	\$	18,019	\$	(4,340)		
Plan Fiduciary Net Position as a Percentage										
of the Total OPEB Liability		114.44%		111.00%		92.67%		101.83%		
Covered Employee Payroll	\$	220,522	\$	223,523	\$	215,964	\$	242,652		
Net OPEB (Asset) Liability as a Percentage										
of Covered Employee Payroll		-16.59%		-11.56%		8.34%		-1.79%		

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal year 2019. A rate of 7.50% was assumed for the previous years presented. The Plan was amended to eliminate the CPS Energy contribution to participants' Health Reimbursement Account and the actuary valuation used for fiscal year 2019 reflects the impact of this change. For fiscal years 2019 and 2018, claim costs were updated to reflect plan changes and to reflect recent experience. Medical and prescription trend was reset in fiscal years 2018, 2017, and 2016.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	1/	31/2018	1,	/31/2017	1/	/31/2016	1/	31/2015		
Total OPEB Liability	,									
Service Cost	\$	349	\$	336	\$	325	\$	313		
Interest		3,432		3,256		3,244		3,228		
Changes in Assumptions		(457)								
Differences Between Expected and										
Actual Experience				2,378						
Benefit Payments		(3,813)		(3,469)		(3,358)		(3,313)		
Net Change in Total OPEB Liability	\$	(489)	\$	2,501	\$	211	\$	228		
Total OPEB Liability - Beginning		47,289		44,788		44,577		44,349		
Total OPEB Liability - Ending (a)	\$	46,800	\$	47,289	\$	44,788	\$	44,577		
Plan Fiduciary Net Position		_						_		
Contributions - Employer	\$	-	\$	-	\$	-	\$	-		
Contributions - Employee		1,000		972		930		911		
Earnings (Loss) on Plan Assets		8,066		6,936		(2,102)		2,460		
Benefit Payments		(3,813)		(3,469)		(3,358)		(3,313)		
Administrative Expense		(30)		(27)		(21)		(16)		
Net Change in Plan Fiduciary Net Position	\$	5,223	\$	4,412	\$	(4,551)	\$	42		
Plan Fiduciary Net Position - Beginning		49,698		45,286		49,837		49,795		
Plan Fiduciary Net Position - Ending (b)	\$	54,921	\$	49,698	\$	45,286	\$	49,837		
Net OPEB (Asset) - Ending (a) - (b)	\$	(8,121)	\$	(2,409)	\$	(498)	\$	(5,260)		
Plan Fiduciary Net Position as a Percentage										
of the Total OPEB Liability		117.35%		105.09%		101.11%		111.80%		
Covered Employee Payroll	\$	210,631	\$	198,704	\$	191,984	\$	218,939		
Net OPEB (Asset) as a Percentage										
of Covered Employee Payroll		-3.86%		-1.21%		-0.26%		-2.40%		

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal year 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience.

Required Supplementary Schedule – (Unaudited) CPS Energy – Disability Plan Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios Last Ten Fiscal Years

	1/	/31/2018	1/	/31/2017	1,	/31/2016	1/	/31/2015
Total OPEB Liability								
Service Cost	\$	516	\$	527	\$	509	\$	492
Interest		473		455		448		426
Changes in Assumptions		94						
Differences Between Expected and								
Actual Experience				255				
Benefit Payments		(1,012)		(974)		(775)		(559)
Net Change in Total OPEB Liability	\$	71	\$	263	\$	182	\$	359
Total OPEB Liability - Beginning		6,295		6,032		5,850		5,491
Total OPEB Liability - Ending (a)	\$	6,366	\$	6,295	\$	6,032	\$	5,850
Plan Fiduciary Net Position								
Contributions - Employer	\$	1,300	\$	700	\$	175	\$	175
Contributions - Employee		265		260		248		211
Earnings (Loss) on Plan Assets		627		501		(158)		177
Benefit Payments		(1,012)		(974)		(775)		(559)
Administrative Expense		(18)		(15)		(14)		(18)
Net Change in Plan Fiduciary Net Position	\$	1,162	\$	472	\$	(524)	\$	(14)
Plan Fiduciary Net Position - Beginning		4,234		3,762		4,286		4,300
Plan Fiduciary Net Position - Ending (b)	\$	5,396	\$	4,234	\$	3,762	\$	4,286
Net OPEB Liability - Ending (a) - (b)	\$	970	\$	2,061	\$	2,270	\$	1,564
Plan Fiduciary Net Position as a Percentage								
of the Total OPEB Liability		84.76%		67.26%		62.37%		73.26%
Covered Employee Payroll	\$	216,558	\$	212,904	\$	205,704	\$	218,939
Net OPEB Liability as a Percentage								
of Covered Employee Payroll		0.45%		0.97%		1.10%		0.71%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal year 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement				
	Per	iod Ended			
	1	/1/2018			
Total OPEB Liability					
Service Cost	\$	2,428			
Interest		9,221			
Changes in Assumptions		(351)			
Differences Between Expected and		()			
Actual Experience		(3,358)			
Benefit Payments		(6,209)			
Net Change in Total OPEB Liability	\$	1,731			
Total OPEB Liability - Beginning		144,960			
Total OPEB Liability - Ending (a)	\$	146,691			
Plan Fiduciary Net Position					
Contributions - Employer	\$	13,709			
Contributions - Employee					
Net Investment Income		7,127			
Benefit Payments		(6,209)			
Administrative Expense		(144)			
Net Change in Plan Fiduciary Net Position	\$	14,483			
Plan Fiduciary Net Position - Beginning		44,028			
Plan Fiduciary Net Position - Ending (b)	\$	58,511			
Net OPEB Liability - Ending (a) - (b)	\$	88,180			
Plan Fiduciary Net Position as a Percentage					
of the Total OPEB Liability		39.89%			
Covered Employee Payroll	\$	79,417			
Net OPEB Liability as a Percentage of Covered Employee Payroll		111.03%			

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal year-end December 31, 2018.

Notes to Schedule:

Total OPEB liability at December 31, 2018 is based on a rollforward of the January 1, 2018 actuarial valuation.

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2018, health cost trends ultimate rate was changed to 3.84% in 2075. The mortality table was updated for 2018.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Det	tuarially termined tribution	Relat Act Det	ibutions in ion to the uarially ermined tribution	Defic	bution iency :ess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$	7,439	\$	7,439	\$	-	\$ 375,931	1.98%
2019		7,111		7,111			393,916	1.81%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution is determined by the adopted OPEB funding

policy, through adoption of the City's annual budget. The OPEB programs are

funded on a pay-as-you-go basis.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal

Amortization method Experience/Assumptions gains and losses are amortized over a closed period of

7.7 years starting on October 1, 2018, equal to the average remaining service of

active and inactive plan members (who have no future service).

Remaining amortization period

Asset valuation method

6.7 years N/A

Actuarial assumptions:

Investment rate of return

2.66% per annum (EOY)

Healthcare and Prescription

cost trend rates

Pre-65 Select 6.50% and Ultimate 4.50%; Post-65 Select 5.50% and Ultimate

4.50%.

Salary increase rate

3.50% per annum

Mortality

PUB 2010 generational table scaled using MP-19 and applied on a gender-specific

basis.

Required Supplementary Schedule – (Unaudited)
Fire and Police Retiree Health Care Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years

				ributions in				
Statutorily Year-Ended Required September 30, Contribution		Relation to the Statutorily Required Contribution		Defic	ibution ciency cess)	Covered Pavroll	Contributions as a Percentage of Covered Payroll	
2018	\$	29,776	\$	29,776	\$	-	\$ 313,951	9.48%
2019		33,987		33,987			324,430	10.48%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2017 through December 31, 2018.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution is using a January valuation date as of the

beginning of the fiscal year in which contributions are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
Amortization method Level Dollar
Amortization period 30 years

Asset valuation method Adjusted market value gains/losses spread over a five-year period

Actuarial Assumptions:

Investment rate of return 7.25% per year

Inflation 3.00%

Healthcare cost trend rates 7.50% for 2020 decreasing 0.50% per year to an ultimate rate of 4.50% for 2026

and beyond

Salary increases 3.00% plus merit and promotion increases that vary by age and service

Mortality Based on RP-2000 Combined Healthy Mortality Table for males and for females

(sex distinct) projected to 2024 by scale AA.

Actuarially Determined Contribution Amounts:

Biweekly Contributions:

Active Members \$163.02 City per Active Member \$326.04

Monthly Contributions:

Retirees with Less Than 30 Years

of Service \$353.22 Dependent Children \$891.67

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

				Contril	outions in					
				Relati	on to the					
		Act	uarially	Actu	uarially	Cont	ribution			Contributions as
Year	-Ended	Dete	rmined	Dete	rmined	nined Deficiency		C	overed	a Percentage of
Janu	ıary 31,	Cont	ribution	Cont	ribution	(Excess)		Payroll		Covered Payroll
2	.016	\$	-	\$	8,806	\$	(8,806)	\$	215,964	4.08%
2	.017				8,500		(8,500)		223,523	3.80%
2	.018								220,522	0.00%
2	2019								228,240	0.00%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1,

two years and one month prior to the end of the fiscal year in which

contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
Amortization method Level Dollar
Remaining amortization period 30 years

Asset valuation method Market value gains/losses recognized over five years

Actuarial assumptions:

Investment rate of return	7.25% per year, compounded annually for fiscal year 2019, 7.50% for previous
	years
Healthcare cost trend rates	7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and
	2018, 7.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016
Prescription cost trend rates	7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and
	2018, 8.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016
Salary increases	Projected average salary increases ranging from 3.10% to 11.60% depending on
	age for fiscal year 2019; ranging from 4.00% to 9.50% for previous years
Mortality	Based on RP-2016 Combined Healthy, with No Collar Adjustment, projected to
	2020 using Scale BB, Male and Female Tables for active and retirees, based on
	1987 Commissioners Group Disabled Life Mortality Table for disabled lives

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

			Contrib	outions in					
			Relatio	on to the					
	Acti	uarially	Actu	ıarially	Contr	ibution			Contributions as
Year-Ended	Dete	rmined	Dete	rmined	Defi	ciency	C	overed	a Percentage of
January 31,	Cont	ribution	Conti	Contribution (Excess)		Payroll		Covered Payroll	
2016	\$	561	\$	-	\$	561	\$	191,984	0.00%
2017		145				145		198,704	0.00%
2018		515				515		210,631	0.00%
2019		435				435		218,003	0.00%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1,

two years and one month prior to the end of the fiscal year in which

contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
Amortization method Level Dollar
Remaining amortization period 30 years

Asset valuation method Market value gains/losses recognized over five years

Actuarial assumptions:

Investment rate of return7.25% per year, compounded annuallyInflation3.00% per year, compounded annuallySalary increases4.54% average, including inflation

Mortality Based on RP-2000 Combined Healthy, with No Collar Adjustment, projected to

2020 using Scale BB, Male and Female Tables for active and retirees: based on

1987 Commissioners Group Disabled Life Mortality Table for disabled lives

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

			Contri	butions in						
			Relat	ion to the						
	Act	uarially	Act	uarially	Conti	ribution			Contributions as	
Year-Ended	ded Determined		Determined		Deficiency		Covered		a Percentage of	
January 31,	Con	tribution	Con	tribution	(Excess)		Payroll		Covered Payroll	
2016	\$	793	\$	175	\$	618	\$	205,704	0.09%	
2017		886		700		186		212,904	0.33%	
2018		1,035		1,300		(265)		216,558	0.60%	
2019		1,045		1,000		45		224,137	0.45%	

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1,

two years and one month prior to the end of the fiscal year in which the

contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
Amortization method Level Dollar
Remaining amortization period 30 years

Asset valuation method Market value gains/losses recognized over five years

Actuarial assumptions:

Investment rate of return 7.25% per year, compounded annually, for fiscal year 2019; 7.50% for previous

years

Inflation 3.00% per year, compounded annually

Salary increases 4.72% average, including inflation for fiscal year 2019; 4.78% for previous years

Mortality Based on 1987 Commissioners Group Disabled Life Mortality table

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

				ributions in tion to the					
	Ad	tuarially	Ac	tuarially	Con	tribution			Contributions as
Year-Ended	De	termined	De	termined	De	ficiency	C	overed	a Percentage of
December 31,	Coı	ntribution	Coı	ntribution	(E	xcess)	F	Payroll	Covered Payroll
2018	\$	12,412	\$	13,709	\$	(1,297)	\$	79,417	17.26%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal year-ended December 31, 2018.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1, of the year in

which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry Age Normal
Remaining amortization period 16 years - Closed
Asset valuation method Market value

Actuarial assumptions:

Investment rate of return 6.50%
Inflation 2.50%

Salary increases Scale based on 2011 – 2013 SAWS experience

Mortality Adjusted RP-2014 mortality with scale MP-2016 based on data published by the

SOA in 2016

Pre-retirement RP-2014 Healthy Employee Mortality Tables, updated annually Postemployment RP-2014 Healthy Employee Annuitant Tables, updated annually

Healthcare cost trend rates: Current year 5.50%; Ultimate trend rate 2018 - 3.84%; Ultimate year 2018 - 2075

COMBINIG FINANCIAL STATEMENTS

Special Revenue Funds

GRANTS

CATEGORICAL GRANT-IN AID – to account for the receipt and disbursement of all federal and state grants (with non-cash in-kind contributions from external agencies for federal grants), except for Community Development Block Grants, HUD 108 loans, HOME Investment Partnership Grants, Confiscated Property, and the American Recovery and Reinvestment Act Grants.

COMMUNITY DEVELOPMENT PROGRAM – to accept, receipt, and disburse federal funds designated for Community Development Block Grants' Programs and the American Recovery and Reinvestment Act Grants.

CONFISCATED PROPERTY – to account for receipts and disbursement of funds confiscated by law enforcement officers within the City.

HOME PROGRAM – to accept, receipt, and disburse federal funds designated for HOME Investment Partnership Programs.

HUD 108 LOAN PROGRAM – to accept, receipt, and disburse federal funds designed to finance various HUD eligible capital improvements within the City.

OTHER SPECIAL REVENUES

ADVANCED TRANSPORTATION DISTRICT — to account for a ½ cent sales tax that funds the administration and project delivery of the Advanced Transportation District Program (ATD).

COMMUNITY AND VISITOR FACILITIES – to account for revenues and expenditures generated from Convention and Tourism activities relating to the promotion of the City's owned facilities to be used for conventions, community, and entertainment venues.

COMMUNITY SERVICES – to account for funds that provide various services to the community, such as health, housing, education, safety, employment, golfing, and economic development.

HOTEL/MOTEL 2% REVENUE — to account for funds derived from and capital improvement activity relating to the additional 2.0% Municipal Hotel/Motel Occupancy Tax.

PARKS DEVELOPMENT AND EXPANSION — to account for a ½ cent sales tax that funds the purchase and maintenance of new parkland in the Edwards Aquifer Recharge Zones, as well as linear parks along Leon Creek and Salado Creek.

EARLY EDUCATION DEVELOPMENT – to account for revenues and expenditures relating to a ½ cent sales tax to fund the Pre-K 4 SA education initiative created to provide high quality pre-kindergarten for 4-year-olds throughout the City.

RIGHT OF WAYS – to account for funds used in the maintenance and improvement of right of ways. Financing is provided by street resurfacing charges.

SAN ANTONIO HOUSING TRUST – to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from investment earnings that were designated from the sale of Roger's Cable System.

STORMWATER OPERATIONS – to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a storm water fee.

TAX INCREMENT REINVESTMENT ZONE — to account for all revenues and expenditures associated with the operations of Tax Increment Reinvestment Zones (TIRZ) and the Tax Increment Financing Fund (TIF). Financing is provided by property taxes contributed from the City and other participating jurisdictions.

PARKS ENVIRONMENTAL & SANITATION – to account for the administrative and operational activities of the Parks Environmental Program. Financing is provided by a parks environmental fee.

Special Revenue Funds (Continued)

BLENDED COMPONENT UNITS

SAN ANTONIO EDUCATION FACILITIES CORPORATION (EFC) – was established in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities.

SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORPORATION (HFDC) — was established in accordance with state laws for the purpose of acquiring, constructing, improving, providing, financing, and refinancing for any real, personal, or mixed property for health care, research, and education, and to assist in the maintenance of the public health.

SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) – was established in accordance with state laws for the purpose of furthering the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare.

MUNICIPAL GOLF ASSOCIATION – SAN ANTONIO (MGA-SA) – was established for the purpose of, and to act on behalf of the City in, operating and promoting its municipal golf facilities.

SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORPORATION (TMFC) — was established to account for the financing for the acquisition and construction of a One Stop Development Services Center and a Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) facility, for the City. Financing was derived from the sale of City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds.

STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION (SIDC) — was established to account for the purchase of the project site for the Toyota plant and finance other costs of the project site including site preparation and a training facility as provided in the Project Starbright Agreement. Financing was derived from the prior sale of City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds.

SAN ANTONIO ECONOMIC DEVELOPMENT CORPORATION (EDC) – was established to promote, assist, and enhance economic development activities for the City.

TEXAS PUBLIC FACILITIES CORPORATION (TPFC) – was established in accordance with state laws for the purpose of, and to act on the behalf of the City, to effectuate the buyout of its existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds.

HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION (HPARC) – was established by the City in August 2009 for the purpose of aiding and acting on behalf of the City to assist with acquiring property, planning, developing, constructing, managing, maintaining, and financing projects within Hemisfair Park and adjacent to or near Hemisfair Park.

URBAN RENEWAL AGENCY (OUR SA) – OUR SA is responsible for implementing the City's Urban Renewal Program. Financing is provided from the City as well as the sale of redeveloped real estate.

VISIT SAN ANTONIO (VSA) – was established to attract leisure visitors to the City, and attract and secure meetings, events, and conventions to the City, including but not limited to, the Henry B. Gonzalez Convention Center and other City-owned facilities.

WESTSIDE DEVELOPMENT CORPORATION (WDC) — was established to promote economic development and redevelopment opportunities in the west side of San Antonio. WDC seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, WDC functions as a land development corporation that has the power to buy, sell, and accept land as a nonprofit without the restrictions placed upon a municipality.

Capital Projects Funds

GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS – to account for financial resources to be used for the acquisition or construction of major capital facilities, such as drainage and library improvements, excluding those financed by proprietary-type funds and trust funds. Financing is derived by the sale of General Obligation Bonds.

PRE-2007 GENERAL OBLIGATION BONDS — consist of eight bond elections from 1980 to 2003 held on January 26, 1980, April 2, 1983, April 6, 1985, November 3, 1987, May 6, 1989, May 7, 1994, May 1, 1999, and November 4, 2003 respectively, for development and improvement projects. These eight bond elections covered projects within seven areas: libraries, fire protection, crime prevention and public safety, parks and recreation, San Antonio River flood control, drainage and flood control, and street, bridge, pedestrian and related improvements.

2007 GENERAL OBLIGATION BONDS – a bond election held on May 12, 2007 approved \$550 million in physical infrastructure development and improvement projects. These projects were within five areas: streets and pedestrian, drainage improvements, library improvements, parks and recreation, and public safety.

2012 GENERAL OBLIGATION BONDS – a bond election held on May 13, 2012 approved \$596 million in physical infrastructure development and improvement projects. These projects were within five areas; streets and pedestrian, drainage improvements, library improvements, parks and recreation, and public safety.

GENERAL OBLIGATION PROJECTS FUND – to account for the acquisition of construction of major capital facilities such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of General Obligation Bonds.

CERTIFICATES OF OBLIGATION

CERTIFICATES OF OBLIGATION – to account for permanent public improvements and/or construction of municipal facilities, streets, drainage, and emergency fire protection projects. Financing is derived from the sale of Certificates of Obligation.

PRE-2015 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold between the years of 1986 to 2014 for construction of municipal facilities, library, streets, drainage, parks, police, and emergency fire protection projects.

2015 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2015 for construction of municipal facilities, library, streets, drainage, parks, police, and emergency fire protection projects.

2016 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2016 for construction and improvement of City facilities, streets and street lighting, parks and infrastructure; and acquisition and installation of upgrades in technology systems.

2017 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2017 for improvements to the City's Riverwalk Marina; parks and recreation; public safety facilities; service and community centers; sidewalks and other pedestrian mobility enhancement improvements; libraries; and drainage facilities.

2018 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2018 for acquisition, construction and improvement, of City facilities and infrastructure, streets, drainage, and sidewalks; and acquisition and installation of upgrades in technology systems.

Capital Projects Funds (Continued)

CERTIFICATES OF OBLIGATION (Continued)

2019 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2019 for acquisition, construction and improvement, of City facilities and infrastructure, streets, drainage, and sidewalks; and acquisition and installation of upgrades in technology systems.

CERTIFICATES OF OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital facilities such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of Certificates of Obligation.

OTHER CAPITAL PROJECTS

EDWARDS AQUIFER PROTECTION VENUE – to account for the acquisition and development of land in the Edwards Aquifer Recharge Zones. Financing is derived from a $\frac{1}{2}$ cent sales tax approved by voters on May 7, 2007 and a portion from the sale of sales tax revenue commercial paper notes.

EQUIPMENT ACQUISITION – to account for the lease financing of large or bulk capital assets for the City to include a mainframe computer, fire trucks, police video equipment, various medical emergency services equipment, etc.

IMPROVEMENT PROJECTS – to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds and notes payables issued.

MUNICIPAL DRAINAGE UTILITY SYSTEM — to account for financial resources to be used to finance the costs of drainage improvements, including the acquisition, construction, and repair of structures, equipment and facilities for the City's Municipal Drainage Utility System. Financing is derived from the prior sale of City of San Antonio, Texas Municipal Drainage Utility System Revenue Bonds.

PARKS DEVELOPMENT AND EXPANSION – to account for the acquisition and development of new parkland in the Edwards Aquifer Recharge Zones, as well as linear parks along Leon Creek and Salado Creek. Financing is derived from a ½ cent sales tax approved by voters on May 6, 2000, and extended by voters on May 7, 2005, November 2, 2010, and May 9, 2015. Balance also includes a portion from the prior sale of sales tax revenue commercial paper notes.

TAX & REVENUE NOTES – to account for capital projects where funding is derived from the sale of short-term tax and revenue notes.

Permanent Funds

CARVER CULTURAL CENTER ENDOWMENT – to account for matching funds held by the City and grant funds previously awarded by the National Endowment for the Arts.

CITY CEMETERIES – to account for operation of the City's burial park. Financing for operations is provided by user fees and investment earnings. The principal portion is required to be retained in the Fund's Corpus.

WILLIAM C. MORRIS ENDOWMENT – to account for funds donated to the City by the estate of William C. Morris for the purpose of developing and sustaining the San Antonio Public Library's programs for children.

BOZA BECICA ENDOWMENT – to account for funds donated to the City by the estate of Boza Becica for the purpose of developing and sustaining the San Antonio Public Library's material purchases. The principal portion is required to be retained in the Fund's Corpus.

SOUTHERN EDWARDS PLATEAU ENDOWMENT – to account for funds donated to the City by third parties for the purpose of developing and sustaining the Southern Edwards Plateau Habitat Conservation. Financing for operations is also provided by user fees and investment earnings. The principal portion is required to be retained in the Fund's Corpus.

Combining Balance Sheet Nonmajor Governmental Funds As of September 30, 2019

(In Thousands)

		SPECIAL REVENUE FUNDS	I	CAPITAL PROJECTS FUNDS	PE	RMANENT FUNDS	NO GOVE	TOTAL NMAJOR RNMENTAL FUNDS
Assets:								
Cash and Cash Equivalents	\$	21,384	\$	114	\$	-	\$	21,498
Investments		102,332		1,100				103,432
Receivables, Net		4,449		4				4,453
Materials and Supplies, at Cost		272						272
Prepaid Expenditures		846 346						846 346
Due From Other Funds Restricted Assets:		340						340
Cash and Cash Equivalents		29,559		91,418		513		121,490
Investments		240,597		217,151		4.947		462,695
Receivables, Net		74,665		3,392		81		78,138
Materials and Supplies, at Cost		4,855		3,332		01		4,855
Prepaid Expenditures		689						689
Due From Other Funds		195		69,325				69,520
Due From Other Governmental Agencies, Net		21,109		1,416				22,525
Total Assets	\$	501,298	\$	383,920	\$	5,541	\$	890,759
Liabilities and Fund Balances:								
Liabilities:	<u> </u>	2.765	<u>,</u>		<u> </u>		<u> </u>	2.765
Vouchers Payable	\$	2,765	\$	-	\$	-	\$	2,765
Accounts Payable - Other Accrued Payroll		4,962 196						4,962 196
Unearned Revenue		196 371						196 371
Liabilities Payable From Restricted Assets:		3/1						3/1
Vouchers Payable		12,784		34,674		20		47,478
Accounts Payable - Other		14,845		11,652		20		26,497
Accrued Payroll		4,214		11		3		4,228
Accrued Leave Payable		[′] 36						36
Unearned Revenue		44,200		1,067				45,267
Due To Other Funds		22,804		36,526				59,330
Due To Other Governmental Agencies		91						91
Total Liabilities		107,268		83,930		23		191,221
Deferred Inflows of Resources		8,499		161				8,660
Fund Balances:								
Nonspendable		6,662				5,068		11,730
Restricted		245,865		299,314		450		545,629
Committed		134,539		1,218				135,757
Assigned		4,225		(=00)				4,225
Unassigned		(5,760)		(703)				(6,463)
Total Fund Balances		385,531		299,829		5,518		690,878
Total Liabilities, Deferred Inflows of Resources and		F01 505		202.225				000 ===
Fund Balances	\$	501,298	\$	383,920	\$	5,541	\$	890,759

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year-Ended September 30, 2019

(In Thousands)

REVENUE PROJECTS PERMANENT GOVE	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
Revenues:		
Taxes: Property \$ 32,263 \$ - \$ - \$ General Sales and Use 94,067 Gross Receipts Business 2,789 Occupancy 100,648 Penalties and Interest on Delinquent Taxes 242	32,263 94,067 2,789 100,648 242	
Intergovernmental 181,588 30,398 Charges for Services 129,805 386 Fines and Forfeits 336	211,986 130,191 336	
Miscellaneous 54,853 1,089 3 Investment Earnings 9,176 7,505 137 Contributions 25,577 6,438	55,945 16,818 32,015	
Total Revenues 631,344 45,430 526	677,300	
Current: General Government 10,284 Public Safety 22,758 7,760 Public Works 60,350 Health Services 35,382 Sanitation 7,804 Welfare 117,118 Culture and Recreation 47,437 220 Convention and Tourism 61,192 Urban Redevelopment and Housing 24,000 Education 28,472 Economic Development and Opportunity 21,910 Environmental 214 Capital Outlay 355,349 Debt Service: Principal Retirement 6,314 Interest 23,271 Issuance Costs 466	10,284 30,518 60,350 35,382 7,804 117,118 47,657 61,192 24,000 28,472 21,910 214 355,349 6,314 23,271 466	
Total Expenditures 466,506 363,575 220	830,301	
Excess (Deficiency) of Revenue Over (Under) Expenditures 164,838 (318,145) 306	(153,001)	
Other Financing Sources (Uses): Issuance of Long-Term Debt 100 64,770 Premium on Long-Term Debt 8,850 Transfers In 89,810 337,474 33 Transfers Out (206,816) (114,897)	64,870 8,850 427,317 (321,713)	
Total Other Financing Sources (Uses), Net (116,906) 296,197 33	179,324	
Net Change in Fund Balances 47,932 (21,948) 339	26,323	
Fund Balances, October 1	664,555	
Fund Balances, September 30 \$ 385.531 \$ 299.829 \$ 5.518 \$	690,878	

Combining Balance Sheet Nonmajor Governmental Funds - Special Revenue Funds As of September 30, 2019 (In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED MPONENT UNITS	NO :	TOTAL DNMAJOR SPECIAL ENUE FUNDS
Assets: Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures Due From Other Funds Restricted Assets:	\$ -	\$ 14,126 102,332 3,027 52	\$ 7,258 1,422 220 846	\$	21,384 102,332 4,449 272 846 346
Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures Due From Other Funds Due From Other Governmental Agencies, Net	2,001 7,297 42,379 801	24,395 231,664 31,786 351 622 195 1,105	3,163 1,636 500 3,703 67		29,559 240,597 74,665 4,855 689 195 21,109
Total Assets	\$ 72,482	\$ 410,001	\$ 18,815	\$	501,298
Liabilities and Fund Balances: Liabilities: Vouchers Payable Accounts Payable - Other Accrued Payroll Unearned Revenue Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Accrued Leave Payable Unearned Revenue Due To Other Funds Due To Other Governmental Agencies Total Liabilities	\$ 5,367 4,480 1,256 43,875 13,538 91 68,607	\$ 1,110 4,430 196 295 7,411 9,507 2,910 6 180 9,266	\$ 1,655 532 76 6 858 48 30 145	\$	2,765 4,962 196 371 12,784 14,845 4,214 36 44,200 22,804 91
Deferred Inflows of Resources	8,305	194	-,		8,499
Fund Balances: Nonspendable Restricted Committed Assigned Unassigned	801 3,875 (9,106)	1,025 239,129 134,539 (197)	4,836 2,861 4,225 3,543		6,662 245,865 134,539 4,225 (5,760)
Total Fund Balances	 (4,430)	 374,496	 15,465		385,531
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 72,482	\$ 410,001	\$ 18,815	\$	501,298

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue Funds Year-Ended September 30, 2019

(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:				
Taxes:				
Property	\$ -	\$ 32,263	\$ -	\$ 32,263
General Sales and Use		94,067		94,067
Gross Receipts Business		2,789		2,789
Occupancy		100,648		100,648
Penalties and Interest on Delinquent Taxes		242		242
Intergovernmental	168,766	12,822		181,588
Charges for Services	321	117,347	12,137	129,805
Fines and Forfeits		336		336
Miscellaneous	3,389	48,938	2,526	54,853
Investment Earnings	255	8,821	100	9,176
Contributions	18,559	5,747	1,271	25,577
Total Revenues	191,290	424,020	16,034	631,344
Expenditures:				
Current:				
General Government	2,513	7,771		10,284
Public Safety	14,774	7,984		22,758
Public Works	12,904	47,446		60,350
Health Services	19,928	15,454		35,382
Sanitation	539	7,265		7,804
Welfare	117,032	86 35. 7 53	10.703	117,118
Culture and Recreation	981	35,753 35,375	10,703	47,437
Convention and Tourism	21.005	35,375 2,168	25,817 827	61,192
Urban Redevelopment and Housing Education	21,005	28,472	027	24,000 28,472
Economic Development and Opportunity	164	18,986	2,760	21,910
Environmental	104	214	2,700	21,910
Debt Service:		214		214
Principal Retirement			6,314	6,314
Interest			23,271	23,271
merese				
Total Expenditures	189,840	206,974	69,692	466,506
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,450	217,046	(53,658)	164,838
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			100	100
Transfers In	5,242	27,594	56,974	89,810
Transfers Out	(6,118)	(199,562)	(1,136)	(206,816)
Total Other Financing Sources (Uses), Net	(876)	(171,968)	55,938	(116,906)
Net Change in Fund Balances	574	45,078	2,280	47,932
Fund Balances, October 1	(5,004)	329,418	13,185	337,599
Fund Balances, September 30	\$ (4,430)	\$ 374,496	\$ 15,465	\$ 385,531

Combining Balance Sheet Nonmajor Governmental Funds - Grants

As of September 30, 2019 (In Thousands)

	GR	GORICAL ANT-IN AID	DEVE	MMUNITY LOPMENT OGRAM	 FISCATED OPERTY	HOME OGRAM	LC	D 108 DAN GRAM	NON	OTAL NMAJOR RANTS
Assets: Restricted Assets: Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Due From Other Governmental Agencies, Net	\$	125 173 46 801 19,022	\$	3,001 10,258 982	\$ 321 3,082 15	\$ 1,555 1,041 32,060	\$	-	\$	2,001 7,297 42,379 801 20,004
Total Assets	\$	20,167	\$	14,241	\$ 3,418	\$ 34,656	\$		\$	72,482
Liabilities and Fund Balances: Liabilities: Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Unearned Revenue Due To Other Funds Due To Other Governmental Agencies	\$	3,341 3,383 1,143 591 11,618 91	\$	670 42 94 10,981 1,920	\$ 71 6	\$ 1,285 1,055 13 32,303	\$		\$	5,367 4,480 1,256 43,875 13,538 91
Total Liabilities		20,167		13,707	 77	 34,656				68,607
Deferred Inflows of Resources		7,655			 	 650				8,305
Fund Balances: Nonspendable Restricted Unassigned		801 (8,456)		534	 3,341	 (650)				801 3,875 (9,106)
Total Fund Balances		(7,655)		534	 3,341	 (650)				(4,430)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	20,167	\$	14,241	\$ 3,418	\$ 34,656	\$		\$	72,482

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Grants Year-Ended September 30, 2019 (In Thousands)

	CATEGORICAL GRANT-IN AID	GRANT-IN DEVELOPMENT		HOME PROGRAM	HUD 108 LOAN PROGRAM	TOTAL NONMAJOR GRANTS	
Revenues: Intergovernmental Charges for Services Miscellaneous Investment Earnings Contributions	\$ 146,712 512 4 16,649	\$ 11,287 321 1,498 111	\$ 1,965 30 72	\$ 8,802 1,346 68 1,910	\$ - 3	\$ 168,766 321 3,389 255 18,559	
Total Revenues	163,877	13,217	2,067	12,126	3	191,290	
Expenditures: Current: General Government Public Safety Public Works Health Services Sanitation Welfare Culture and Recreation Urban Redevelopment and Housing Economic Development and Opportunity	652 13,910 12,904 19,928 539 117,032 709 720	1,861 124 272 7,807 161	740	12,478	3	2,513 14,774 12,904 19,928 539 117,032 981 21,005	
Total Expenditures	166,394	10,225	740	12,478	3	189,840	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,517)	2,992	1,327	(352)		1,450	
Other Financing Sources (Uses): Transfers In Transfers Out	5,234 (3,083)	(2,646)	(389)	8		5,242 (6,118)	
Total Other Financing Sources (Uses), Net	2,151	(2,646)	(389)	8		(876)	
Net Change in Fund Balances	(366)	346	938	(344)		574	
Fund Balances, October 1	(7,289)	188	2,403	(306)		(5,004)	
Fund Balances, September 30	\$ (7,655)	\$ 534	\$ 3,341	\$ (650)	\$ -	\$ (4,430)	

Combining Balance Sheet

Nonmajor Governmental Funds - Other Special Revenues

As of September 30, 2019

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Assets: Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Due From Other Funds Restricted Assets:	\$ -	\$ 13,930 90,468 3,013 52 346		\$ -	\$ -	\$ -	\$ -	\$ 196 11,864 14	\$ -	\$ -	\$ -	\$ 14,126 102,332 3,027 52 346
Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures Due From Other Funds Due From Other Governmental Agencies	977 10,648 3,073	389 6,353 6,765 125	61,540 1,659	184 875 1,884	6,907 70,229 6,579	116 1,038 6,328	396 3,804 568		3,044 29,478 3,999 121	4,772 46,861 356	108 838 575	24,395 231,664 31,786 351 622 195 1,105
Total Assets	\$ 14,698	\$ 121.441		\$ 3,138	\$ 83,715	\$ 7,482	\$ 5,009	\$ 12,074	\$ 36,642	\$ 52,290	\$ 1,521	\$ 410.001
Liabilities and Fund Balances: Liabilities: Vouchers Payable Accounts Payable - Other Accrued Payroll Unearned Revenue	\$ -	\$ 1,110 4,430 196 295		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,110 4,430 196 295
Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Accrued Leave Payable Unearned Revenue Due To Other Funds	4 21 80 	2,387 5,550 650 180 195	905 380	346_		218 918	1 22 86 1 435		877 184 612 5	1,640 2,564 20	401 43 164	7,411 9,507 2,910 6 180 9,266
Total Liabilities	1,677	14,993	3,661	346		7,482	545		1,678	4,321	608	35,311
Deferred Inflows of Resources										194		194
Fund Balances: Nonspendable Restricted Committed Unassigned	13,021	177 4,545 101,726		2,792	83,715		4,464	12,074	121 34,843	47,775	913	1,025 239,129 134,539 (197)
Total Fund Balances	13,021	106,448	68,330	2,792	83,715		4,464	12,074	34,964	47,775	913	374,496
Total Liabilities and Fund Balances	\$ 14,698	\$ 121,441	\$ 71,991	\$ 3,138	\$ 83,715	\$ 7,482	\$ 5,009	\$ 12,074	\$ 36,642	\$ 52,290	\$ 1,521	\$ 410,001

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Other Special Revenues

Year-Ended September 30, 2019

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Revenues: Taxes:												
Property	\$ -	\$ -	\$ 5,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,143	\$ -	\$ 32,263
General Sales and Use	18,117				37,975	37,975						94,067
Gross Receipts Business		72,706	2,789 7,169	20,773								2,789 100,648
Occupancy Penalties and Interest on Delinquent Taxes		188	7,169	20,773								100,648
Intergovernmental		68	12,754	54								12,822
Charges for Services		34,484	11,835				4,198		59,654		7,176	117,347
Fines and Forfeits	420	4.004	336			24 020	47		507	45	427	336
Miscellaneous Investment Earnings	138 317	4,091 2,419	12,084 1,606	243	1,961	31,829	47 79	284	597 779	15 1,120	137 13	48,938 8,821
Contributions		2,415	5,747									5,747
Total Revenues	18,572	113,956	59,440	21,070	39,936	69,804	4,324	284	61,030	28,278	7,326	424,020
Expenditures:												
Current: General Government			7,771									7 771
Public Safety			7,771									7,771 7,984
Public Works	4,902		7,501				3,012		39,532			47,446
Health Services			15,454									15,454
Sanitation			1								7,264	7,265
Welfare Culture and Recreation		29,967	86 5,034		752							86 35,753
Convention and Tourism		28.287	7,082	6	732							35,375
Urban Redevelopment and Housing		-, -	2,005					163				2,168
Education						28,472						28,472
Economic Development and Opportunity Environmental			4,554 214							14,432		18,986 214
Total Expenditures	4,902	58,254	50,185	6	752	28,472	3,012	163	39,532	14,432	7,264	206,974
Total Experiated Co	.,,502	30,231	30,103				3,012		33,332		- 7,201	200,571
Excess of Revenues Over (Under) Expenditures	13,670	55,702	9,255	21,064	39,184	41,332	1,312	121	21,498	13,846	62	217,046
Other Financing Sources (Uses):												
Transfers In		10,261	6,762	10,571								27,594
Transfers Out	(13,235)	(50,828)	(3,085)	(31,495)	(37,789)	(41,332)	(435)		(17,681)	(3,682)		(199,562)
Total Other Financing Sources (Uses), Net	(13,235)	(40,567)	3,677	(20,924)	(37,789)	(41,332)	(435)		(17,681)	(3,682)		(171,968)
Net Change in Fund Balances	435	15,135	12,932	140	1,395		877	121	3,817	10,164	62	45,078
Fund Balances, October 1	12,586	91,313	55,398	2,652	82,320		3,587	11,953	31,147	37,611	851	329,418
Fund Balances, September 30	\$ 13,021	\$ 106,448	\$ 68,330	\$ 2,792	\$ 83,715	\$ -	\$ 4,464	\$ 12,074	\$ 34,964	\$ 47,775	\$ 913	\$ 374,496

Combining Balance Sheet

Nonmajor Governmental Funds - Blended Component Units As of September 30, 2019 (In Thousands)

	FAC	ANTONIO CATION CILITIES ORP.	F/ DEV	N ANTONIO HEALTH ACILITIES ELOPMENT CORP.	IN DEV	N ANTONIO DUSTRIAL /ELOPMENT UTHORITY	ASSO	JNICIPAL GOLF OCIATION ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.		STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	DEVE	ANTONIO ONOMIC ELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	R	HEMISFAIR PARK AREA EDEVELOPMENT CORP.	REI	RBAN NEWAL GENCY UR SA)	VISIT ANTONIO	DEVEL	STSIDE OPMENT ORP.	NOI BL COM	TOTAL NMAJOR ENDED IPONENT UNITS
Assets: Cash and Cash Equivalents Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures Restricted Assets:	\$	197	\$	7	\$	29	\$	-	\$	-	\$ -	\$	-	\$	-	\$ 2,213 67 260	\$	144	\$ 4,709 1,081 76 579	\$	103 274 7	\$	7,258 1,422 220 846
Cash and Cash Equivalents Investments Receivables, Net Materials and Supplies, at Cost Prepaid Expenditures								1,974 434 268 64	616	5	287 5 3		204 850	1	8			81 781 58 3,435	 				3,163 1,636 500 3,703 67
Total Assets	\$	197	\$	7	\$	29	\$	2,740	\$ 616	5	\$ 295	\$	1,054	\$ 9	9	\$ 2,540	\$	4,499	\$ 6,445	\$	384	\$	18,815
Liabilities and Fund Balances: Liabilities: Vouchers Payable Accounts Payable - Other Unearned Revenue Liabilities Payable From Restricted Assets:	\$	-	\$	-	\$	-	\$	-	\$ -	-	\$ -	\$	-	\$	-	\$ -	\$	4	\$ 1,655 512 76	\$	16	\$	1,655 532 76
Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Accrued Leave Payable Unearned Revenue								820 145					3			38 48 30		3					6 858 48 30 145
Total Liabilities								965					3			116		7	2,243		16		3,350
Fund Balances: Nonspendable Restricted Assigned Unassigned		197		7		29		332 1,443	616	5	3 292		1,051	<u>.</u>	9 -	260 666 1,498		3,579 917 (4)	655 3,547		7 361		4,836 2,861 4,225 3,543
Total Fund Balances		197		7		29		1,775	616	5	295		1,051		9	2,424		4,492	 4,202		368		15,465
Total Liabilities and Fund Balances	\$	197	\$	7	\$	29	\$	2,740	\$ 616	<u> </u>	\$ 295	\$	1,054	\$ 9	9	\$ 2,540	\$	4,499	\$ 6,445	\$	384	\$	18,815

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Blended Component Units Year-Ended September 30, 2019

	SAN AN EDUCA FACIL CO	ATION ITIES	F.	N ANTONIO HEALTH ACILITIES 'ELOPMEN CORP.		SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	ASS	INICIPAL GOLF DCIATION ANTONIO	MU FAC	ANTONIO EXAS NICIPAL CILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTON ECONOMIO DEVELOPME CORP.	2	TEXAS PUBLIC FACILITIES CORP.	PARI REDEVE	ISFAIR (AREA LOPMENT DRP.	URBAN RENEWAL AGENCY (OUR SA)	SAI	VISIT N ANTONIO	DEVELO	TSIDE PMENT RP.	NO BL COM	TOTAL NMAJOR .ENDED MPONENT UNITS
Revenues: Charges for Services Miscellaneous Investment Earnings Contributions	\$	- 4	\$		 - 	\$ -	\$	11,441 96	\$	12	\$ -	\$	3	\$ - 62	\$	696 5 1,001	\$ - 284 3 270	\$	2,143	\$	-	\$	12,137 2,526 100 1,271
Total Revenues		4						11,537		12	14		3	62		1,702	557		2,143				16,034
Expenditures: Current: Culture and Recreation Convention and Tourism Urban Redevelopment and Housing Economic Development and Opportunity Debt Service:	\$	-	\$		-	\$ -	\$	10,703	\$	7	4	\$	- 15	\$ -	\$	2,534	\$ -	\$	- 25,817	\$	-	\$	10,703 25,817 827 2,760
Principal Retirement Interest								621 393		1,695 1.193	965 693			2,995 20.981		38 11							6,314 23,271
Total Expenditures								11,717		2,895	1,662	2	15	23,976		2,583	827		25,817				69,692
Excess (Deficiency) of Revenues Over (Under) Expenditures		4						(180)		(2,883)	(1,648)	(2	12)	(23,914)		(881)	(270)	L	(23,674)				(53,658)
Other Financing Sources (Uses): Issuance of Long-Term Debt Transfers In Transfers Out								100 1,943 (1,117)		2,889	1,656	2	00	21,284 (19)		1,687	3,064		24,251				100 56,974 (1,136)
Total Other Financing Sources (Uses), Net								926		2,889	1,656	2	00	21,265		1,687	3,064		24,251				55,938
Net Change in Fund Balances		4						746		6	8	(12)	(2,649)		806	2,794		577				2,280
Fund Balances, October 1		193			<u> </u>	29		1,029		610	287	1,0	63	2,658		1,618	1,698		3,625		368		13,185
Fund Balances, September 30	\$	197	\$			\$ 29	\$	1,775	\$	616	\$ 295	\$ 1,0	51	\$ 9	\$	2,424	\$ 4,492	\$	4,202	\$	368	\$	15,465

Combining Balance Sheet Nonmajor Governmental Funds - Capital Projects As of September 30, 2019

	ОВ	ENERAL LIGATION BONDS	-	TIFICATES OF LIGATION	(OTHER CAPITAL ROJECTS	C	TOTAL CAPITAL ROJECTS
Assets: Cash and Cash Equivalents Investments Receivables, Net Restricted Assets:	\$	-	\$	-	\$	114 1,100 4	\$	114 1,100 4
Cash and Cash Equivalents Investments Receivables, Net Due From Other Funds Due From Other Governmental Agencies, Net		26,008 83,289 2,094 1,429 1,012		43,513 105,407 423 17,563 236		21,897 28,455 875 50,333 168		91,418 217,151 3,392 69,325 1,416
Total Assets	\$	113,832	\$	167,142	\$	102,946	\$	383,920
Liabilities and Fund Balances: Liabilities: Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Unearned Revenue Due To Other Funds	\$	14,765 5,810 4 163	\$	4,278 1,224 5 2,704	\$	15,631 4,618 2 904 33,822	\$	34,674 11,652 11 1,067 36,526
Total Liabilities		20,742		8,211		54,977		83,930
Deferred Inflows of Resources		122				39		161
Fund Balances: Nonspendable Restricted Committed Unassigned		93,138 (170)		158,931		47,245 1,218 (533)		299,314 1,218 (703)
Total Fund Balances		92,968		158,931		47,930		299,829
Total Liabilities and Fund Balances	\$	113,832	Ś	167,142	\$	102,946	\$	383,920

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects Year-Ended September 30, 2019

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Revenues: Intergovernmental Miscellaneous Investment Earnings Contributions	\$ 10,079 102 2,653	\$ 18,713 126 3,723 5,290	\$ 1,606 861 1,129 1,148	\$ 30,398 1,089 7,505 6,438
Total Revenues	12,834	27,852	4,744	45,430
Expenditures: Current: Public Safety Capital Outlay Debt Service: Issuance Costs	116,567	68,608 257	7,760 170,174 209	7,760 355,349 466
Total Expenditures	116,567	68,865	178,143	363,575
(Deficiency) of Revenues (Under) Expenditures	(103,733)	(41,013)	(173,399)	(318,145)
Other Financing Sources (Uses): Issuance of Long-Term Debt Premium on Long-Term Debt Transfers In Transfers Out	110,395 (19,152)	30,235 6,210 60,319 (60,283)	34,535 2,640 166,760 (35,462)	64,770 8,850 337,474 (114,897)
Total Other Financing Sources, Net	91,243	36,481	168,473	296,197
Net Change in Fund Balances	(12,490)	(4,532)	(4,926)	(21,948)
Fund Balances, October 1	105,458	163,463	52,856	321,777
Fund Balances, September 30	\$ 92,968	\$ 158,931	\$ 47,930	\$ 299,829

Combining Balance Sheet Nonmajor Governmental Funds - General Obligation Bonds As of September 30, 2019

	GEI OBLI	E 2007 NERAL GATION DNDS	GI OBL	2007 ENERAL IGATION SONDS	GI OBL	2012 ENERAL LIGATION BONDS	OBI PF	ENERAL LIGATION ROJECTS FUND	G OB	TOTAL ENERAL LIGATION BONDS
Assets: Restricted Assets: Cash and Cash Equivalents Investments Receivables, Net Due From Other Funds Due From Other Governmental Agencies, Net	\$	41 412 1	\$	2,235 21,572 78	\$	5,847 61,305 224 1,429	\$	17,885 1,791 1,012	\$	26,008 83,289 2,094 1,429 1,012
Total Assets	\$	454	\$	23,885	\$	68,805	\$	20,688	\$	113,832
Liabilities and Fund Balances: Liabilities: Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Unearned Revenue	\$	6	\$	-	\$	-	\$	14,759 5,810 4 163	\$	14,765 5,810 4 163
Total Liabilities		6						20,736		20,742
Deferred Inflows of Resources								122		122
Fund Balances: Restricted Unassigned		448		23,885		68,805		(170)		93,138 (170)
Total Fund Balances		448		23,885		68,805		(170)		92,968
Total Liabilities and Fund Balances	\$	454	\$	23,885	\$	68,805	\$	20,688	\$	113,832

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - General Obligation Bonds Year-Ended September 30, 2019

	PRE 2007 GENERAL OBLIGATION BONDS	2007 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Revenues: Intergovernmental Miscellaneous Investment Earnings	\$ -	\$ - 2 674	\$ - 1,965	\$ 10,079 100	\$ 10,079 102 2,653
Total Revenues	14	676	1,965	10,179	12,834
Expenditures: Capital Outlay				116,567	116,567
Total Expenditures				116,567	116,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	14	676	1,965	(106,388)	(103,733)
Other Financing Sources (Uses): Transfers In Transfers Out	(79)	(2,862)	(13,223)	110,395 (2,988)	110,395 (19,152)
Total Other Financing Sources (Uses), Net	(79)	(2,862)	(13,223)	107,407	91,243
Net Change in Fund Balances	(65)	(2,186)	(11,258)	1,019	(12,490)
Fund Balances, October 1	513	26,071	80,063	(1,189)	105,458
Fund Balances, September 30	\$ 448	\$ 23,885	\$ 68,805	\$ (170)	\$ 92,968

Combining Balance Sheet Nonmajor Governmental Funds - Certificates of Obligation As of September 30, 2019 (In Thousands)

	CERT	E-2015 TIFICATES OF IGATION	CERT	2015 TIFICATES OF IGATION	CER	2016 FIFICATES OF IGATION	CER	2017 TIFICATES OF LIGATION	CERT	2018 TIFICATES OF IGATION		2019 FIFICATES OF IGATION	ОВ	OF LIGATION ECTS FUND	CER	TOTAL TIFICATES OF LIGATION
Assets: Restricted Assets: Cash and Cash Equivalents Investments Receivables, Net Due From Other Funds Due From Other Governmental Agencies	\$	198 4,153 16	\$	213 2,464 10	\$	3,355 33,431 119	\$	913 9,064 33	\$	25,839 41,830 161 6,921	\$	10,428 14,465 81 7,938	\$	2,567 3 2,704 236	\$	43,513 105,407 423 17,563 236
Total Assets	\$	4.367	Ś	2.687	Ś	36.905	Ś	10.010	Ś	74.751	Ś	32.912	Ś	5.510	Ś	167.142
Liabilities and Fund Balances: Liabilities: Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Due To Other Funds	\$	-	\$	-	\$	-	\$	-	\$	- 2,704	\$	-	\$	4,278 1,224 5	\$	4,278 1,224 5 2,704
Total Liabilities										2,704				5,507		8,211
Fund Balances: Restricted		4,367		2,687		36,905		10,010		72,047		32,912		3		158,931
Total Fund Balances		4,367		2,687		36,905		10,010		72,047		32,912		3		158,931
Total Liabilities and Fund Balances	\$	4,367	\$	2,687	\$	36,905	\$	10,010	\$	74,751	\$	32,912	\$	5,510	\$	167,142

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Certificates of Obligation Year-Ended September 30, 2019

	PRE-2015 CERTIFICATES OF OBLIGATION	2015 CERTIFICATES OF OBLIGATION	2016 CERTIFICATES OF OBLIGATION	2017 CERTIFICATES OF OBLIGATION	2018 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Revenues: Intergovernmental Miscellaneous Investment Earnings Contributions	\$ - 73 144	\$ - 158	\$ -	\$ -	\$ 8,532 2,051 5,290	\$ -	\$ 10,181 53	\$ 18,713 126 3,723 5,290
Total Revenues	217	158	1,001	324	15,873	45	10,234	27,852
Expenditures: Capital Outlay Debt Service: Issuance Costs				27	37	193	68,608	68,608 257
Total Expenditures				27	37	193	68,608	68,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	217	158	1,001	297	15,836	(148)	(58,374)	(41,013)
Other Financing Sources (Uses): Issuance of Long-Term Debt Premium on Long-Term Debt Transfers In Transfers Out	(2,078)	(7,043)	(4,135)	(7,637)	(34,063)	30,235 6,210 (3,385)	60,319 (1,942)	30,235 6,210 60,319 (60,283)
Total Other Financing Sources (Uses), Net	(2,078)	(7,043)	(4,135)	(7,637)	(34,063)	33,060	58,377	36,481
Net Change in Fund Balances	(1,861)	(6,885)	(3,134)	(7,340)	(18,227)	32,912	3	(4,532)
Fund Balances, October 1	6,228	9,572	40,039	17,350	90,274			163,463
Fund Balances, September 30	\$ 4,367	\$ 2,687	\$ 36,905	\$ 10,010	\$ 72,047	\$ 32,912	\$ 3	\$ 158,931

Combining Balance Sheet Nonmajor Governmental Funds - Other Capital Projects As of September 30, 2019

	AQL PROTI	ARDS JIFER ECTION NUE	-	JIPMENT UISITION	 OVEMENT OJECTS	D	MUNICIPAL PRAINAGE UTILITY SYSTEM	DEVEL	ARKS OPMENT AND ANSION	F	TAX & REVENUE NOTES		TOTAL OTHER CAPITAL PROJECTS
Assets: Cash and Cash Equivalents Investments Receivables, Net Restricted Assets:	\$	-	\$	-	\$ -	\$	-	\$	-	\$	114 1,100 4	\$	114 1,100 4
Cash and Cash Equivalents Investments Receivables, Net Due From Other Funds Due From Other Governmental Agencies, Net		1 13		5 523 3	 19,350 711 33,729 168		487 4,804 17		21 198 1		2,033 22,917 143 16,604		21,897 28,455 875 50,333 168
Total Assets	Ś	14	\$	531	\$ 53.958	\$	5.308	Ś	220	\$	42.915	Ś	102.946
Liabilities and Fund Balances: Liabilities: Liabilities Payable From Restricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Unearned Revenue Due To Other Funds	\$	-	\$	- 525	\$ 15,631 4,618 2 904 33,297	\$	-	\$	-	\$	-	\$	15,631 4,618 2 904 33,822
Total Liabilities				525	54,452								54,977
Deferred Inflows of Resources					 39								39
Fund Balances: Restricted Committed Unassigned		14		6	 (533)		5,308		220		41,697 1,218		47,245 1,218 (533)
Total Fund Balances		14		6	 (533)		5,308		220		42,915		47,930
Total Liabilities and Fund Balances	\$	14	\$	531	\$ 53,958	\$	5,308	\$	220	\$	42,915	\$	102,946

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Other Capital Projects Year-Ended September 30, 2019

	EDWA AQUI PROTEC VEN	FER CTION	 PMENT	IMPROVEMEN PROJECTS	IT 	DRAI UTI	ICIPAL NAGE ILITY TEM	DEVELO AN	RKS PMENT D NSION	RE	AX & VENUE IOTES	C	TOTAL OTHER CAPITAL ROJECTS
Revenues: Taxes: Intergovernmental Miscellaneous Investment Earnings Contributions	\$	-	\$ 755 207	\$ 1,60 10 1,14	6	\$	138	\$	- 6	\$	778	\$	1,606 861 1,129 1,148
Total Revenues			 962	2,86	0		138		6		778		4,744
Expenditures: Current: Public Safety Capital Outlay Debt Service: Issuance Costs			7,760	170,01	2		162				209		7,760 170,174 209
Total Expenditures			 7,760	170,01	2		162				209		178,143
Excess (Deficiency) of Revenue Over (Under) Expenditures			(6,798)	(167,15	2)		(24)		6		569		(173,399)
Other Financing Sources (Uses): Issuance of Long-Term Debt Premium on Long-Term Debt Transfers In Transfers Out			(760)	166,08	7		159 (103)				34,535 2,640 514 (34,599)		34,535 2,640 166,760 (35,462)
Total Other Financing Sources (Uses), Net			 (760)	166,08	7		56				3,090		168,473
Net Change in Fund Balances			(7,558)	(1,06	5)		32		6		3,659		(4,926)
Fund Balances, October 1		14	 7,564	53	2		5,276		214		39,256		52,856
Fund Balances, September 30	\$	14	\$ 6	\$ (53	3)	\$	5,308	\$	220	\$	42,915	\$	47,930

Combining Balance Sheet Nonmajor Governmental Funds - Permanent As of September 30, 2019 (In Thousands)

	CUL	RVER TURAL NTER WMENT	CITY METERIES	М	LIAM C. ORRIS OWMENT	ВЕ	OZA ECICA OWMENT	EDV PLA	THERN VARDS ATEAU WMENT	PERI	OTAL MANENT UNDS
Assets: Restricted Assets: Cash and Cash Equivalents	\$	33	\$ 365	\$	30	\$	49	\$	36	\$	513
Investments Receivables, Net		319 1	 3,513 76		291 1		476 2		348 1		4,947 81
Total Assets	\$	353	\$ 3,954	\$	322	\$	527	\$	385	\$	5,541
Liabilities and Fund Balances: Liabilities: Liabilities Payable From Restricted Assets: Vouchers Payable Accrued Payroll	\$	2	\$ 18 3	\$	-	\$	-	\$	-	\$	20
Total Liabilities		2	21								23
Fund Balances: Nonspendable Restricted		334 17	 3,631 302		314 8		514 13		275 110		5,068 450
Total Fund Balances		351	3,933		322		527		385		5,518
Total Liabilities and Fund Balances	\$	353	\$ 3,954	\$	322	\$	527	\$	385	\$	5,541

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds - Permanent

Year-Ended September 30, 2019

Revenues:	CARVE CULTUR CENTE ENDOWN	RAL R	CITY ETERIES	MC	IAM C. DRRIS WMENT	BEC	OZA CICA WMENT	SOUT EDWA PLAT ENDOW	ARDS EAU	PERM	TAL ANENT NDS
Charges for Services Miscellaneous Investment Earnings	\$	- 9	\$ 312 3 98	\$	- 8	\$	- 14	\$	74 8	\$	386 3 137
Total Revenues		9	413		8		14		82		526
Expenditures: Current: Culture and Recreation		4_	 204		4_		8_				220_
Total Expenditures		4	204		4		8				220
Excess of Revenues Over Expenditures		5	209		4_		6		82		306
Other Financing Sources: Transfers In									33		33
Total Other Financing Sources			 						33		33
Net Change in Fund Balances		5	209		4		6		115		339
Fund Balances, October 1		346	3,724		318		521		270		5,179
Fund Balances, September 30	\$	351	\$ 3,933	\$	322	\$	527	\$	385	\$	5,518

Supplementary Budget and Actual Schedules for Legally Adopted Funds

Schedules of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis) General Fund

Year-Ended September 30, 2019

			2019	
		FINAL BUDGET	ACTUAL	ANCE WITH
Taxes Licenses and Permits Intergovernmental Revenues from Utilities Charges for Services Fines and Forfeits Miscellaneous Investment Earnings Contributions Total Revenues	\$	701,354 9,415 5,624 373,692 69,426 11,267 11,536 8,506	\$ 708,138 7,351 6,376 377,652 68,062 9,911 31,103 9,365 44	\$ 6,784 (2,064) 752 3,960 (1,364) (1,356) 19,567 859 44
Total Revenues	\$	1,190,820	\$ 1,218,002	\$ 27,182
Expenditures: General Government Public Safety Public Works Health Services Welfare Culture and Recreation Economic Development and Opportunity Urban Redevelopment and Housing Debt Service: Principal Retirement Interest		93,545 771,980 76,456 30,015 39,950 129,919 24,281 27,923 3,240 115	91,761 771,469 75,235 29,978 38,951 129,548 24,626 27,848 3,240 115	 1,784 511 1,221 37 999 371 (345) 75
Total Expenditures	\$	1,197,424	\$ 1,192,771	\$ 4,653
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	(6,604)	\$ 25,231	\$ 31,835
Other Financing Sources (Uses): Transfers In Transfers Out Total Other Financing Sources (Uses), Net	<u> </u>	22,238 (140,493) (118,255)	\$ 22,754 (138,002) (115,248)	\$ 516 2,491 3,007
. ,		, ,	, , ,	<u> </u>
Net Change in Fund Balance		(124,859)	(90,017)	\$ 34,842
Fund Balances, October 1		350,140	350,140	
Add Encumbrances			 104,919	
Fund Balances, September 30	\$	225,281	\$ 365,042	

Schedule of Revenues Compared to Budget Budget and Actual (Budgetary Basis) General Fund

Year-Ended September 30, 2019

Revenues: Taxes: Property: Current \$	FINAL BUDGET 361,881 722 299,722 9,650	\$ ACTUAL 361,966 774	NCE WITH L BUDGET
Taxes: Property: Current \$	361,881 722 299,722	\$ 361,966	
Property: Current \$	722 299,722	\$	\$ 85
Current \$	722 299,722	\$	\$ 85
	722 299,722	\$	\$ 85
	299,722	774	
Delinquent			52
General Sales and Use:			
City Sales	9 650	303,802	4,080
Alcoholic Beverages	3,030	9,928	278
Telecommunication Access Lines Fees	12,457	13,265	808
Cablevision Franchise	13,057	13,946	889
Bingo	1,039	1,333	294
Other	715	776	61
Penalties and Interest on Delinquent Taxes	2,111	 2,348	 237
Total Taxes \$	701,354	\$ 708,138	\$ 6,784
Licenses and Permits:			
Alarm Licenses	1,772	1,791	19
Alcoholic Beverages Licenses	998	969	(29)
Amusement Licenses	262	262	
Building Permits	153	105	(48)
Health Licenses	4,893	2,789	(2,104)
Professional and Occupational Licenses	824	824	
Street Permits	513	 611	 98
Total Licenses and Permits \$	9,415	\$ 7,351	\$ (2,064)
Intergovernmental:			
Bexar County - Child Support	42	42	
Health Aid from Bexar County	191	191	
Library Aid from Bexar County	2,584	2,584	
Magistration and Detention - Bexar	448	798	350
Other	1,750	2,137	387
SAWS Reimbursement	258	273	15
VIA Contributions	351	 351	
Total Intergovernmental \$	5,624	\$ 6,376	\$ 752
Revenues from Utilities:			
CPS Energy	355,336	358,788	3,452
San Antonio Water System	18,356	 18,864	 508
Total Revenues from Utilities \$	373,692	\$ 377,652	\$ 3,960
			(Continued)

Schedule of Revenues Compared to Budget Budget and Actual (Budgetary Basis) General Fund

Year-Ended September 30, 2019

(In Thousands)

	2019						
		FINAL			VARI	ANCE WITH	
		BUDGET		ACTUAL		L BUDGET	
Charges for Services:							
General Government	\$	4,102	\$	4,409	\$	307	
Public Safety:							
Fire Department		36,045		34,057		(1,988)	
Police Department		8,518		8,657		139	
Sanitation:							
Demolition of Unsafe Structures		651		660		9	
Health		3,147		2,878		(269)	
Streets		29		11		(18)	
Culture and Recreation:							
Attractions and Venues		13,679		14,173		494	
Community Centers		346		358		12	
Concessions & Rentals		570		571		1	
Library		1,053		948		(105)	
Miscellaneous Recreation Revenue		17		17			
Recreation Fees		1,242		1,305		63	
Swimming Pools		27		18		(9)	
Total Charges for Services	\$	69,426	\$	68,062	\$	(1,364)	
Fines and Forfeits:							
Municipal Court Fines	\$	11,267	\$	9,911	\$	(1,356)	
Miscellaneous:							
Interfund Charges		1,850		1,825		(25)	
Other		2,501		3,252		751	
Recovery of Expenditures		3,055		21,620		18,565	
Rents, Leases, and Concessions		663		593		(70)	
Sales		3,467		3,813		346	
Total Miscellaneous	\$	11,536	\$	31,103	\$	19,567	
Investment Earnings:							
Interest	\$	8,506	\$	9,365	\$	859	
Contributions:							
Contributions	\$		\$	44	\$	44	
otal Revenues	\$	1,190,820	\$	1,218,002	\$	27,182	

(End of Schedule)

Schedule of Expenditures Compared to Budget Budget and Actual (Budgetary Basis) General Fund

Year-Ended September 30, 2019

(In Thousands)

				2019		
		INAL				NCE WITH
	BI	JDGET		ACTUAL	FINA	L BUDGET
Expenditures: General Government:						
Executive: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay	\$	42,369 8,456 567 7,890 186	\$	41,763 8,348 476 7,701 226	\$	606 108 91 189 (40)
Total Executive	\$	59,468	\$	58,514	\$	954
Judicial:	<u>.</u> Y	33,100	<u> </u>	30,311	<u> </u>	331
Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		11,223 2,092 185 2,063 171		10,879 1,826 202 2,063 65		344 266 (17) 106
Total Judicial	\$	15,734	\$	15,035	\$	699
Legislative: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		4,890 4,592 235 8,487 139		4,851 4,528 401 8,280 152		39 64 (166) 207 (13)
Total Legislative	\$	18,343	\$	18,212	\$	131
Total General Government	\$	93,545	\$	91,761	\$	1,784
Public Safety: Fire: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		266,057 11,982 9,944 29,106 3,472		264,342 12,061 9,780 28,777 5,046		1,715 (79) 164 329 (1,574)
Total Fire	\$	320,561	\$	320,006	\$	555
Police: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		383,735 20,515 6,222 38,463 2,484		380,843 19,091 7,041 37,929 6,559		2,892 1,424 (819) 534 (4,075)
Total Police	\$	451,419	\$	451,463	\$	(44)
Total Public Safety	\$	771,980	\$	771,469	\$	511

(Continued)

Schedule of Expenditures Compared to Budget Budget and Actual (Budgetary Basis) General Fund

Year-Ended September 30, 2019

(In Thousands)

				2019		
		FINAL			VARIANCE WITH	
	B	UDGET		ACTUAL	FINAL BUDGET	
Public Works: Administration:						
Personal Services	\$	2,779	\$	2,541	\$	238
Contractual Services		10,278		10,377		(99)
Commodities		20		24		(4)
Other Expenditures Capital Outlay		791 3		775 3		16
Total Administration	\$	13,871	\$	13,720	\$	151
Streets:						
Personal Services		14,590		15,011		(421)
Contractual Services		6,333		7,546		(1,213)
Commodities		6,486		6,588		(102)
Other Expenditures Capital Outlay		20,206 201		19,760 192		446 9
Total Streets	\$	47,816	\$	49,097	\$	(1,281)
Traffic and Transportation:		,		<u>, </u>		
Personal Services		6,235		6,008		227
Contractual Services		5,191		4,117		1,074
Commodities		1,270		272		998
Other Expenditures		1,968		1,909		59
Capital Outlay Total Traffic and Transportation	<u> </u>	105 14,769	\$	112	\$	(7)
•	\$			12,418		2,351
Total Public Works	\$	76,456	\$	75,235	\$	1,221
Health Services:		40.225		40.240		447
Personal Services Contractual Services		18,335 5,468		18,218 5,774		117 (306)
Commodities		1,695		1,494		201
Other Expenditures		4,041		3,986		55
Capital Outlay		476		506		(30)
Total Health Services	\$	30,015	\$	29,978	\$	37
Welfare:						
Personal Services		7,959		7,908		51
Contractual Services		24,973 185		24,079 235		894
Commodities Other Expenditures		6,677		6,436		(50) 241
Capital Outlay		156		293		(137)
Total Welfare	\$	39,950	\$	38,951	\$	999

(Continued)

Schedule of Expenditures Compared to Budget Budget and Actual (Budgetary Basis) General Fund

Year-Ended September 30, 2019

(In Thousands)

	2019						
		FINAL		ACTUAL		NCE WITH BUDGET	
Culture and Recreation: Downtown Operations: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay	\$	4,951 11,135 439 2,213 13	\$	4,834 11,805 398 1,899 17	\$	117 (670) 41 314 (4)	
Total Downtown Operations	\$	18,751	\$	18,953	\$	(202)	
Libraries: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		25,410 5,753 5,804 4,316 735		25,005 5,869 5,771 4,405 690		405 (116) 33 (89) 45	
Total Libraries	\$	42,018	\$	41,740	\$	278	
Parks: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay Total Parks	\$	43,236 9,881 3,594 11,239 1,200		43,064 9,841 3,711 10,998 1,241		172 40 (117) 241 (41)	
Total Culture and Recreation	\$	69,150 129,919	\$ \$	68,855 129,548	\$ \$	295 371	
Economic Development and Opportunity: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		3,791 20,132 113 234 11	Ţ	3,645 20,517 91 353 20	,	146 (385) 22 (119) (9)	
Total Economic Development and Opportunity	\$	24,281	\$	24,626	\$	(345)	
Urban Redevelopment and Housing Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		12,220 12,012 328 3,023 340		12,204 11,100 290 3,897 357		16 912 38 (874) (17)	
Total Urban Redevelopment and Housing	\$	27,923	\$	27,848	\$	75	
Debt Service: Principal Retirement Interest		3,240 115		3,240 115			
Total Debt Service	\$	3,355	\$	3,355	\$		
Total Expenditures	\$	1,197,424	\$	1,192,771	\$	4,653	

(End of Schedule)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)

Debt Service Fund

Year-Ended September 30, 2019

(In Thousands)

				2019		
		FINAL				NCE WITH
Revenues:	BUDGET			ACTUAL		BUDGET
Property Taxes: Current Delinquent Penalties and Interest on Delinquent Taxes Miscellaneous Investment Earnings	\$	220,716 440 1,288 3,588 898	\$	221,115 472 1,433 3,674 2,149	\$	399 32 145 86 1,251
Total Revenues	\$	226,930	\$	228,843	\$	1,913
Expenditures: General Government: Contractual Services Debt Service: Principal Retirement Interest Issuance Costs		491 166,770 85,503 1,146		510 166,770 85,503 1,146		(19)
Total Expenditures	\$	253,910	\$	253,929	\$	(19)
(Deficiency) of Revenues (Under) Expenditures	\$	(26,980)	\$	(25,086)	\$	1,894
Other Financing Sources: Refunded Debt Issued Payments to Refunded Bond Escrow Agent Premium on Long-Term Debt Transfers In		193,395 (221,348) 29,293 18,172		193,395 (221,348) 29,293 18,066		(106)
Total Other Financing Sources	\$	19,512	\$	19,406	\$	(106)
Net Change in Fund Balance Fund Balances, October 1		(7,468) 38,146		(5,680) 38,146	\$	1,788
Fund Balances, September 30	\$	30,678	\$	32,466		

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
Special Revenue Funds
Advanced Transportation District

Year-Ended September 30, 2019

(In Thousands)

				2019		
	FINAL BUDGET				VARIANCE WITH FINAL BUDGET	
				ACTUAL		
Revenues: General Sales and Use: City Sales Tax Investment Earnings Miscellaneous	\$	17,766 288 134	\$	18,117 317 138	\$	351 29 4
Total Revenues	\$	18,188	\$	18,572	\$	384
Expenditures: Public Works: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		2,147 498 53 2,360 10		2,141 326 33 2,332 11		6 172 20 28 (1)
Total Expenditures	\$	5,068	\$	4,843	\$	225
Excess of Revenues Over Expenditures	\$	13,120	\$	13,729	\$	609
Other Financing (Uses): Transfers Out Total Other Financing (Uses)	\$	(25,706) (25,706)	\$	(26,099) (26,099)	\$	(393)
Net Change in Fund Balance		(12,586)		(12,370)	\$	216
Fund Balances, October 1		12,586		12,586		
Add Encumbrances				12,805		
Fund Balances, September 30	\$		\$	13,021		

The City noted budget violations of excess transfers out, and encumbrances over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)

Special Revenue Funds

Community and Visitor Facilities

Year-Ended September 30, 2019

Year-Ended September 30, 2019 (In Thousands)	2019								
(FINAL				ANCE WITH			
Revenues:		BUDGET		ACTUAL	FINA	L BUDGET			
Taxes:									
Occupancy	\$	72,213	\$	72,706	\$	493			
Penalties and Interest on Delinquent Taxes	,	, -	·	188		188			
Intergovernmental		481		68		(413)			
Charges for Services		33,190		34,484		1,294			
Miscellaneous		1,473		4,091		2,618			
Investment Earnings				2,419		2,419			
Total Revenues	\$	107,357	\$	113,956	\$	6,599			
Expenditures:									
Culture & Recreation:									
Arts & Cultural:									
Personal Services		1,746		1,731		15			
Contractual Services		2,238		3,847		(1,609)			
Commodities		71		64		7			
Other Expenditures		528 4		538 4		(10)			
Capital Outlay		-							
Total Arts & Cultural Alamodome:	\$	4,587	\$	6,184	\$	(1,597)			
Personal Services		4,988		5,056		(69)			
Contractual Services		5,913		5,036 5,293		(68) 620			
Commodities		5,915 428		400		28			
Other Expenditures		3,861		4,120		(259)			
Capital Outlay		303		432		(129)			
Total Alamodome	\$	15,493	\$	15,301	\$	192			
	<u>, 3</u>	13,433	3	13,301	<u> </u>	192			
Nondepartmental:		475		540		(220)			
Personal Services		175		513		(338)			
Contractual Services		2,692		3,434		(742)			
Other Expenditures Capital Outlay		794 8		260 56		534 (48)			
Total Nondepartmental	\$	3,669	\$	4,263	Ś	(594)			
Contributions to Other Agencies		7,159	<u>, y</u>	7,107	<u> </u>	52			
•			\$		<u> </u>				
Total Culture & Recreation Convention and Tourism:	<u>\$</u>	30,908	\$	32,855	\$	(1,947)			
Convention Center:									
Personal Services		15,408		15,328		80			
Contractual Services Commodities		5,742 771		4,946		796 (268)			
Other Expenditures		7,419		1,039 6,811		(268) 608			
Capital Outlay		266		351		(85)			
Total Convention Center	\$	29,606	\$	28,475	\$	1,131			
Contributions to Other Agencies (VSA)	<u> </u>	24,251	<u> </u>	24,251	<u> </u>	1,101			
Total Convention and Tourism	\$	53,857	\$	52,726	\$	1,131			
Total Expenditures	\$	84,765	\$	85,581	\$	(816)			
Excess of Revenues Over Expenditures	\$	22,592	\$	28,375	\$	5,783			
Other Financing Sources (Uses):						•			
Transfers In		17,790		10,261		(7,529)			
Transfers Out		(24,896)		(28,030)		(3,134)			
Total Other Financing Sources (Uses), Net	\$	(7,106)	\$	(17,769)	\$	(10,663)			
Net Change in Fund Balance		15,486		10,606	\$	(4,880)			
Fund Balances, October 1		91,313		91,313					
Add Encumbrances		•		4,529					
		100 700	<u> </u>						
Fund Balances, September 30	\$	106,799	\$	106,448					

Note: Includes revenues and expenditures generated from Convention and Tourism activities relating to the promotion of City owned facilities to be used for conventions, community and entertainment venues; the marketing and promotion of the City through VSA and support for arts and cultural organizations in the Department of Arts and Culture.

The City noted budget violations of excess expenditures, transfers out, and encumbrances over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis) Special Revenue Funds Confiscated Property Year-Ended September 30, 2019

	2019								
		INAL JDGET	А	CTUAL	VARIANCE WITH FINAL BUDGET				
Revenues: Intergovernmental Recovery of Expenditures Investment Earnings	\$	1,708 31 27	\$	1,965 30 72	\$	257 (1) 45			
Total Revenues	\$	1,766	\$	2,067	\$	301			
Expenditures: Public Safety: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay		51 642 118 55 77		62 548 120 54 76		(11) 94 (2) 1 1			
Total Expenditures	\$	943	\$	860	\$	83			
Excess of Revenues Over Expenditures	\$	823	\$	1,207	\$	384			
Other Financing (Uses): Transfers Out		(389)		(389)					
Total Other Financing (Uses)	\$	(389)	\$	(389)	\$				
Net Change in Fund Balance		434		818	\$	384			
Fund Balances, October 1		2,403		2,403					
Add Encumbrances				120					
Fund Balances, September 30	\$	2,837	\$	3,341					

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
Special Revenue Funds
Hotel/Motel 2% Revenue
Year-Ended September 30, 2019

(In Thousands)

	2019							
	FINAL BUDGET			ACTUAL	VARIANCE WITH FINAL BUDGET			
Revenues: Taxes: Occupancy Penalties and Interest on Delinquent Taxes Investment Earnings	\$	20,632 45	\$	20,773 54 243	\$	141 9 243		
Total Revenues	\$	20,677	\$	21,070	\$	393		
Expenditures: Convention and Tourism: Contractual Services				6		(6)		
Total Expenditures	\$	-	\$	6	\$	(6)		
Excess of Revenues Over Expenditures	\$	20,677	\$	21,064	\$	387		
Other Financing Sources (Uses): Transfer In Transfers Out		6,479 (31,145)		10,571 (31,495)		4,092 (350)		
Total Other Financing Sources (Uses), Net	\$	(24,666)	\$	(20,924)	\$	3,742		
Net Change in Fund Balance Fund Balances, October 1		(3,989) 2,652		140 2,652	\$	4,129		
Fund Balances, September 30	\$	(1,337)	\$	2,792				

The City noted budget violations of excess expenditures, and transfers out over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)

Special Revenue Funds

Parks Development and Expansion - 2015, 2010, and 2005 Venue Projects Year-Ended September 30, 2019

(In Thousands)

	2019							
		FINAL UDGET		ACTUAL	VARIANCE WITH FINAL BUDGET			
Revenues: General Sales and Use: City Sales Tax Investment Earnings	\$	37,493 1,183	\$	37,975 1,961	\$	482 778		
Total Revenues	\$	38,676	\$	39,936	\$	1,260		
Expenditures: Culture and Recreation: Contractual Services		750		752		(2)		
Total Expenditures	\$	750	\$	752	\$	(2)		
Excess of Revenues Over Expenditures	\$	37,926	\$	39,184	\$	1,258		
Other Financing (Uses): Transfers Out		(101,128)		(101,128)				
Total Other Financing (Uses)	\$	(101,128)	\$	(101,128)	\$	-		
Net Change in Fund Balance		(63,202)		(61,944)	\$	1,258		
Fund Balances, October 1		82,320		82,320				
Add Encumbrances				63,339				
Fund Balances, September 30	\$	19,118	\$	83,715				

The City noted budget violations of excess expenditures, and encumbrances over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
Special Revenue Funds
Parks Environmental & Sanitation

Year-Ended September 30, 2019

FINAL BUDGET ACTUAL VARIANCE WITH FINAL BUDGET Revenues: S 7,204 \$ 7,176 \$ (28) Charges for Services \$ 7,204 \$ 7,176 \$ (28) Investment Earnings Miscellaneous 137 133 13 Total Revenues \$ 7,341 \$ 7,326 \$ (15) Expenditures: S \$ 7,341 \$ 7,326 \$ (15) Expenditures: S \$ 7,341 \$ 7,326 \$ (15) Personal Services \$ 4,550 \$ 4,679 \$ (129) Contractual Services \$ 2,168 \$ 2,050 \$ 18 Commodities 109 9 2 17 Other Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 7,269 \$ 7,264 \$ (10) Net Change in Fund Balance \$ 7,269 \$ 7,264 \$ (10) Fund Balances, October 1 \$ 85 \$ 85 \$ (10) Fund Balances, September 30 \$ 9,23 \$ 9,31 \$ (10)					2019			
Charges for Services \$ 7,204 \$ 7,176 \$ (28) Investment Earnings 13 13 13 Miscellaneous 137 137 137 Total Revenues \$ 7,341 \$ 7,326 \$ (15) Expenditures: Sanitation: Personal Services 4,550 4,679 (129) Contractual Services 2,168 2,050 118 Commodities 109 92 17 Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851					ACTUAL			
Investment Earnings Miscellaneous 137 137 137 Total Revenues \$ 7,341 \$ 7,326 \$ (15) Expenditures: Sanitation: Sanitation:	Revenues:	·						
Miscellaneous 137 137 Total Revenues \$ 7,341 \$ 7,326 \$ (15) Expenditures: \$ 7,341 \$ 7,326 \$ (15) Expenditures: \$ 851 \$ 1,37 \$ 1,37 \$ 1,50 \$ 1,50 \$ 1,20		\$	7,204	\$	•	\$		
Expenditures: Sanitation: 4,550 4,679 (129) Personal Services 2,168 2,050 118 Commodities 109 92 17 Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	•		137				13	
Sanitation: Personal Services 4,550 4,679 (129) Contractual Services 2,168 2,050 118 Commodities 109 92 17 Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	Total Revenues	\$	7,341	\$	7,326	\$	(15)	
Personal Services 4,550 4,679 (129) Contractual Services 2,168 2,050 118 Commodities 109 92 17 Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	•							
Contractual Services 2,168 2,050 118 Commodities 109 92 17 Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851								
Commodities 109 92 17 Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851			4,550		4,679			
Other Expenditures 442 443 (1) Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	Contractual Services		2,168		•		118	
Total Expenditures \$ 7,269 \$ 7,264 \$ 5 Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	Commodities		109		92		17	
Excess of Revenues Over Expenditures \$ 72 \$ 62 \$ (10) Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	Other Expenditures		442		443		(1)	
Net Change in Fund Balance 72 62 \$ (10) Fund Balances, October 1 851 851	Total Expenditures	\$	7,269	\$	7,264	\$	5	
Fund Balances, October 1 851 851	Excess of Revenues Over Expenditures	\$	72	\$	62	\$	(10)	
	Net Change in Fund Balance		72		62	\$	(10)	
Fund Balances, September 30 \$ 923 \$ 913	Fund Balances, October 1		851		851			
	Fund Balances, September 30	\$	923	\$	913			

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis) Special Revenue Funds Right of Ways

Year-Ended September 30, 2019

	2019							
	FINAL BUDGET			CTUAL	VARIANCE WITH FINAL BUDGET			
Revenues: Charges for Services Investment Earnings Miscellaneous	\$	4,089 55 44	\$	4,198 79 47	\$	109 24 3		
Total Revenues	\$	4,188	\$	4,324	\$	136		
Expenditures: Public Works: Personal Services Contractual Services Commodities Other Expenditures		2,699 402 40 322		2,598 66 31 317		101 336 9 5		
Total Expenditures	\$	3,463	\$	3,012	\$	451		
Excess of Revenues Over Expenditures	\$	725	\$	1,312	\$	587		
Other Financing (Uses): Transfers Out		(600)		(600)				
Total Other Financing (Uses)	\$	(600)	\$	(600)	\$			
Net Change in Fund Balance Fund Balances, October 1 Add Encumbrances		125 3,587		712 3,587 165	\$	587		
Fund Balances, September 30	\$	3,712	\$	4,464				

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)

Special Revenue Funds

Stormwater Operations

Year-Ended September 30, 2019

(In Thousands)

,	2019							
	FINAL BUDGET		ACTUAL		VARIANCE WITH FINAL BUDGET			
Revenues:				-				
Charges for Services	\$	59,862	\$	59,654	\$	(208)		
Miscellaneous Investment Earnings		595 814		597 779		2 (35)		
· ·				_				
Total Revenues Expenditures:	\$	61,271	\$	61,030	\$	(241)		
Public Works:								
Administration:								
Personal Services		4,176		4,220		(44)		
Contractual Services		6,409		6,064		345		
Commodities		72		61		11		
Other Expenditures Capital Outlay		418 16		381 11		37 5		
Total Administration	\$	11,091	\$	10,737	\$	354		
Vegetation Control:	<u>, , , , , , , , , , , , , , , , , , , </u>	11,051	-	10,737	<u> </u>	334		
Personal Services		5,011		5,084		(73)		
Contractual Services		1,016		1,211		(195)		
Commodities		944		746		198		
Other Expenditures		2,372		2,388		(16)		
Capital Outlay	\$	132 9,475	<u> </u>	9,511	\$	(36)		
Total Vegetation Control River Maintenance:	\$	9,475	\$	9,511	\$	(36)		
Personal Services		94		120		(26)		
Contractual Services		1,171		1,185		(14)		
Commodities		10		10		(,		
Other Expenditures		120		123		(3)		
Total River Maintenance	\$	1,395	\$	1,438	\$	(43)		
Street Sweeping:								
Personal Services		2,292		2,217		75 (0.4)		
Contractual Services Commodities		703 316		797 345		(94) (29)		
Other Expenditures		1,100		1,086		14		
Total Street Sweeping	\$	4,411	\$	4,445	\$	(34)		
Tunnel Maintenance:			<u> </u>	, -		(- /		
Personal Services		4,591		4,698		(107)		
Contractual Services		2,600		2,724		(124)		
Commodities		721		573		148		
Other Expenditures Capital Outlay		1,672 76		1,658 7		14 69		
Total Tunnel Maintenance	\$	9,660	\$	9,660	\$			
Design Engineering:	<u>, , , , , , , , , , , , , , , , , , , </u>	3,000	-	3,000	<u> </u>			
Personal Services		1,815		1,697		118		
Contractual Services		97		61		36		
Commodities		12		3		9		
Other Expenditures	_	168	•	120		48		
Total Design Engineering	\$	2,092	\$	1,881	\$	211		
Total Expenditures	\$	38,124	\$	37,672	\$	452		
Excess of Revenues Over Expenditures	\$	23,147	\$	23,358	\$	211		
Other Financing (Uses): Transfers Out		(42,534)		(42,882)		(348)		
Total Other Financing (Uses)	\$	(42,534)	\$	(42,882)	\$	(348)		
Net Change in Fund Balance		(19,387)		(19,524)	\$	(137)		
Fund Balances, October 1		31,147		31,147				
•		31,147						
Add Encumbrances		-		23,341				
Fund Balances, September 30	\$	11,760	\$	34,964				

The City noted budget violations of excess transfers out and encumbrances over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
Special Revenue Funds
Tax Increment Financing

Year-Ended September 30, 2019

(In Thousands)

				2019		
		NAL DGET	А	CTUAL	VARIANCE WITH FINAL BUDGET	
Revenues: Administrative Fee ¹ Investment Earnings Miscellaneous	\$	935 <u>6</u>	\$	988 18 6	\$	53 18
Total Revenues	\$	941	\$	1,012	\$	71
Expenditures: Economic Development and Opportunity: Personal Services Contractual Services Commodities Other Expenditures Capital Outlay	<u> </u>	623 109 8 45 1		585 87 1 45 1		38 22 7
Total Expenditures	<u>\$</u> \$	786 155	\$ \$	719 293	\$	67 138
Excess of Revenues Over Expenditures Other Financing (Uses): Transfers Out Total Other Financing (Uses)	\$	(48)	\$	(48)	\$	-
Net Change in Fund Balance Fund Balances, October 1 Add Encumbrances		107 838		245 838	\$	138
Fund Balances, September 30	\$	945	\$	1,084		

This fund is incorporated within the Tax Increment Reinvestment Zone reporting unit.

¹ For financial reporting presentation the revenue is reported as an intrafund transfer and therefore is not reflected in the financial statements; however the above schedule reflects the fund schedule from the City's 2019 Adopted Budget.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis) Special Revenue Funds Community Service Funds - Child Safety Year-Ended September 30, 2019

(In Thousands)

				2019		
	FINAL BUDGET			CTUAL	VARIANCE WITH FINAL BUDGET	
Revenues: Charges for Services Intergovernmental Miscellaneous	\$	328 1,909 191	\$	336 1,953 191	\$	8 44 -
Total Revenues	\$	2,428	\$	2,480	\$	52
Expenditures: Public Safety: Personal Services Contractual Services Commodities Other Expenditures		1,912 10 18 420		1,942 13 15 424		(30) (3) 3 (4)
Total Expenditures	\$	2,360	\$	2,394	\$	(34)
Excess of Revenues Over Expenditures	\$	68	\$	86	\$	18
Other Financing Sources: Transfers In		123		123		
Total Other Financing Sources	<u>\$</u>	123	\$	123	\$	-
Net Change in Fund Balance Fund Balances, October 1		191		209	\$	18
Fund Balances, September 30	\$	191	\$	209		

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis) Special Revenue Funds

Community Service Funds - Energy Efficiency Fund Year-Ended September 30, 2019

	2019							
	FINAL BUDGET			ACTUAL		VARIANCE WITH FINAL BUDGET		
Revenues: Intergovernmental Investment Earnings Miscellaneous	\$	54 25 3	\$	54 47 15	\$	22 12		
Total Revenues	\$	82	\$	116	\$	34		
Expenditures: General Government: Personal Services Contractual Services Other Expenditures		306 2,141 23		307 1,925 14		(1) 216 9		
Total Expenditures	\$	2,470	\$	2,246	\$	224		
(Deficiency) of Revenues (Under) Expenditures	\$	(2,388)	\$	(2,130)	\$	258		
Other Financing Sources (Uses): Transfers In Transfers Out Total Other Financing Sources (Uses), Net	<u> </u>	1,111 (207) 904	\$	1,111 (204) 907	\$	3		
Net Change in Fund Balance Fund Balances, October 1 Add Encumbrances	<u>.</u>	(1,484) 1,625		(1,223) 1,625 1,659	\$	261		
Fund Balances, September 30	\$	141	\$	2,061				

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances **Budget and Actual (Budgetary Basis)**

Special Revenue Funds

Community Service Funds - Golf Course Operating and Maintenance Year-Ended September 30, 2019

(In Thousands)

		2019	
	INAL	ACTUAL	ICE WITH
Revenues: Miscellaneous Investment Earnings	\$ 1,122 2	\$ 1,117 4	\$ (5) 2
Total Revenues	\$ 1,124	\$ 1,121	\$ (3)
Excess of Revenues Over Expenditures	\$ 1,124	\$ 1,121	\$ (3)
Other Financing Sources (Uses): Transfers Out	 (1,017)	(1,017)	
Total Other Financing (Uses)	\$ (1,017)	\$ (1,017)	\$
Net Change in Fund Balance	107	104	\$ (3)
Fund Balances, October 1	 (190)	(190)	
Fund Balances, September 30	\$ (83)	\$ (86)	

¹ For financial reporting presentation the revenue is reported as transfers in: however the above schedule reflects the fund schedule from the City's 2019 Adopted Budget.

Note: The deficit will be covered by MGA-SA over a three year period that began in fiscal year 2018.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances **Budget and Actual (Budgetary Basis) Special Revenue Funds Community Service Funds - Juvenile Case Manager**

Year-Ended September 30, 2019

				2019		
	F Bl	A	ACTUAL		VARIANCE WITH FINAL BUDGET	
Revenues: Charges for Services Investment Earnings Miscellaneous	\$	880 11 20	\$	845 10 20	\$	(35) (1)
Total Revenues	\$	911	\$	875	\$	(36)
Expenditures: General Government: Personal Services Contractual Services Commodities Other Expenditures		951 10 1 112		942 15 1 112		9 (5)
Total Expenditures	\$	1,074	\$	1,070	\$	4
(Deficiency) of Revenues (Under) Expenditures	\$	(163)	\$	(195)	\$	(32)
Net Change in Fund Balance		(163)		(195)	\$	(32)
Fund Balances, October 1		533		533		
Fund Balances, September 30	\$	370	\$	338		

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis) Special Revenue Funds

Community Service Funds - Municipal Court Security

Year-Ended September 30, 2019

		2	2019			
FINAL BUDGET			ACTUAL		VARIANCE WITH FINAL BUDGET	
\$	291 1 8	\$	295 1 8	\$	4	
\$	300	\$	304	\$	4	
	269 110 2 49		269 102 2 49		8	
\$	430	\$	422	\$	8	
\$	(130)	\$	(118)	\$	12	
\$	180 (20) 160	\$	180 (20) 160	\$		
	30		42	\$	12	
	12		12			
\$	42	\$	54			
	BU	\$ 291 1 8 \$ 300 \$ 499 \$ 430 \$ (130) \$ 180 (20) \$ 160	\$ 291 \$ 1 8 \$ \$ 300 \$ \$ \$ \$ 430 \$ \$ \$ (130) \$ \$ \$ 160 \$ \$ 30	FINAL BUDGET ACTUAL \$ 291 \$ 295 1 8 8 8 \$ 300 \$ 304 269 269 110 102 2 2 2 2 49 49 49 \$ (130) \$ (118) 180 (20) (20) (20) \$ 160 \$ 160 30 42 12 12	FINAL BUDGET ACTUAL VARIAN FINAL \$ 291 \$ 295 \$ 1 1 1 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Municipal Court Technology

Year-Ended September 30, 2019

(In Thousands)

			2	2019		
	F BL	A	CTUAL	VARIANCE WITH FINAL BUDGET		
Revenues: Charges for Services Investment Earnings	\$	392	\$	393 4	\$	1 4
Total Revenues	\$	392	\$	397	\$	5
Expenditures: General Government: Contractual Services		705		710		(5)
Total Expenditures	\$	705	\$	710	\$	(5)
(Deficiency) of Revenues (Under) Expenditures	\$	(313)	\$	(313)	\$	
Other Financing Sources: Transfers In		87		87_		
Total Other Financing Sources	\$	87	\$	87	\$	
Net Change in Fund Balance		(226)		(226)	\$	_
Fund Balances, October 1		226		226		
Fund Balances, September 30	\$	_	\$	-		

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues or fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)

Special Revenue Funds

Community Service Funds - Public Education and Government

Year-Ended September 30, 2019

			2019	
	FINAL UDGET	ı	ACTUAL	NCE WITH BUDGET
Revenues: Business and Franchise Tax Investment Earnings	\$ 2,706 279	\$	2,788 287	\$ 82 8
Total Revenues	\$ 2,985	\$	3,075	\$ 90
Expenditures: Culture and Recreation:				
Contractual Services	620		642	(22)
Commodities	0		166	(166)
Other Expenditures Capital Outlay	9 2,887		16 2,188	(7) 699
•	 <u> </u>		· · · · · · · · · · · · · · · · · · ·	
Total Expenditures	\$ 3,516	\$	3,012	\$ 504
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (531)	\$	63	\$ 594
Other Financing (Uses): Transfers Out	(10)		(10)	
Total Other Financing (Uses)	\$ (10)	\$	(10)	\$
Net Change in Fund Balance	(541)		53	\$ 594
Fund Balances, October 1	10,611		10,611	
Add Encumbrances			1,961	
Fund Balances, September 30	\$ 10,070	\$	12,625	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)

Special Revenue Funds

Community Service Funds - Tree Canopy Preservation and Mitigation Fund Year-Ended September 30, 2019

				2019			
	-	FINAL UDGET	Д	CTUAL	VARIANCE WITH FINAL BUDGET		
Revenues: Charges for Services Investment Earnings Miscellaneous	\$	2,336 138 4	\$	3,664 141 4	\$	1,328 3	
Total Revenues	\$	2,478	\$	3,809	\$	1,331	
Expenditures: Culture and Recreation: Personal Services Contractual Services Commodities Other Expenditures		205 5,430 292 62		188 4,927 308 64		17 503 (16) (2)	
Total Expenditures	\$	5,989	\$	5,487	\$	502	
(Deficiency) of Revenues (Under) Expenditures	\$	(3,511)	\$	(1,678)	\$	1,833	
Other Financing (Uses): Transfers Out Total Other Financing (Uses)	\$	(475) (475)	\$	(475) (475)	\$		
Net Change in Fund Balance Fund Balances, October 1		(3,986) 5,080		(2,153) 5,080	\$	1,833	
Add Encumbrances		2,230		2,673			
Fund Balances, September 30	\$	1,094	\$	5,600			

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances Budget and Actual (Budgetary Basis)
Permanent Fund

City Cemeteries

Year-Ended September 30, 2019

(In Thousands)

		2	019		
	NAL DGET	AC	TUAL	VARIANCE WITH FINAL BUDGET	
Revenues: Lease Revenue investment Earnings Miscellaneous	\$ 202 7 2	\$	198 7 2	\$	(4)
Total Revenues	\$ 211	\$	207	\$	(4)
Expenditures: Culture and Recreation: Personal Services Contractual Services Commodities Other Expenditures	 70 201 1 4		70 129 1 4		72
Total Expenditures	\$ 276	\$	204	\$	72
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (65)	\$	3	\$	68
Net Change in Fund Balance	(65)		3	\$	68
Fund Balances, October 1	299		299		
Add Encumbrances			71		
Fund Balances, September 30	\$ 234	\$	373		

This fund is incorporated within the City Cemeteries reporting unit.

Nonmajor Enterprise Funds

DEVELOPMENT SERVICES – accounts for all revenues and expenses associated with the operation and maintenance of the City's development and service activities, required debt service for outstanding bonds, and construction and management of the Development Services' assets.

MARKET SQUARE – accounts for all revenues and expenses associated with the management and operation of the Farmer's Market, El Mercado, the Market Square Parking Lot, and Centro de Artes.

PARKING SYSTEM – accounts for all revenues and expenses associated with the operation and maintenance of the City's structures and parking lots, required debt service for outstanding bonds, and construction and management of the Parking System's assets.

Combining Statement of Net Position Nonmajor Enterprise Funds As of September 30, 2019

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Assets:				
Current Assets: Unrestricted Assets:				
Cash and Cash Equivalents	\$ 1,644	\$ 78	\$ 1,472	\$ 3,194
Investments	15,604	2,073	13,409	31,086
Receivables, Net	94	45	130	269
Materials and Supplies, at Cost Prepaid Expenses	286		131	131 286
Total Unrestricted Assets	17,628	2,196	15,142	34,966
	17,028	2,190	13,142	34,900
Restricted Assets: Debt Service Accounts:				
Cash and Cash Equivalents			390	390
Investments	9		392	401
Receivables, Net			1	1
Construction Accounts:	2 1 5 0		1	2.150
Cash and Cash Equivalents Investments	2,158 6.784		1	2,159 6,784
Receivables, Net	18			18
Improvement and Contingency Accounts:				
Cash and Cash Equivalents			161	161
Investments Receivables, Net			1,545 5	1,545 5
Total Restricted Assets	8,969			
Total Restricted Assets			2,495	11,464
Total Current Assets	26,597	2,196	17,637	46,430
Noncurrent Assets:				
Capital Assets: Land	1,196	45	8,125	9,366
Buildings	1,150	1,357	24,830	26,187
Improvements	1,033	7,868	5,375	14,276
Machinery and Equipment	11,724		1,493	13,217
Construction in Progress	4,042			4,042
Total Capital Assets	17,995	9,270	39,823	67,088
Less: Accumulated Depreciation	4,575	4,769	19,228	28,572
Net Capital Assets	13,420	4,501	20,595	38,516
Total Noncurrent Assets	13,420	4,501	20,595	38,516
Total Assets	40,017	6,697	38,232	84,946
Total Deferred Outflows of Resources	6,937	139	2,245	9,321

Combining Statement of Net Position Nonmajor Enterprise Funds As of September 30, 2019

	OPMENT	RKET JARE	RKING STEM	TOTAL NONMAJOR ENTERPRISE FUNDS	
Liabilities: Current Liabilities:					
Payable from Current Unrestricted Assets: Vouchers Payable Accounts Payable - Other Accrued Payroll Current Portion of Accrued Leave Payable Unearned Revenue Due To Other Governmental Agencies	\$ 230 4,701 805 908	\$ 119 59 13 9 3	\$ 133 60 171 208 35 3	\$	482 4,820 989 1,125 38 3
Total Payable from Current Unrestricted Assets	6,644	203	610		7,457
Payable from Restricted Assets: Vouchers Payable Accrued Interest Current Portion of Bonds and Certificates (net of	1,420 24		1 71		1,421 95
premium/discount) Other Payables	 339 26	 	1,212		1,551 26
Total Payable from Restricted Assets	 1,809	 	 1,284		3,093
Total Current Liabilities	8,453	203	1,894		10,550
Noncurrent Liabilities: Bonds and Certificates (net of current portion & discount/premium) Accrued Leave Payable (net of current portion) Net OPEB and Pension Liabilities	7,059 37,305	24 798	5,651 9,289		12,710 24 47,392
Total Noncurrent Liabilities	 44,364	822	14,940		60,126
Total Liabilities	52,817	1,025	16,834		70,676
Total Deferred Inflows of Resources	1,443	36	417		1,896
Net Position: Net Investment in Capital Assets Restricted:	14,964	4,501	14,242		33,707
Debt Service Capital Projects Unrestricted (Deficit)	 57 7,432 (29,759)	1,274	 711 161 8,112		768 7,593 (20,373)
Total Net Position	\$ (7,306)	\$ 5,775	\$ 23,226	\$	21,695

Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Enterprise Funds Year-Ended September 30, 2019

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Operating Revenues: Charges for Services	\$ 35,092	\$ 2,891	\$ 9,754	\$ 47,737
Total Operating Revenues	35,092	2,891	9,754	47,737
Operating Expenses: Personal Services Contractual Services Commodities Other Depreciation	24,571 2,002 343 5,953 2,191	454 1,247 38 436 348	5,522 1,643 68 1,177 944	30,547 4,892 449 7,566 3,483
Total Operating Expenses	35,060	2,523	9,354	46,937
Operating Income	32	368	400	800
Nonoperating Revenues (Expenses): Investment Earnings Other Nonoperating Revenue Interest and Debt Expense Other Nonoperating Expense	499 787 (68) (2,511)	54 16	417 135 (599) (21)	970 938 (667) (2,532)
Total Nonoperating Revenues (Expenses), Net	(1,293)	70	(68)	(1,291)
Change in Net Position Before Transfers	(1,261)	438	332	(491)
Transfers In (Out): Transfers In Transfers Out	2,694 (3,641)	(680)	1,567 (596)	4,261 (4,917)
Total Transfers In (Out), Net	(947)	(680)	971	(656)
Change In Net Position	(2,208)	(242)	1,303	(1,147)
Net Position - October 1	(5,098)	6,017	21,923	22,842
Net Position - September 30	\$ (7,306)	\$ 5,775	\$ 23,226	\$ 21,695

Combining Statement of Cash Flows Nonmajor Enterprise Funds Year-Ended September 30, 2019

	LOPMENT RVICES	IARKET QUARE	ARKING YSTEM	NO EN	TOTAL NMAJOR TERPRISE FUNDS
Cash Flows from Operating Activities: Cash Received from Customers Cash Payments to Suppliers for Goods and Services Cash Payments to Employees for Service Cash Received from Other Cash Receipts	\$ 35,082 (8,180) (21,654) 787	\$ 2,890 (1,654) (401) 16	\$ 9,935 (2,952) (4,800) 135	\$	47,907 (12,786) (26,855) 938
Net Cash Provided by Operating Activities	 6,035	 851	2,318		9,204
Cash Flows from Noncapital Financing Activities: Transfers In from Other Funds Transfers Out to Other Funds	2,694 (3,641)	(680)	1,567 (596)		4,261 (4,917)
Net Cash Provided by (Used for) Noncapital Financing Activities	(947)	(680)	971		(656)
Cash Flows from Capital and Related Financing Activities: Acquisitions and Construction of Capital Assets Debt Issuance Costs Interest and Fees Paid on Long-Term Debt Principal Payments on Long-Term Debt Proceeds from Issuance of Long-Term Debt	(4,002) (44) (24) 7,398		54 (610) (1,141)		(3,948) (44) (634) (1,141) 7,398
Net Cash Provided by (Used for) Capital and Related Financing Activities	3,328		(1,697)		1,631
Cash Flows from Investing Activities: Purchases of Investment Securities Maturity of Investment Securities Investment Earnings	(25,191) 18,221 488	(2,315) 1,963 51	(18,138) 16,383 409		(45,644) 36,567 948
Net Cash Provided by (Used for) Investing Activities	 (6,482)	(301)	 (1,346)		(8,129)
Net Increase (Decrease) in Cash and Cash Equivalents	1,934	(130)	246		2,050
Cash and Cash Equivalents, October 1	 1,868	 208	1,778		3,854
Cash and Cash Equivalents, September 30	\$ 3,802	\$ 78	\$ 2,024	\$	5,904
Reconciliation of Operating Income to Net Cash Provided by Operating Activities Operating Income Adjustments to Reconcile Operating Income	\$ 32	\$ 368	\$ 400	\$	800
to Net Cash Provided by Operating Activities: Depreciation Other Nonoperating Revenues Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:	2,191 787	348 16	944 135		3,483 938
(Increase) Decrease in Accounts Receivable (Increase) in Materials and Supplies (Increase) Decrease in Prepaid Expenses Increase (Decrease) in Vouchers Payable Increase in Accounts Payable - Other Increase in Accrued Payroll Increase (Decrease) in Accrued Leave Payable	(286) 80 314 126 (5)	(4) 13 54 (6)	169 (67) 50 (56) 6 41 37		165 (67) (236) 37 374 167 26
Increase in Net OPEB Obligation and Pension Liability (Increase) in Deferred Outflows of Resources (Decrease) in Deferred Inflows of Resources Increase in Unearned Revenue Increase in Due to Other Government Agencies	9,856 (5,716) (1,344)	 201 (120) (22) 3	2,297 (1,423) (230) 12 3		12,354 (7,259) (1,596) 15 3
Net Cash Provided by Operating Activities	\$ 6,035	\$ 851	\$ 2,318	\$	9,204

Internal Service Funds

SELF-INSURANCE PROGRAMS – to account for Self-Insurance Programs including funds for the administration of all tort claims against the City and for the operation of the City's employee benefit programs. Included in the Self-Insurance Programs are the Employee Health Benefits Program, Insurance Reserve Program, and Workers' Compensation Program.

INFORMATION SERVICES – to account for financing of goods or services provided to other departments or agencies in the field of data processing, programming, and communication services.

OTHER INTERNAL SERVICES – to account for financing of goods or services (other than data processing and programming) provided to other departments or agencies. This includes funds covering the following services: Purchasing, Central Stores, Automotive Repair, and Building Maintenance and Repairs. Reserves for Equipment Renewal and Replacement are recorded by charges to the user departments.

CAPITAL MANAGEMENT SERVICES (CMS) – to account for revenues and expenses associated with the administration and delivery of the City's capital improvement projects.

Combining Statement of Net Position Internal Service Funds As of September 30, 2019 (In Thousands)

Total Net Position

(In Thousands)							
	_	SELF-INSURANCE PROGRAMS					
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Assets: Current Assets:							
Unrestricted Assets:	A 0.004	4					4 40.000
Cash and Cash Equivalents Investments	\$ 2,871 27,489	\$ 2,484 23,985	\$ 4,555 44,096	\$ 1,210 11,613	\$ 7,329 65,261	\$ 450 1,872	\$ 18,899 174,316
Receivables, Net	126	91	182	570	243	,-	1,212
Materials and Supplies, at Cost Deposits	194		36	12	2,652		2,664 230
Prepaid Expenses Due From Other Governmental Agencies, Net				45 1,141	95	26	45 1,262
Total Unrestricted Assets	30,680	26,560	48,869	14,591	75,580	2,348	198,628
Restricted Assets:	30,080	20,300	40,003	14,331	73,380	2,346	190,020
Debt Service Accounts: Cash and Cash Equivalents					107		107
Total Restricted Assets					107		107
Total Current Assets	30,680	26,560	48,869	14,591	75,687	2,348	198,735
Noncurrent Assets:							
Capital Assets: Buildings				20	158		178
Improvements					514		514
Machinery and Equipment Depreciable Intangible	5	10		6,943	268,893	249 250	276,100 250
Total Capital Assets	5	10		6,963	269,565	499	277,042
Less: Accumulated Depreciation	5	4_		6,269	137,830	333	144,441
Net Capital Assets		6		694	131,735	166	132,601
Total Noncurrent Assets		6_		694	131,735	166	132,601
Total Assets	30,680	26,566	48,869	15,285	207,422	2,514	331,336
Total Deferred Outflows of Resources	703	606	592	10,316	7,885	5,467	25,569
Liabilities: Current Liabilities:							
Payable from Current Unrestricted Assets: Vouchers Payable	4,849	410	94	1,816	11,705	42	18,916
Accounts Payable - Other	469	497	75	4,029	492	189	5,751
Claims Payable Accrued Payroll	7,806 82	4,490 68	10,001 71	1,200	800	608	22,297 2,829
Accrued Interest Current Portion of Accrued Leave Payable	116	87	78	1,658	41 970	803	41 3,712
Current Portion of Asset Retirement Obligations	110	67	76	1,036	175		175
Due To Other Funds		-				625	625
Total Payable from Current Unrestricted Assets	13,322	5,552	10,319	8,703	14,183	2,267	54,346
Payable from Restricted Assets: Current Portion of Bonds and Certificates (net of premium/discount)					179		179
Total Payable from Restricted Assets					179		179
Total Current Liabilities	13,322	5,552	10,319	8,703	14,362	2,267	54,525
Noncurrent Liabilities:	13,322	3,332	10,515	0,703	14,502	2,207	54,525
Bonds and Certificates (net of current portion &							
discount/premium) Claims Payable (net of current portion)		12,033	21,015		5,025		5,025 33,048
Accrued Leave Payable (net of current portion)	33	18	2	825	229	70	1,177
Net OPEB and Pension Liabilities Asset Retirement Obligations	3,927	3,462	3,110	57,182	40,524 567	28,386	136,591 567
Total Noncurrent Liabilities	3,960	15,513	24,127	58,007	46,345	28,456	176,408
Total Liabilities	17,282	21,065	34,446	66,710	60,707	30,723	230,933
Total Deferred Inflows of Resources	133	121	117	1,898	1,718	996	4,983
Net Position:							.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Net Investment in Capital Assets Restricted: Debt Service		6		694	126,531 66	166	127,397 66
Unrestricted (Deficit)	13,968	5,980	14,898	(43,701)	26,285	(23,904)	(6,474)

14,898 \$

(43,007) \$

152,882 \$

(23,738) \$

120,989

5,986 \$

13,968 \$

Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds

Year-Ended September 30, 2019

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Occupation Recognises	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Operating Revenues: Charges for Services	\$ 145,132	\$ 6,168	\$ 7,698	\$ 62,785	\$ 105,547	\$ 20,603	\$ 347,933
Total Operating Revenues	145,132	6,168	7,698	62,785	105,547	20,603	347,933
Operating Expenses: Personal Services Contractual Services Commodities Materials Claims Other Depreciation	9,658 13,349 17 122,534 15,037	2,102 339 10 4,938 4,270	2,073 1,592 66 5,299 8,893	36,874 23,886 904 5,538 282	25,199 6,378 2,119 23,732 11,851 29,452	18,247 692 189 4,056 20	94,153 46,236 3,305 23,732 132,771 49,645 29,757
Total Operating Expenses	160,596	11,661	17,923	67,484	98,731	23,204	379,599
Operating Income (Loss)	(15,464)	(5,493)	(10,225)	(4,699)	6,816	(2,601)	(31,666)
Nonoperating Revenues (Expenses): Investment Earnings Other Nonoperating Revenue Gain (Loss) on Sale of Capital Assets Interest and Debt Expense	1,067 10,373	753 17	1,541 451	263 497	1,778 612 3,254 (264)	352	5,402 12,302 3,254 (264)
Total Nonoperating Revenues	11,440	770	1,992	760	5,380	352	20,694
Change in Net Position Before Transfers	(4,024)	(4,723)	(8,233)	(3,939)	12,196	(2,249)	(10,972)
Transfers In (Out): Transfers In Transfers Out	(2)	(85)	85 	1	353 (4,058)	224	663 (4,379)
Total Transfers In (Out), Net	(2)	(85)	(149)	1	(3,705)	224	(3,716)
Change in Net Position	(4,026)	(4,808)	(8,382)	(3,938)	8,491	(2,025)	(14,688)
Net Position - October 1 (restated)	17,994	10,794	23,280	(39,069)	144,391	(21,713)	135,677
Net Position - September 30	\$ 13,968	\$ 5,986	\$ 14,898	\$ (43,007)	\$ 152,882	\$ (23,738)	\$ 120,989

Combining Statement of Cash Flows Internal Service Funds Year-Ended September 30, 2019

(In Thousands)

SELF-INSURANCE PROGRAMS

	EMPLO HEAI BENE	LTH	INSURANCE RESERVE		WORKERS'	INFORMATION SERVICES		OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	IN	TOTAL ITERNAL ICE FUNDS
Cash Flows from Operating Activities: Cash Received from Customers Cash Payments to Suppliers for Goods and Services Cash Payments to Employees for Service Cash Received from Other Cash Receipts	(1	45,213 50,054) (9,358) 10,373	\$ 6,174 (9,334 (1,842)	7,698 (19,173) (1,835) 451	\$ 61,564 (27,062) (32,487) 497	\$	105,374 (37,024) (22,303) 612	20,630 (5,312) (16,132) 352	\$	346,653 (247,959) (83,957) 12,302
Net Cash Provided by (Used for) Operating Activities		(3,826)	(4,985)	(12,859)	2,512		46,659	(462)		27,039
Cash Flows from Noncapital Financing Activities: Transfers In from Other Funds Transfers Out to Other Funds Due To Other Funds Due From Other Funds		(2) 311	(85)	85 (234)	128		353 (4,058) 709	224 625 1		663 (4,379) 625 1,149
Net Cash Provided by (Used for) Noncapital Financing Activities		309	(85)	(149)	129		(2,996)	850		(1,942)
Cash Flows from Capital and Related Financing Activities: Acquisitions and Construction of Capital Assets Interest and Fees Paid on Long-Term Debt Principal Payments on Long-Term Debt Proceeds from Sale of Assets					(2:0)	(191)		(43,396) (236) (173) 5,862	(107)		(43,694) (236) (173) 5,862
Net Cash (Used for) Capital and Related Financing Activities						(191)		(37,943)	(107)		(38,241)
Cash Flows from Investing Activities: Purchases of Investment Securities Maturity of Investment Securities Investment Earnings		(30,700) 32,331 1,047	(26,786 30,272 740	-	(49,247) 58,798 1,512	(12,969) 10,354 287		(72,884) 65,954 1,687	(2,091) 2,051		(194,677) 199,760 5,273
Net Cash Provided by (Used for) Investing Activities		2,678	4,226		11,063	(2,328)		(5,243)	(40)		10,356
Net Increase (Decrease) in Cash and Cash Equivalents		(839)	(844)	(1,945)	122		477	241		(2,788)
Cash and Cash Equivalents, October 1		3,710	3,328		6,500	1,088		6,959	209		21,794
Cash and Cash Equivalents, September 30	Ś	2,871	\$ 2,484		4,555	\$ 1,210	Ś	7,436	\$ 450	Ś	19,006
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities: Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	\$	(15,464)	\$ (5,493) \$	(10,225)	\$ (4,699)	\$	6,816	\$ (2,601)	\$	(31,666)
Depreciation		1	2			282		29,452	20		29,757
Other Nonoperating Revenues Changes in Assets, Liabilities, Deferred Outflows of Resources		10,373	17		451	497		612	352		12,302
and Deferred Inflows of Resources: (Increase) Decrease in Accounts Receivable (Increase) in Due from Other Governmental Agencies (Increase) Decrease in Materials and Supplies (Increase) in Prepaid Expenses		(4)	6			(511) (640) 7 (44)		3 (34) (560)	2 (27)		(504) (701) (553) (44)
Decrease in Deposits Increase (Decrease) in Vouchers Payable (Decrease) in Claims Payable		86 1,962 (1.402)	235 (357		62 (3.446)	340		7,448	50 (417)		136 9,630 (5,205)
Increase in Accounts Payable - Other Increase in Accrued Payroll Increase (Decrease) in Accrued Leave Payable Increase in Net OPEB Obligation and Pension Liability (Increase) in Deferred Outflows of Resources (Decrease) in Deferred Inflows of Resources (Decrease) in Unearned Revenue		322 9 13 985 (559) (148)	345 9 10 826 (458 (127)) — —	60 21 (17) 836 (487) (114)	2,963 128 180 14,171 (7,857) (2,235) (70)		168 125 24 10,581 (6,557) (1,277) (142)	42 105 46 7,182 (4,272) (944)		3,900 397 256 34,581 (20,190) (4,845) (212)
Net Cash Provided by (Used for) Operating Activities	\$	(3,826)	\$ (4,985) \$	(12,859)	\$ 2,512	\$	46,659	\$ (462)	\$	27,039
Noncash Investing, Capital and Financing Activities:	\$	-	\$ -	\$	-	\$ -	\$	-	\$ -	\$	

Fiduciary Funds

PENSION AND HEALTH CARE FUNDS – to account for resources of the pension and health care funds established for the City's firefighters, police officers, and retired civilians:

SAN ANTONIO FIRE AND POLICE PENSION FUND – to account for collection and payment of funds for the pension fund established for the City's firefighters and police officers, as provided for under state law.

SAN ANTONIO FIRE AND POLICE RETIREE HEALTH CARE FUND – to account for the collection and payment of funds for health care benefits of the City's firefighters and police officers who retired after October 1, 1989, as provided for under state law and the respective collective bargaining agreements.

CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND – to account for the collection and payment of funds for health care benefits of the City's civilian and pre-October 1, 1989 uniformed retirees.

AGENCY FUNDS – to account for funds which are custodial in nature and for which the City is acting as an agent. The City has established the following agency funds based upon the above definition:

BEXAR COUNTY HOTEL/MOTEL TAX COLLECTIONS FUND – to account for the collection and payment to Bexar County for certain hotel occupancy taxes.

CRIMINAL JUSTICE PLANNING FUND – to account for the collection and payment to the State of Texas for Law Enforcement Fees collected.

DEPOSIT FUND – to account for the collection and payment of cash deposits held by the City pending the outcome of bids on contracts.

EVIDENTIARY CASH FUND — to account for cash impounded by the San Antonio Police Department pending the outcome of legal proceedings.

MUNICIPAL COURT CASH BOND FUND – to account for the collection and payment of Court Cash Bonds held by the City pending the outcome of court cases.

STATE SALES TAX FUND – to account for the collection and payment to the State of Texas for sales tax collected.

UNCLAIMED PROPERTY FUND – to account for the collection and administration of unclaimed property in accordance with the Texas Property Code - Title 6.

Combining Statement of Fiduciary Net Position Pension and Health Care Funds As of September 30, 2019

	FIRE AND POLICE PENSION FUND		FIRE AND POLICE RETIREE HEALTH CARE FUND		CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND		TOTAL PENSION AND HEALTH CARE FUNDS	
Assets:								
Current Assets:								
Cash and Cash Equivalents	\$	57,717	\$	7,120	\$	54	\$	64,891
Security Lending Collateral		95,325						95,325
Investments:								
Common Stock		1,122,086		9,128				1,131,214
U.S. Government Securities		63,856				538		64,394
Corporate Bonds		323,335						323,335
Foreign Bonds		247,994						247,994
Mutual Funds				79,538				79,538
Hedge Funds		480,868		457				481,325
Real Estate		251,363		28,490				279,853
Alternative		465,386		240,152				705,538
Receivables:								
Accounts		5,748		2,404		13		8,165
Accrued Interest		5,226		26		4		5,256
Accrued Revenue		6,098						6,098
Prepaid Expenses				15				15
Total Current Assets		3,125,002		367,330		609		3,492,941
Capital Assets:								
Machinery and Equipment		401		217				618
Buildings		561		1,055				1,616
•	-							,
Total Capital Assets		962		1,272				2,234
Less: Accumulated Depreciation		447		612				1,059
Net Capital Assets		515		660				1,175
Total Assets	\$	3,125,517	\$	367,990	\$	609	\$	3,494,116
Liabilities:								
Vouchers Payable	\$	5,239	\$	-	\$	-	\$	5,239
Accounts Payable - Other		9,541		68				9,609
Claims Payable				3,458		351		3,809
Accrued Payroll		255		25				280
Securities Lending Obligation		95,325						95,325
Total Liabilities		110,360		3,551		351		114,262
Net Position:								
Restricted for Pension		3,015,157						3,015,157
Restricted for Other Postemployment Benefits		3,013,137		364,439		258		364,697
restricted for Other Postemployment benefits								
Total Net Position	\$	3,015,157	\$	364,439	\$	258	\$	3,379,854

Combining Statement of Changes in Fiduciary Net Position Pension and Health Care Funds Year-Ended September 30, 2019

	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION AND HEALTH CARE FUNDS
Additions: Contributions: Employer Employee	\$ 78,312 39,182	\$ 30,892 15,442	\$ 8,195 1,729	\$ 117,399 56,353
Other Contributions Total Contributions	117,494	1,817 48,151	9,924	1,817 175,569
Investment Earning (Loss): Net (Decrease) in Fair Value of Investments Real Estate Income, Net Interest and Dividends Securities Lending Other Income	(168,172) 6,871 53,631 2,029 65	(24,782) 3,563 <u>4</u>	14 324	(192,954) 6,871 57,208 2,029 393
Total Investment Earnings (Loss) Less: Investment Expenses Investment Management Fees and Custodian Fees Less: Securities Lending Expenses Borrower Rebates and Lending Fees	(105,576) (15,465) (1,654)	(21,215)	338	(126,453) (15,879) (1,654)
Net Investment Earnings (Loss)	(122,695)	(21,629)	338	(143,986)
Total Additions	(5,201)	26,522	10,262	31,583
Deductions: Benefits Refunds of Contributions Administrative Expenses	171,774 918 	35,642 3,249	6,929 2,344	214,345 918 9,072
Total Deductions	176,171	38,891	9,273	224,335
Change in Net Position	(181,372)	(12,369)	989	(192,752)
Net Position - Beginning of Fiscal Year	3,196,529	376,808	(731)	3,572,606
Net Position - End of Fiscal Year	\$ 3,015,157	\$ 364,439	\$ 258	\$ 3,379,854

Combining Balance Sheet Agency Funds

As of September 30, 2019

	ASSETS								
	C	SH AND ASH VALENTS	INVE	STMENTS		OUNTS IVABLE	_	CCRUED TEREST	TOTAL ASSETS
Funds:									
Bexar County Hotel/Motel Tax Collections Fund	\$	210	\$	1,991	\$	94	\$	4	\$ 2,299
Criminal Justice Planning Fund		2,213							2,213
Deposit Fund		515							515
Evidentiary Cash Fund		230		2,217				8	2,455
Municipal Court Cash Bond Fund		43							43
State Sales Tax Fund		200							200
Unclaimed Property Fund		37		355				1	 393
Total	\$	3,448	\$	4,563	\$	94	\$	13	\$ 8,118

		CHERS (ABLE	ACCOUNTS PAYABLE - OTHER		DUE TO OTHER FUNDS		OTAL BILITIES
Funds:							
Bexar County Hotel/Motel Tax Collections Fund	\$	-	\$	1,670	\$	629	\$ 2,299
Criminal Justice Planning Fund		10		2,203			2,213
Deposit Fund				515			515
Evidentiary Cash Fund				2,455			2,455
Municipal Court Cash Bond Fund				43			43
State Sales Tax Fund				200			200
Unclaimed Property Fund				393			 393
Total	\$	10	\$	7,479	\$	629	\$ 8,118

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year-Ended September 30, 2019

(In Thousands)

		BALANCE 0-01-2018		ADDITIONS	DE	DUCTIONS	BALANCE 09-30-2019		
Bexar County Hotel/Motel Tax Collections Fund						_			
Assets: Cash and Cash Equivalents Investments Receivables:	\$	214 1,772	\$	26,751 2,009	\$	26,755 1,790	\$	210 1,991	
Accounts Accrued Interest		13 2		20,226 4		20,145 2		94 4	
Total Assets	Ś	2.001	Ś	48.990	Ś	48.692	\$	2.299	
Liabilities: Vouchers Payable Accounts Payable - Other Due To Other Funds	\$	1,461 540	\$	21,515 27,730 629	\$	22,976 26,600	\$	1,670 629	
Total Liabilities	Ś	2.001	Ś	49.874	Ś	49.576	Ś	2.299	
Criminal Justice Planning Fund									
Assets:									
Cash and Cash Equivalents	\$	2,983	\$	9,763	\$	10,533	\$	2,213	
Total Assets	Ś	2.983	Ś	9.763	Ś	10.533	Ś	2.213	
Liabilities: Vouchers Payable Accounts Payable - Other	\$	- 2,983	\$	23 9,789	\$	13 10,569	\$	10 2,203	
Total Liabilities	Ś	2.983	Ś	9.812	Ś	10.582	Ś	2.213	
Deposit Fund									
Assets: Cash and Cash Equivalents Receivables: Accounts	\$	486	\$	2,751 2	\$	2,722 2	\$	515	
Total Assets	Ś	486_	Ś	2.753	\$	2.724	\$	515	
Liabilities: Vouchers Payable Accounts Payable - Other	\$	- 486	\$	60 280,369	\$	60 280,340	\$	- 515	
Total Liabilities	Ś	486	Ś	280.429	Ś	280.400	Ś	515	
Evidentiary Cash Fund									
Assets: Cash and Cash Equivalents Investments Receivables: Accrued Interest	\$	246 2,032 8	\$	4,853 4,058	\$	4,869 3,873 8	\$	230 2,217 8	
Total Assets	\$	2.286	\$	8.919	\$	8.750	\$	2.455	
Liabilities: Accounts Payable - Other	\$	2,286	\$	568	\$	399	\$	2,455	
Total Liabilities	\$	2.286	Ś	568	\$	399	\$	2.455	

(Continued)

Combining Statement of Changes in Assets and Liabilities

Agency Funds

Year-Ended September 30, 2019

(In Thousands)

	E 10	ΑI	ADDITIONS		DEDUCTIONS		LANCE 30-2019	
Municipal Court Cash Bond Fund								
Assets: Cash and Cash Equivalents	_\$	55	\$	17_	\$	29	\$	43_
Total Assets	\$	55	Ś	17	\$	29	\$	43
Liabilities:								
Accounts Payable - Other	\$	55	\$	29	\$	41	\$	43
Total Liabilities	<u>\$</u>	55	\$	29	\$	41	\$	43
State Sales Tax Fund								
Assets: Cash and Cash Equivalents	_\$	195	\$	15,334	\$	15,329	\$	200
Total Assets	\$	195	\$	15,334	\$	15,329	\$	200
Liabilities:								
Accounts Payable - Other	\$	195	\$	15,339	\$	15,334	\$	200
Total Liabilities	\$	195	Ś	15.339	Ś	15.334	Ś	200
Unclaimed Property Fund								
Assets: Cash and Cash Equivalents Investments	\$	65 539	\$	690 360	\$	718 544	\$	37 355
Receivables: Accrued Interest		2		1_		2		1
Total Assets	\$	606	\$	1,051	\$	1,264	\$	393
Liabilities: Accounts Payable - Other	\$	606	\$	333	\$	546	\$	393
Total Liabilities	<u>\$</u>	606	Ś	333	Ś	546	\$	393
Total All Agency Funds								
Assets: Cash and Cash Equivalents	\$	4,244	\$	60,159	\$	60,955	\$	3,448
Investments Receivables:	•	4,343	,	6,427	•	6,207	•	4,563
Accounts Accrued Interest		13 12		20,228 13		20,147 12		94 13
Total Assets	<u>\$</u>	8.612	Ś	86.827	Ś	87.321	\$	8.118
Liabilities: Vouchers Payable	\$	1,461	\$	21,598	\$	23,049	\$	10
Accounts Payable - Other Due To Other Funds		7,151	-	334,157 629	T	333,829	T	7,479 629
Total Liabilities	\$	8,612	\$	356,384	\$	356,878	\$	8,118

(End of Statement)

Nonmajor Discretely Presented Component Units

BROOKS – was established to improve mission effectiveness, reduce the cost of providing quality installation support, and promote economic development on Brooks Air Force Base and in the surrounding community. Dedicated funds will provide basic municipal services at the base while continuing to develop it as a technology and business park.

SAN ANTONIO BEXAR COUNTY SOCCER PUBLIC FACILITY CORPORATION (SABC PFC) — was established as a nonprofit in fiscal year 2016 in accordance with state law for the purpose of, and to act on behalf of the City in, the renovation and operation of a facility and related property and infrastructure to be used for and to support professional soccer within the City. SABC PFC is governed by a four-member board of directors comprised of two appointees from the City and two from the County.

PORT AUTHORITY OF SAN ANTONIO (THE PORT) – was established for the purpose of monitoring the closing of Kelly Air Force Base (Kelly) and formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly. The Port is authorized to issue bonds to finance related projects. These bonds are not obligations of the City.

SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION (SAEAPFC) – was established for the purpose of, and to act on behalf of the City in, the financing and acquisition of electric energy and power, oil, gas, coal and other liquid, gaseous or solid hydrocarbon fuels for the electric and gas systems of the City of San Antonio.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION (HTFC) – was established in accordance with state laws for the purpose of acting on behalf of the City, to carry out the purposes of the Texas Housing Finance Corporations Act.

SAN ANTONIO HOUSING TRUST FOUNDATION, INC. (HTF) — was established as a nonprofit corporation in 1990 for the purpose of supporting charitable, educational, and scientific undertakings, specifically for providing housing for low- to middle-income families. In addition, SAHTF provides administrative and other support for the operations of the San Antonio Housing Trust Fund, a Special Revenue Fund of the City.

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION (HTPFC) – was established to assist the City in financing, refinancing, or providing public facilities. The Corporation was to provide a tool to develop affordable housing.

SAN ANTONIO TRICENTENNIAL CELEBRATION COMMISSION – was established for the purpose of aiding and acting on behalf of the City to provide a means of assisting with the planning, developing, identifying potential partners, fund raising, managing, and financing of projects involved with the City's 300th year anniversary celebration. This entity ceased operations in fiscal year 2019.

Combining Statement of Net Position Nonmajor Discretely Presented Component Units As of September 30, 2019

Assets: Current Assets:	22,080 25,253 7,110 54
	25,253 7,110 54
	25,253 7,110 54
Unrestricted Assets:	25,253 7,110 54
Cash and Cash Equivalents \$ 9,646 \$ - \$ 4,093 \$ 1,863 \$ 2,706 \$ - \$ 3,772 \$ - \$	25,253 7,110 54
Investments 25,253	54
Receivables, Net 378 1,279 4,554 20 879	
Materials and Supplies, at Cost 54	
Due from Other Governmental Agencies 999	999
Prepaid Expenses 114 27,941	28,055
Other Assets	1,487
Total Unrestricted Assets 10,192 32,611 34,358 3,226 4,651	85,038
Restricted Assets:	
Debt Service Accounts:	
Cash and Cash Equivalents 7,488 14,626	22,114
Investments 8,847	8,847
Receivables, Net 85	85
Other Restricted Accounts:	
Cash and Cash Equivalents 249 10,129 2,644	13,022
Receivables, Net 18 718	736
Deferred Charges	60,147
Total Restricted Assets 7,488 267 10,129 83,705 3,362	104,951
Total Current Assets 17,680 267 42,740 118,063 3,226 3,362 4,651	189,989
Noncurrent Assets:	
Capital Assets:	
Land 4,449 3,980 35,583 30 42,237	86,279
Infrastructure 50,214 16,492 56,249	122,955
Buildings 137,225 238,165 147	375,537
Machinery and Equipment 10,777 8,886 62	19,725
Construction in Progress 20,057 31,778	51,835
Total Capital Assets 222,722 20,472 370,661 239 42,237	656,331
Less: Accumulated Depreciation 67,657 3,875 140,172 78	211,782
Net Capital Assets 155,065 16,597 230,489 161 42,237	444,549
Other Noncurrent Assets:	
Cash and Cash Equivalents	
Receivables, Net 232 3,360	3,592
Prepaid Expenses 1,790 160,848	162,638
Total Other Noncurrent Assets 2,022 160,848 3,360	166,230
Total Noncurrent Assets 155,065 16,597 232,511 160,848 3,521 42,237	610,779
Total Assets 172,745 16,864 275,251 278,911 3,226 6,883 46,888	800,768
Deferred Outflows of Resources 1,301 1,119	2,420

Combining Statement of Net Position Nonmajor Discretely Presented Component Units As of September 30, 2019

	BROOKS	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	SAN ANTONIO HOUSING TRUST FINANCE CORPORATION	SAN ANTONIO HOUSING TRUST FOUNDATION INC.	SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION	SAN ANTONIO TRICENTENNIAL CELEBRATION COMMISSION	TOTAL NONMAJOR COMPONENT UNITS
Liabilities: Current Liabilities: Payable from Current Unrestricted Assets: Accounts Payable and Other Current Liabilities	\$ 6,542		\$ 10,003		\$ 909		\$ 1,226		\$ 18,680
Unearned Revenues Current Portion of Long-Term Lease/Notes Payable Total Payable from Current Unrestricted Assets Payable from Restricted Assets:	917 10,185 17,644		1,729 1,065 12,797		909		1,226		2,646 11,250 32,576
Accounts Payable and Other Current Liabilities Accrued Interest on Bonds and Certificates Current Portion of Bonds and Certificates Other Payables			80 1,685	7,464 33,215		335	40.609		335 7,544 34,900 40,609
Total Payable from Current Restricted Assets Total Current Liabilities Noncurrent Liabilities:	17,644		1,765 14,562	40,679 40,679	909	335 335	40,609 41,835		83,388 115,964
Bonds and Certificates (net of current portion & premium/discount) Long-Term Lease/Notes Payable (net of current portion) Other Payables (net of current portion)	85,650 30,863 2,551		29,856 64,322 1,173	238,232					353,738 95,185 3,724
Total Noncurrent Liabilities Total Liabilities	119,064 136,708		95,351 109,913	238,232 278,911	909	335	41,835		452,647 568,611
Deferred Inflows of Resources Net Position: Net Investment in Capital Assets	35,917	16,597	138,027			161	42,237		232,939
Restricted for: Capital Projects Operating and Other Reserves Unrestricted	1,421	267	28,430		2,317	2,690 3,697	(37,184)		267 2,690 (1,319)
Total Net Position	\$ 37,338	\$ 16,864	\$ 166,457	\$ -	\$ 2,317	\$ 6,548	\$ 5,053	\$ -	\$ 234,577

Combining Statement of Activities

Nonmajor Discretely Presented Component Units

Year-Ended September 30, 2019

			PROGRAM REVENU	ES	NET (EX	PENSE) REVENUE AN	ID CHANGES IN NET	POSITION					
FUNCTION/PROGRAM ACTIVITIES	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	BROOKS	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	SAN ANTONIO HOUSING TRUST FINANCE CORPORATION	SAN ANTONIO HOUSING TRUST FOUNDATION, INC.	SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION	SAN ANTONIO TRICENTENNIAL CELEBRATION COMMISSION	TOTAL NONMAJOR COMPONENT UNITS
Brooks Economic Development and Opportunity	\$ 37,086	\$ 21,822	\$ 222	\$ 1,392	\$ (13,650)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,650)
SABC Soccer Public Facility Corporation Culture and Recreation	1,176	244				(932)							(932)
Port Authority of San Antonio Economic Development and Opportunity	37,382	39,119		7,347			9,084						9,084
SA Energy Acquisition Public Facility Corporation General Government	49,696	46,979						(2,717)					(2,717)
San Antonio Housing Trust Finance Corporation Urban Redevelopment and Housing	244	979							735				735
San Antonio Housing Trust Foundation, Inc. Urban Redevelopment and Housing	861	1,561								700			700
San Antonio Housing Trust Public Facility Corporation Urban Redevelopment and Housing	2,260	3,829									1,569		1,569
San Antonio Tricentennial Celebration Commission Culture and Recreation	2,849	8	928									(1,913)	(1,913)
Total	\$ 131,554	\$ 114,541	\$ 1,150	\$ 8,739	(13,650)	(932)	9,084	(2,717)	735	700	1,569	(1,913)	(7,124)
		General Revenues: Investment Earning Miscellaneous	ıs		341 4,344		1,161	1,039 1,678		83			2,624 6,022
		Total General Reven			4,685		1,161	2,717		83			8,646
		Change in Net Positi			(8,965)		10,245		735	783	1,569	(1,913)	1,522
		Net Position - Beginn	•		46,303	17,796	156,212		1,582	5,765	3,484	1,913	233,055
		Net Position - End of	Fiscal Year		\$ 37,338	\$ 16,864	\$ 166,457	\$ -	\$ 2,317	\$ 6,548	\$ 5,053	<u>Ş</u> -	\$ 234,577

Capital Assets Used in the Operation of Governmental Funds

Capital Assets Used in the Operation of Governmental Funds Schedule of Capital Assets by Source¹ As of September 30, 2019

	2019
Governmental Funds Capital Assets:	
Land	\$ 1,418,662
Non-Depreciable Intangible Assets	206,062
Depreciable Intangible Assets	4,058
Buildings	1,381,356
Improvements	1,034,952
Infrastructure	3,566,111
Machinery and Equipment	379,068
Construction in Progress	 271,543
Total Governmental Funds Capital Assets	\$ 8,261,812
Investment in Governmental Funds Capital Assets by Source:	
Current Revenue	\$ 2,946,421
General Obligation Bonds, Certificates of Obligation, Tax and Revenue Notes, and Revenue Bonds	4,646,989
Federal and State Grants	615,157
Special Assessments	1,008
Municipal Golf Association - SA	22,492
Westside Development Corp	20
Visit San Antonio, Inc.	488
Private Citizens' Contribution	24,695
San Antonio Fair, Inc.	 4,542
Total Investment in Governmental Funds Capital Assets by Source	\$ 8,261,812

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

Capital Assets Used in the Operation of Governmental Funds Schedule of Capital Assets by Function and Activity¹

As of September 30, 2019

	Land	Non-Depreciable Intangible Assets	Depreciable Intangible Assets	Buildings	Improvements	Infrastructure	Machinery and Equipment	Total
General Government:								
Legislative Judicial	\$ 56 196	\$ -	\$ - 1,004	\$ 2,592 19,091	\$ 91 248	\$ -	\$ 345 636	\$ 3,084 21,175
Executive	150		1,004	15,051			27	21,173
Administration	3,104	12,641	2,176	165,073	47,199	29,886	196,053	456,132
Total General Government	3,356	12,641	3,180	186,756	47,538	29,886	197,061	480,418
Public Safety:								
Police Fire	11,969 40,942			38,168 82,581	10,282 11,540	235	76,160 46,008	136,579 181,306
Building Inspection and Regulations	7,299			14,210	11,540	255	190	21,699
Total Public Safety	60,210	·		134,959	21,822	235	122,358	339,584
Public Works	1,231,406	22,137	250	401,988	596,060	3,491,614	21,240	5,764,695
Health Services	2,824		469	2,866	2,278		4,507	12,944
Convention and Tourism	5,422			455,280	95,695		8,049	564,446
Sanitation				164	15		523	702
Welfare	345			27,672	7,595		1,717	37,329
Culture and Recreation: Libraries Parks Culture & Arts	8,700 105,487	170,932	159	99,464 41,094 2,361	25,679 227,896 6,092	22,997 19,513	1,900 9,009 11,144	158,740 574,090 19,597
Total Culture and Recreation	114,187	170,932	159	142,919	259,667	42,510	22,053	752,427
Urban Redevelopment and Housing					699	1,866	707	3,272
Education	912			27,752			458	29,122
Economic Development and Opportunity				1,000	3,583		395	4,978
Environment		352						352
Total Capital Assets Allocated to Functions	\$ 1,418,662	\$ 206,062	\$ 4,058	\$ 1,381,356	\$ 1,034,952	\$ 3,566,111	\$ 379,068	\$ 7,990,269
Construction in Progress								271,543
Total Governmental Funds Capital Assets								\$ 8,261,812
								, -,,,,,,,,,

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

Capital Assets Used in the Operation of Governmental Funds Schedule of Changes in Capital Assets by Function and Activity As of September 30, 2019

	Beginning Balance	Additions ²	Deductions ³	Ending Balance
Function and Activity: General Government: Legislative Judicial Executive Administration	\$ 3,084 21,175 27 442,161	\$ -	\$ -	\$ 3,084 21,175 27 456,132
Total General Government	466,447	14,354	383	480,418
Public Safety: Police Fire Building Inspection and Regulations	132,883 181,285 21,726	6,854 5,567	3,158 5,546 	136,579 181,306 21,699
Total Public Safety	335,894	12,421	8,731	339,584
Public Works	5,534,278	243,051	12,634	5,764,695
Health Services	11,172	2,002	230	12,944
Convention and Tourism	564,280	175	9	564,446
Sanitation	624	119	41	702
Welfare	37,545	11	227	37,329
Culture and Recreation: Libraries Parks Culture & Arts	158,735 538,423 19,552	12 35,824 132	7 157 87	158,740 574,090 19,597
Total Culture and Recreation	716,710	35,968	251	752,427
Urban Redevelopment and Housing	3,113	210	51	3,272
Education	29,097	25		29,122
Economic Development and Opportunity	4,611	367		4,978
Environment	1,039		687	352
Construction in Progress	251,310	289,627	269,394	271,543
Total Governmental Funds Capital Assets	\$ 7,956,120	\$ 598,330	\$ 292,638	\$ 8,261,812

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

² Additions include \$260,258 transferred from construction in progress.

³ Deductions from construction in progress include the \$260,258 in assets transferred.

STATISTICAL SECTION

Statistical Section (Unaudited)

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 54 in fiscal year 2011; schedules presenting fund balance information as required by GASB Statement No. 54 began in that year.

FINANCIAL TRENDS – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY – These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales and use taxes.

DEBT CAPACITY – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION – These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Statistical Data Net Position by Component Last Ten Fiscal Years

(accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 (Pastated)	2016	2017 (Pastated)	2018	2019 (Postated)
Governmental Activities: Net Investment in Capital Assets Restricted Unrestricted	\$ 2,238,834 124,300 162,135	\$ 2,364,212 126,142 63,069	\$ 2,325,170 104,158 78,783	\$ 2,304,579 72,643 72,932	\$ 2,554,305 100,264 (516,002)	\$ 2,615,833 61,946 (471,052)	\$ 2,675,249 62,622 (566,044)	\$ 2,815,626 56,706 (1,125,842)	\$ 2,852,015 52,819 (1,007,985)	\$ 2,957,496 45,376 (1,048,034)
Total Governmental Activities, net position	\$ 2,525,269	\$ 2,553,423	\$ 2,508,111	\$ 2,450,154	\$ 2,138,567	\$ 2,206,727	\$ 2,171,827	\$ 1,746,490	\$ 1,896,849	\$ 1,954,838
Business-Type Activities: Net Investment in Capital Assets Restricted Unrestricted	\$ 273,344 78,558 556	\$ 273,108 90,532 15,320	\$ 270,500 104,990 9,851	\$ 292,278 91,418 18,024	\$ 300,791 102,390 (47,431)	\$ 316,995 113,968 (55,809)	\$ 348,896 85,629 (67,721)	\$ 365,001 97,709 (101,635)	\$ 338,367 136,568 (118,932)	\$ 331,455 169,981 (125,547)
Total Business-Type Activities, net position	\$ 352,458	\$ 378,960	\$ 385,341	\$ 401,720	\$ 355,750	\$ 375,154	\$ 366,804	\$ 361,075	\$ 356,003	\$ 375,889
Primary Government: Net Investment in Capital Assets Restricted Unrestricted	\$ 2,512,178 202,858 162,691	\$ 2,637,320 216,674 78,389	\$ 2,595,670 209,148 88,634	\$ 2,596,857 164,061 90,956	\$ 2,855,096 202,654 (563,433)	\$ 2,932,828 175,914 (526,861)	\$ 3,024,145 148,251 (633,765)	\$ 3,180,627 154,415 (1,227,477)	\$ 3,190,382 189,387 (1,126,917)	\$ 3,288,951 215,357 (1,173,581)
Total Primary Government, net position	\$ 2,877,727	\$ 2,932,383	\$ 2,893,452	\$ 2,851,874	\$ 2,494,317	\$ 2,581,881	\$ 2,538,631	\$ 2,107,565	\$ 2,252,852	\$ 2,330,727

Statistical Data Changes in Net Position Last Ten Fiscal Years

(accrual basis of accounting)
(In Thousands)

		2010		2011		2012		2013		2014	(1	2015 Restated)	(I	2016 Restated)		2017		2018		2019
Expenses:												,								
Governmental Activities: General Government	Ś	114,591	\$	103,617	¢	140,761	\$	127,697	\$	112,845	\$	99,788	\$	131,273	¢	101,673	¢	134,370	\$	137,479
Public Safety	Y	545,359	Ţ	607,532	Ų	613,975	Ţ	684,547	Ţ	721,930	Ų	717,447	Ţ	888,100	Ţ	828,839	Ą	721,695	Ų	846,878
Public Works		221,612		239,195		252,804		257,395		324,257		247,087		240,763		244,437		349,150		327,811
Sanitation		8,385		20,015		14,382		13,250		7,142		7,535		7,090		9,574		5,748		7,507
Health Services		104,667		101,995		101,293		38,250		55,014		55,020		54,953		67,038		80,505		75,978
Culture and Recreation		143,122		147,591		153,642		161,280		167,463		169,505		171,704		161,408		214,302		208,092
Convention and Tourism		26,437		28,735		31,892		29,674		31,579		57,277		73,932		66,634		60,426		82,251
Urban Redevelopment and Housing		26,486		13,570		13,252		9,111		25,949		27,839		27,025		30,867		38,521		56,855
Welfare		177,819		185,600		157,678		162,015		115,094		121,932		126,440		143,370		157,828		164,042
Education								6,381		8,530		64,917		62,579		81,563		74,314		83,331
Economic Development and Opportunity		104,964		90,258		115,253		117,362		25,909		34,634		22,974		27,994		27,463 209		34,137 930
Environmental										1 000		2 544		2 102		1.051				3,008
Bond Issuance Costs		70,945		87,792		85,073		115 016		1,862 93,313		2,544		2,192 86,862		1,951		1,832 91,718		91,909
Interest on Long-Term Debt								115,016				88,813				89,469				
Total Governmental Activities Expenses		1,544,387		1,625,900		1,680,005		1,721,978		1,690,887		1,694,338		1,895,887		1,854,817		1,958,081		2,120,208
Business-Type Activities:																				
Airport System		83,109		105,708		118,560		102,041		106,033		112,439		127,122		127,419		134,352		147,216
Development Services		19,570		20,195		23,327		24,437		22,273		26,042		27,033		29,643		30,490		38,184
Market Square		251 9.135		2,215 8,703		2,297 8,117		2,135 8,214		2,558 12,165		2,846 10,038		2,708		2,643		2,488		2,535 10,051
Parking System Solid Waste Management		9,135 85,058		82,128		89,405		93,056		98,555		92,492		14,157 110,361		9,671 114,308		12,321 113,513		123,390
Total Business-Type Activities Expenses		197,123		218,949		241,706		229,883		241,584		243,857		281,381		283,684		293,164		321,376
Total Primary Government Expenses	Ś	1,741,510	\$	1,844,849	Ś	1,921,711	Ś	1,951,861	Ś	1,932,471	Ś	1,938,195	Ś	2,177,268	Ś	2,138,501	Ś	2,251,245	Ś	2,441,584
Program Revenues:		_,,	_			_,		_,,,,,,,,,		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_							
Governmental Activities:																				
Charges for Services:																				
General Government	\$	21,176	\$	27,853	\$	22,245	\$	27,951	Ś	27,710	\$	33,662	\$	23,084	Ś	24,489	\$	29,185	Ś	22,787
Public Safety	*	10,350	*	9,882	7	12,190	*	12,278	*	49,363	*	60,147	*	52,110	7	54,055	7	49,748	*	50,399
Public Works		53,723		43,267		43,164		44,706		47,342		49,111		51,862		58,198		61,532		64,578
Sanitation		397		407		509		365		7,491		7,366		6,846		6,961		7,078		7,176
Health Services		31,595		33,815		30,940		30,356		18,844		16,660		19,336		21,106		19,756		16,121
Culture and Recreation		33,791		33,037		34,483		46,707		53,698		50,047		56,416		63,892		70,083		71,081
Convention and Tourism		1,262																		
Urban Redevelopment and Housing		388		400		634		584				148		487		976		688		1,096
Welfare		72		52		15		2		267		112		151		785		607		747
Education		2 502		2 (21		F 02F		90		267		412 220		726 383		778 588		697		747
Economic Development and Opportunity Environmental		2,582		2,631		5,025		90		135		220		383		588		105		577
Operating Grants and Contributions		256,214		267,524		211,290		202,932		168,170		175,921		188,371		225,040		186,005		184,117
Capital Grants and Contributions		98,362		137,892		149,713		145,199		84,744		32,642		68,366		39,254		49,653		61,254
Total Governmental Activities		30,302		107,002		1.5,7.15		1.0,133		0.,,		32,012		00,500		33,23 .		.5,055		01,231
Program Revenues		509,912		556,760		510,208		511,170		457,764		426,336		468,138		496,122		474,530		479,933
Business-Type Activities:																				
Charges for Services:																				
Airport System		63,524		82,901		84,395		80,635		84,410		83,193		84,792		85,773		100,976		104,298
Development Services		20,336		21,629		23,392		24,813		27,646		27,878		28,874		30,230		31,345		35,092
Market Square		138		2,211		2,316		2,477		2,598		2,654		2,891		2,925		3,019		2,891
Parking System		9,287		8,588		8,630		8,654		8,487		9,272		9,671		9,406		9,269		9,754
Solid Waste Management		87,888		90,067		93,333		92,871		96,321		100,334		101,954		107,633		117,310		133,212
Capital Grants and Contributions		40,156		40,237		34,765		39,580		44,206		45,886		45,837		53,872		54,198		47,296
Total Business-Type Activities		224 220		245 622		246 024		240.020		262.660		200 247		274.040		200.020		216 117		222 542
Program Revenues		221,329		245,633		246,831		249,030		263,668		269,217		274,019		289,839		316,117		332,543
Total Primary Government Program Revenues	ċ	721 241	¢	802,393	ċ	757,039	ċ	760 200	¢	721,432	ċ	695,553	ć	742,157	ċ	785,961	ċ	790,647	ċ	812,476
Frogram Revenues	3	731,241	<u> </u>	002,393	3	757,039	<u> </u>	760,200		721,432	<u> </u>	555,555	<u> </u>	/42,13/		705,501	<u> </u>	790,047	3	014,470

Statistical Data Changes in Net Position Last Ten Fiscal Years

(accrual basis of accounting)
(In Thousands)

	2010	2011	2012	2013	2014	(2015 (Restated)	(2016 Restated)	2017	2018	2019
Net (Expense) Revenue: Governmental Activities Business-Type Activities	\$ (1,034,475) 24,206	\$ (1,069,140) 26,684	\$ (1,169,797) 5,125	\$ (1,210,808) 19,147	\$ (1,233,123) 22,084	\$	(1,268,002) 25,360	\$	(1,437,254) (7,362)	\$ (1,358,695) 6,155	\$ (1,483,551) 22,953	\$ (1,640,275) 11,167
Total Primary Government Net (Expense)	\$ (1,010,269)	\$ (1,042,456)	\$ (1,164,672)	\$ (1,191,661)	\$ (1,211,039)	\$	(1,242,642)	\$	(1,444,616)	\$ (1,352,540)	\$ (1,460,598)	\$ (1,629,108)
General Revenues and Other Changes in Net Position: Governmental Activities: Taxes: Property General Sales and Use	\$ 223,475	\$ 396,847 236,819	\$ 395,944 259,927	\$ 402,619 287,944	\$ 423,781 324,612	\$	446,705 339,012	\$	495,638 347,874	\$ 550,204 358,076	\$ 577,870 378,367	\$ 617,045 397,869
Selective Sales and Use Gross Receipts Business Occupancy Penalties and Interest on Delinquent Taxes Revenues from Utilities Investment Earnings Miscellaneous Transfers, net	 5,921 35,913 59,734 3,885 293,091 6,954 24,039 5,429	 5,879 34,341 62,968 3,797 308,838 6,184 40,217 1,404	 5,200 33,625 67,937 3,554 299,693 5,005 53,990 1,156	 5,799 33,745 72,770 3,302 307,687 5,192 35,500 (2,871)	 7,554 34,784 77,064 3,557 355,515 3,997 50,868 1,570		7,957 36,202 79,163 3,303 348,997 3,164 62,021 7,720		8,516 35,992 81,280 3,480 345,666 4,811 84,841 3,733	 8,875 33,380 85,814 3,647 363,612 8,109 82,132 6,006	 9,554 32,086 91,563 3,923 389,319 19,031 96,643 35,554	 9,928 32,109 100,648 4,023 377,652 39,682 116,883 2,956
Total Governmental Activities	1,065,020	 1,097,294	 1,126,031	 1,151,687	 1,283,302		1,334,244		1,411,831	 1,499,855	 1,633,910	 1,698,795
Business-Type Activities: Investment Earnings Miscellaneous Transfers, net	 823 1,547 (5,429)	772 450 (1,404)	 827 1,585 (1,156)	1,026 621 (4,351)	 764 4,861 (4,552)		562 13,440 (7,364)		1,152 1,684 (3,824)	 1,969 5,396 (4,619)	 3,808 4,568 (36,401)	6,605 5,663 (3,501)
Total Business-Type Activities	(3,059)	(182)	 1,256	(2,704)	 1,073		6,638		(988)	 2,746	(28,025)	8,767
Total Primary Government	\$ 1,061,961	\$ 1,097,112	\$ 1,127,287	\$ 1,148,983	\$ 1,284,375	\$	1,340,882	\$	1,410,843	\$ 1,502,601	\$ 1,605,885	\$ 1,707,562
Change in Net Position: Governmental Activities Business-Type Activities	\$ 30,545 21,147	\$ 28,154 26,502	\$ (43,766) 6,381	\$ (59,121) 16,443	\$ 50,179 23,157	\$	66,242 31,998	\$	(25,423) (8,350)	\$ 141,160 8,901	\$ 150,359 (5,072)	\$ 58,520 19,934
Total Primary Government	\$ 51,692	\$ 54,656	\$ (37,385)	\$ (42,678)	\$ 73,336	\$	98,240	\$	(33,773)	\$ 150,061	\$ 145,287	\$ 78,454

Statistical Data Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)
(In Thousands)

					Fiscal	Year				
	2010	2011 ¹	2012	2013	2014	2015 (Restated)	2016	2017	2018	2019
General Fund: Reserved Unreserved	\$ 30,526 199,110									
Total General Fund	\$ 229,636									
All Other Governmental Funds: Reserved Unreserved, reported in: Special Revenue	\$ 421,620 4,183									
Permanent Capital Project	4,802									
Unrestricted	298,480									
Total All Other Governmental Funds	\$ 729,085									
General Fund: Nonspendable Restricted Committed Assigned Unassigned		\$ 4,939 1,107 48,540 7,413 170,693	\$ 5,800 1,003 47,035 4,143 158,532	\$ 6,238 718 39,603 3,230 135,375	\$ 5,504 1,032 46,882 523 164,654	\$ 7,026 537 52,686 521 182,698	\$ 6,681 470 49,333 6,554 192,072	\$ 6,087 528 64,594 10 212,930	\$ 6,887 2,283 97,134 8 243,828	\$ 7,084 2,392 108,420 21 247,125
Total General Fund		\$ 232,692	\$ 216,513	\$ 185,164	\$ 218,595	\$ 243,468	\$ 255,110	\$ 284,149	\$ 350,140	\$ 365,042
All Other Governmental Funds: Nonspendable Restricted Committed Assigned Unassigned		\$ 4,416 686,530 67,281 13,237 (74,796)	\$ 5,235 665,530 77,204 12,330 (38,916)	\$ 4,943 946,189 85,060 19,866 (30,699)	\$ 4,716 853,657 101,183 24,495 (3,427)	\$ 11,274 744,698 101,040 19,384 (14,860)	\$ 11,635 644,983 72,312 32,407 (10,478)	\$ 6,220 629,077 87,316 10,665 (7,617)	\$ 8,357 840,375 98,975 3,367 (7,346)	\$ 11,730 976,322 135,757 4,225 (6,463)
Total All Other Governmental Funds		\$ 696,668	\$ 721,383	\$ 1,025,359	\$ 980,624	\$ 861,536	\$ 750,859	\$ 725,661	\$ 943,728	\$ 1,121,571

¹ The City implemented GASB Statement No. 54 in fiscal year 2011 resulting in different fund balance classifications than in prior years.

Statistical Data Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)
(In Thousands)

					Fisca	al Year				
	2010	2011	2012	2013 ¹	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 733,694	\$ 740,039	\$ 766,903	\$ 808,185	\$ 872,987	\$ 912,934	\$ 973,357	\$ 1,032,903	\$ 1,091,138	\$ 1,161,167
Licenses and Permits	7,769	8,680	8,469	8,343	7,396	8,107	8,961	9,264	9,160	7,351
Intergovernmental	269,315	306,813	245,030	230,356	240,847	198,307	235,542	233,963	216,367	224,753
Revenues from Utilities	292,726	308,451	299,306	307,300	348,480	348,997	345,666	363,612	389,319	377,652
Charges for Services	144,293	117,607	122,229	131,220	153,995	169,492	169,896	187,071	195,946	198,253
Fines and Forfeits	11,506	14,124	14,807	13,925	13,597	12,589	11,215	12,317	12,253	10,247
Miscellaneous	34,393	40,626	43,989	35,308	50,955	57,546	69,440	70,978	78,534	90,929
Investment Earnings	6,383	5,515	4,354	4,232	3,505	2,761	4,158	7,006	16,261	34,280
Contributions	83,541	104,709	123,020	128,012	30,579	31,596	44,141	48,587	47,579	45,368
Total Revenues	1,583,620	1,646,564	1,628,107	1,666,881	1,722,341	1,742,329	1,862,376	1,965,701	2,056,557	2,150,000
Expenditures:										
General Government	92,054	93,797	105,291	94,973	74,902	79,295	85,007	88,856	89,784	95,349
Public Safety	522,982	553,324	571,221	659,949	688,987	711,201	731,816	751,133	774,563	793,409
Public Works	114,327	93,975	88,697	92,498	164,768	112,470	118,290	131,310	127,177	130,575
Health Services	96,342	102,723	100,061	36,625	52,499	56,133	58,533	63,729	61,664	65,001
Sanitation	8,596	20,020	14,590	13,190	7,050	6,963	7,174	9,891	6,957	7,804
Welfare	176,961	184,942	156,105	159,528	113,074	123,064	128,236	139,916	144,121	155,572
Culture and Recreation	123,202	132,801	132,596	146,270	142,537	155,098	161,757	158,688	172,407	167,426
Convention and Tourism	21,240	20,043	20,158	18,939	20,969	23,406	45,246	51,373	51,829	61,192
Urban Redevelopment and Housing	41,686	13,298	15,902	9,214	25,251	30,496	28,424	29,945	33,083	49,350
Education	100.045	22.054	444.027	3,500	34,750	57,172	63,032	76,157	74,064	74,224
Economic Development and Opportunity	106,645	23,951	114,927	116,838	25,524	34,762	23,282	28,458	27,383	32,892
Environmental Capital Outlay	287,722	411,270	301,381	291,038	379,309	475,466	455,746	410,626	1,247 298,671	214 355,349
Debt Service:	287,722	411,270	301,381	291,038	379,309	475,466	455,746	410,626	298,671	355,349
Principal Retirement	152,605	140,975	117,265	117,595	130,412	140,963	149,489	162,594	172,790	180,464
Interest	75,614	83,981	87,327	102,965	105,417	105,939	110,902	111,584	113,702	118,037
Issuance Costs	3,518	1,626	1,732	6,465	1,862	2,544	2,192	1,951	1,832	3,008
Total Expenditures	1,823,494	1,876,726	1,827,253	1,869,587	1,967,311	2,114,972	2,169,126	2,216,211	2,151,274	2,289,866
(Deficiency) of Revenues (Under) Expenditures	(239,874)	(230,162)	(199,146)	(202,706)	(244,970)	(372,643)	(306,750)	(250,510)	(94,717)	(139,866)
Other Financing Sources (Uses):										
Issuance of Long-Term Debt	413,180	176,635	218,985	793,671	223,555	237,765	180,114	221,934	310,557	279,985
Refunding Debt Issued					67,050	144,880	147,130			193,395
Payments to Refunded Bond Escrow Agent	(185,508)		(37,892)	(356,969)	(76,531)	(159,593)	(176,308)			(221,348)
Issuance of Notes and Loans		14,716					835			
Premium/(Discount) on Long-Term Debt	27,680	15,182	30,617	43,246	31,455	41,762	51,282	24,002	32,069	73,907
Transfers In	361,508	336,070	368,586	694,459	528,253	585,857	550,511	550,995	453,830	505,548
Transfers Out	(364,600)	(340,516)	(369,827)	(698,979)	(532,384)	(574,161)	(545,849)	(542,608)	(417,681)	(498,876)
Total Other Financing Sources (Uses)	252,260	202,087	210,469	475,428	241,398	276,510	207,715	254,323	378,775	332,611
Net Change in Fund Balances	\$ 12,386	\$ (28,075)	\$ 11,323	\$ 272,722	\$ (3,572)	\$ (96,133)	\$ (99,035)	\$ 3,813	\$ 284,058	\$ 192,745
Debt Service as a Percentage of Noncapital Expenditures	14.5%	14.2%	13.1%	13.8%	14.9%	14.6%	14.8%	15.3%	15.5%	15.3%

¹ EMS was reclassed from Health Services to Public Safety

Statistical Data

Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)
(In Thousands)

Fiscal Year	Property ¹ Sales and Use ²		Alcoholic Beverage Tax ³		Business Tax		Hotel/Motel Occupancy		Penalties and Interest and Judgments		Total	
2010	\$	404,766	\$ 223,475	\$	5,921	\$	35,913	\$	59,734	\$	3,885	\$ 733,694
2011 2012		396,235 396,660	236,819 259,927		5,879 5,200		34,341 33,625		62,968 67,937		3,797 3,554	740,039 766,903
2012		404,625	287,944		5,799		33,745		72,770		3,302	808,185
2014		425,416	324,612		7,554		34,784		77,064		3,557	872,987
2015		447,297	339,012		7,957		36,202		79,163		3,303	912,934
2016		496,215	347,874		8,516		35,992		81,280		3,480	973,357
2017		543,111	358,076		8,875		33,380		85,814		3,647	1,032,903
2018		575,645	378,367		9,554		32,086		91,563		3,923	1,091,138
2019		616,590	397,869		9,928		32,109		100,648		4,023	1,161,167
Change:												
2010-2019		52.3%	78.0%		67.7%		-10.6%		68.5%		3.6%	58.3%

¹ The City had maintained the property tax rate at a current tax rate from 2010 to 2015, and was able to reduce the property tax rate in 2016 because of growth in property tax values (see Assessed Value and Actual Value of Taxable Property).

² Sales and Use tax revenues increased in the past ten years due to a combination of rate increases (see Direct and Overlapping Sales and Use Tax Rates), growth in taxable retail sales (see Taxable Sales by Category), and several legislative measures to broaden the sales and use tax base.

³ Alcohol Beverage Tax increased in 2014 due to the restoration of administrative fee to the City, plus additional State legislative measures to broaden the Alcohol Beverage Tax base.

Statistical Data

Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

(Dollars In Thousands)

Fiscal					Less:	Estimated	Total Direct
Year	Residential	Commercial	Industrial	Other	Tax-Exempt	Actual	Tax
Ended	Property	Property	Property	Property	Property ¹	Value	Rate
2010	\$ 41,874,227	\$ 32,060,323	\$ 2,515,645	\$ 8,031,416	\$ 11,738,392	\$ 72,743,219	0.57
2011	41,545,063	30,853,443	2,363,174	7,974,502	11,728,635	71,007,547 ²	0.57
2012	41,126,475	31,052,797	2,362,451	8,114,854	11,975,378	70,681,199 2	0.57
2013	40,716,193	32,283,498	2,455,552	8,039,080	12,095,367	71,398,956	0.57
2014	41,251,546	34,899,935	2,494,938	8,336,790	12,371,142	74,612,067	0.57
2015	43,908,306	37,346,495	2,438,664	8,778,393	13,241,605	79,230,253	0.57
2016	49,166,613	42,931,187	2,820,244	9,403,514	14,980,047	89,341,511	0.56
2017	53,399,742	47,829,963	3,110,813	10,105,288	16,255,650	98,190,156	0.56
2018	57,302,203	51,196,368	3,385,569	10,956,518	17,170,373	105,670,285	0.56
2019	61,409,375	54,766,795	3,770,062	11,595,996	18,424,378	113,117,850	0.56

Source: Bexar Appraisal District

¹ Tax-exempt property deductions include deductions of residential homestead exemptions and exemptions granted to persons 65 years of age and older and disabled veterans. In addition, other exemptions include historic properties, tax phase-ins, freeport, absolute, prorated, low income housing, pollution control, community housing development organization, disabled person residence homestead, armed services surviving spouse, first responder surviving spouse, and personal property vehicle.

² Net Taxable Assessed Value decreased in 2011 and 2012 due to a reduction in base values.

Statistical Data Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

(rate per \$100 of assessed value)

2017

2018

2019

2016

2017

2018

1.355900

1.385178

1.377242

			City Direct Rates		Overlapping Rates										
			Debt	_	Alamo		University	San Antonio	Alamo	East					
Fiscal	Tax	General	Service	Total	Community	Bexar	Health	River	Heights	Central					
Year	Roll	Fund	Funds	Direct	College	County	System	Authority	ISD	ISD					
2010	2009	\$ 0.354190	\$ 0.211500	\$ 0.565690	\$ 0.135855	\$ 0.326866	\$ 0.266235	\$ 0.015951	\$ 1.162000	\$ 1.319500					
2011	2010	0.354190	0.211500	0.565690	0.141623	0.326866	0.276235	0.016652	1.168000	1.319500					
2012	2011	0.354190	0.211500	0.565690	0.141623	0.326866	0.276235	0.017370	1.198000	1.296000					
2013	2012	0.354190	0.211500	0.565690	0.149150	0.326866	0.276235	0.017370	1.218000	1.296000					
2014	2013	0.354190	0.211500	0.565690	0.149150	0.326866	0.276235	0.017798	1.218000	1.275000					
2015	2014	0.354190	0.211500	0.565690	0.149150	0.314500	0.276235	0.017500	1.205000	1.275000					
2016	2015	0.346770	0.211500	0.558270	0.149150	0.314500	0.276235	0.017290	1.195000	1.265000					
2017	2016	0.346770	0.211500	0.558270	0.149150	0.308950	0.276235	0.017290	1.195000	1.285000					
2018	2017	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.017290	1.200000	1.335000					
2019	2018	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.255000	1.325000					

1.385000

1.365000

1.360000

Fiscal Tax Edgewood Harlandale Judson Northeast Northside San Antonio Somerset South San Southside Southwest Roll ISD ISD ISD ISD ISD ISD ISD **Antonio ISD** ISD ISD Year \$ 1.249700 \$ 1.228000 \$ 1.243200 2010 2009 \$ 1.420000 \$ 1.479000 \$ 1.463000 \$ 1.402900 \$ 1.337500 \$ 1.433800 \$ 1.368900 2011 2010 1.420000 1.604800 1.463000 1.402900 1.365500 1.279700 1.289000 1.454900 1.368900 1.256100 2012 2011 1.407400 1.544400 1.430000 1.402900 1.375500 1.307600 1.278000 1.454900 1.368900 1.222600 2013 2012 1.398000 1.538500 1.425000 1.425000 1.375500 1.357600 1.278000 1.454900 1.368900 1.273000 2014 2013 1.382600 1.528800 1.425000 1.440600 1.375500 1.357600 1.278000 1.451500 1.368900 1.401622 2015 2014 1.362700 1.528800 1.425000 1.440600 1.375500 1.382600 1.278000 1.451500 1.368900 1.465282 2016 2015 1.355900 1.528800 1.420000 1.415000 1.375500 1.382600 1.278000 1.451500 1.368900 1.414900

1.375500

1.375500

1.375500

Overlapping Rates

1.512600

1.532600

1.562600

1.278000

1.450700

1.442173

1.451500

1.451500

1.451500

1.368900

1.607100

1.575900

1.473000

1.473000

1.473000

Source: Bexar County Tax Office, Bexar Appraisal District, and Independent School Districts

1.528800

1.528800

1.558800

1.470000

1.425000

1.440000

Statistical Data Principal Property Taxpayers Current Year and Nine Years Ago

(Dollars In Thousands)

	·		2019		2010					
Taxpayer		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ¹		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ¹		
H.E.Butt Grocery Company	\$	1,314,283	1	1.15%	\$	808,898	1	1.11%		
Microsoft Corporation		747,241	2	0.65%						
United Services Automobile Association		737,788	3	0.64%		334,538	7	0.46%		
Methodist Healthcare System		693,155	4	0.60%		386,376	4	0.53%		
Wal-Mart Stores, Inc.		648,628	5	0.57%		339,493	6	0.47%		
VHS San Antonio Partners LP		625,073	6	0.55%		388,970	3	0.53%		
Toyota Motor Manufacturing Texas, Inc		567,390	7	0.49%		414,407	2	0.57%		
General Growth Properties, Inc. ²		537,618	8	0.47%		263,640	10	0.36%		
Frankel Family Trust		386,095	9	0.34%						
Schlumberger Technology Corporation		361,737	10	0.32%						
Hyatt Regency Hotels						362,530	5	0.50%		
Marriott International, Inc.						302,132	8	0.42%		
AT&T						298,481	9	0.41%		
Total	\$	6,619,008		5.78%	\$	3,899,465		5.36%		

Based on Bexar Appraisal District values as of Certification.
 Formerly named La Cantera Retail LTD Partnership.

Source: City of San Antonio

532,135

567,557

604,639

99.37%

98.92%

98.79%

2,219

188

Statistical Data Property Tax Levies and Collections Last Ten Fiscal Years

(Dollars In Thousands)

2017

2018

2019

Fiscal	1			Fiscal Year o		Col	llections		Total Collections to Date				
Year Ended		for the scal Year ¹		Amount	Percentage of Levy		ibsequent ears ^{2 3}		Amount	Percentage of Levy			
2010	\$	405,896	\$	397,356	97.90%	\$	3,935	\$	401,291	98.87%			
2011		396,621		389,419	98.18%		4,701		394,120	99.37%			
2012		395,466		389,217	98.42%		4,718		393,935	99.61%			
2013		400,055		394,756	98.68%		3,295		398,051	99.50%			
2014		417,936		413,452	98.93%		1,651		415,103	99.32%			
2015	15 442,164 437,746		437,746	99.00%		1,460	439,206		99.33%				
2016	2016 489,748 484,769		484,769	98.98%		2,145		486,914	99.42%				

98.96%

98.89%

98.79%

535,505

573,757

612,018

529,916

567,369

604,639

 $^{^{\}mathrm{1}}$ Taxes levied, less the over-65 and disabled tax freeze amount.

² Penalty, judgments, and interest on judgments are excluded.

³ Amounts represent the taxes levied during that fiscal year-end that were collected in subsequent fiscal years.

Statistical Data Taxable Sales by Category Last Ten Calendar Years

(Dollars In Thousands)

					Calend	ar Year ¹				
	2009	2010	2011	2012	2013 4	2014	2015	2016	2017	2018
Motor Vehicle and Parts Dealers	\$ 412,029	\$ 443,562	\$ 490,986	\$ 541,129	\$ 571,398	\$ 608,744	\$ 614,692	\$ 615,592	\$ 615,479	\$ 638,281
Furniture and Home Furnishings Stores	408,767	401,945	416,000	458,965	480,569	563,611	637,118	563,966	556,688	587,722
Electronics and Appliance Stores	543,728	526,011	643,608	618,470	660,797	545,778	522,708	516,082	524,175	626,402
Building Material and Garden Equipment and										
Supplies Dealers	845,675	931,836	1,018,861	1,171,782	1,270,827	1,430,979	1,528,088	1,547,838	1,612,541	1,673,106
Food and Beverage Stores ²	972,101	993,209	1,028,454	1,090,222	1,214,149	1,242,065	1,267,148	1,301,232	1,307,578	1,378,002
Health and Personal Care Stores	217,338	223,256	256,765	271,402	284,652	292,477	287,982	296,910	286,245	273,322
Gasoline Stations	373,608	388,912	389,164	444,008	392,004	405,563	434,216	462,318	490,228	501,924
Clothing and Clothing Accessories Stores ³	990,423	973,059	1,033,708	1,137,776	1,214,530	1,222,788	1,228,480	1,206,815	1,152,396	1,227,961
Sporting Goods, Hobby, Book and Music Stores	456,367	476,985	503,160	534,610	567,623	574,906	569,892	556,242	504,898	472,035
General Merchandise Stores	2,163,415	2,186,077	2,223,217	2,303,225	2,358,250	2,473,208	2,575,692	2,589,998	2,593,070	2,415,265
Miscellaneous Store Retailers	472,380	499,347	495,304	524,087	558,642	558,764	543,416	541,602	532,605	744,249
Nonstore Retailers	36,814	39,387	57,455	55,622	57,204	62,149	106,696	95,331	78,624	85,046
Food Services and Drinking Places	2,340,982	2,481,983	2,652,204	2,887,476	3,040,666	3,245,232	3,447,511	3,625,730	3,730,076	3,955,173
Total	\$ 10,233,627	\$ 10,565,569	\$ 11,208,886	\$ 12,038,774	\$ 12,671,311	\$ 13,226,264	\$ 13,763,639	\$ 13,919,656	\$ 13,984,603	\$ 14,578,488
City Direct Sales Tax Rate	1.125%	1.125%	1.125%	1.125%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%

Source: Texas Comptroller of Public Accounts

¹ Calendar Year 2019 information will not be available until May 2020.

² General grocery items are not taxable; the sales and use tax applies only to prepared food items and nonfood items.

³ Clothing under \$100 is exempt during the sales and use tax holiday in August.

⁴ In November 2012, the citizens of the City elected to enact a 1/8 cent sales tax to fund the San Antonio Early Childhood Municipal Development Corporation (Pre-K 4 SA).

Statistical Data Direct and Overlapping Sales and Use Tax Rates Last Ten Fiscal Years

Fiscal Year	San Antonio Tax	Pre-K 4 SA Tax ¹	San Antonio ATD ²	San Antonio MTA ³	State of Texas	Total ⁴
2010	1.125%		0.250%	0.500%	6.250%	8.125%
2011	1.125%		0.250%	0.500%	6.250%	8.125%
2012	1.125%		0.250%	0.500%	6.250%	8.125%
2013	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2014	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2015	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2016	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2017	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2018	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2019	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%

¹ In November 2012, the citizens of the City elected to enact a 1/8 cent sales tax to fund the San Antonio Early Childhood Municipal Development Corporation (Pre-K 4 SA).

² San Antonio Advanced Transportation District (ATD) is tax added for improvements to public transportation, streets, highways, and other related transportation infrastructure.

³ San Antonio Metropolitan Transit Authority (MTA) is tax added by the Transit Authority to provide public transportation services within designated boundaries.

⁴ The City is currently at its Sales and Use Tax Rate maximum limit of 8.250%.

Statistical Data Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(dollars in thousands, except per capita)

Governmental Activities

Fiscal Year	o	x-Exempt General bligation Bonds ^{1, 2}	OI	Faxable General bligation onds ^{1, 2}	Coi	c-Exempt nmercial Paper	Ce	x-Exempt ertificates bligation ^{1, 2}	Ce	Taxable rtificates oligation ^{1, 2}	Tax Notes ^{1, 2}	Revenue Sonds ^{1, 2}	Notes Payable		
2010	\$	760,669	\$	191,550	\$	14,370	\$	319,607	\$	80	\$ 29,529	\$ 557,441	\$	50,880	
2011		768,769		191,550				372,509			28,439	575,047		48,816	
2012		873,499		191,550				347,355			32,651	594,084		46,631	
2013		934,975		191,550				340,515			19,844	905,902		43,671	
2014		1,022,004		191,550				292,475			19,325	895,909		41,320	
2015		1,147,841		191,550				262,478		43,825	16,908	885,660		38,810	
2016		1,175,231		191,550				257,939		66,864	36,272	874,310		36,190	
2017		1,151,889		191,550				309,005		65,149	44,003	859,819		28,617	
2018		1,202,655		191,550				395,595		71,328	54,305	844,898		25,692	
2019		1,540,720		4,135				409,368		68,563	59,176	829,475		•	

Governmental Activities Direct Borrowing & Direct Placement: 3

Fiscal Year	Taxable Certificates of Obligation ¹	Tax Notes ¹	Contractual Obligations	Revenue Notes	Capital Leases	Notes Payable				
2010 2011	\$ -	\$ -	\$ -	\$ -	\$ 5,796 17,045	\$ -				
2011					14,193					
2013				18,460	15,285					
2014		19,140	17,500	28,055	8,916					
2015		10,105	8,835	15,725	13,498	6,100				
2016		1,030		12,765	14,822	6,594				
2017	47,000	835		9,715	11,540	6,463				
2018	47,000	635		6,575	22,889	6,361				
2019	47,000	430		3,335	18,771	6,323				

(Continued)

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ Amounts are net of premiums/discounts.

² Restated premiums/discounts in fiscal year 2014

³ In fiscal year 2019, the City adopted GASB Statement No. 88, resulting in the reclassification of direct borrowing and direct placements reported in prior years.

Statistical Data Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(dollars in thousands, except per capita)

Business Type Activities:
Direct Borrowing &
Direct Placement: 2

Business-Type Activities

Fiscal Year	Ob Ob	a-Exempt General Oligation Gonds ¹	Ob Ob	axable General Oligation Bonds ¹	Certi	Tax-Exempt Certificates of Obligation 1		Revenue Bonds ¹	Tax Notes ¹	 Capital Leases	G	Total Primary overnment	Percentage of Personal Income ³		Per Capita ³
2010	\$	1,435	\$	16,992	\$	2,225	\$	353,395	\$ 34,500	\$ 25,615	\$	2,364,084	8.22%	\$	1,764
2011		1,401		16,163		2,125		413,814		21,140		2,456,818	8.69%		1,862
2012		1,337		14,969		2,007		395,483		21,312		2,535,071	8.92%		1,911
2013		1,286		13,658		1,894		374,045		16,105		2,877,190	9.91%		2,116
2014		1,329		12,093		1,670		350,636		16,471		2,918,393	9.49%		2,110
2015		2,542		11,098		331		498,477		15,580		3,169,363	10.04%		2,249
2016		2,579		10,102		7,604		479,959		33,598		3,207,409	9.78%		2,232
2017		2,472		9,080		13,074		460,587		23,425		3,234,223	9.27%		2,200
2018		2,265		8,004		38,336		440,472	36,000	16,939		3,411,499	9.40%		2,248
2019		2,054		6,862		44,069		423,862	36,000	8,127		3,508,270	9.27%		2,284
													(E	nd of	Schedule)

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ Amounts are net of premiums/discounts.

² In fiscal year 2019, the City adopted GASB Statement No. 88, resulting in the reclassification of direct borrowing and direct placements reported in prior years.

³ See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and

Statistical Data

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

		Governmental and Business-Type Activities ¹														Percentage of		
	General																Actual Taxable	
Fiscal	Obligation	1	Cert	tificates of		Тах	Conti	ractual				Less	Le	ss Debt	ľ	let Debt	Value of	Per
Year	Bonds		OI	bligation		Notes	Obligations		Total ²		Pr	incipal ³	Service Fund ⁴		Outstanding		Property	 Capita ⁵
2010	\$ 970	,646	\$	321,912	\$	64,029	\$	-	\$	1,356,587	\$	(96,675)	\$	(78,816)	\$	1,181,096	1.62%	\$ 881.05
2011	977	,883		374,634		28,439				1,380,956		(63,068)		(60,814)		1,257,074	1.77%	952.70
2012	1,081	,355		349,362		32,651				1,463,368		(81,348)		(54,151)		1,327,869	1.88%	1,001.00
2013	1,141	,469		342,409		19,844				1,503,722		(57,730)		(45,426)		1,400,566	1.96%	1,030.03
2014	1,226	,976		294,145		38,465		17,500		1,577,086		(69,915)		(38,233)		1,468,938	1.97%	1,061.99
2015	1,353	,031		306,634		27,013		8,835		1,695,513		(104,680)		(34,430)		1,556,403	1.96%	1,104.60
2016	1,379	,462		332,407		37,302				1,749,171		(132,940)		(33,478)		1,582,753	1.77%	1,101.66
2017	1,354	,991		434,228		44,838				1,834,057		(184,962)		(32,497)		1,616,598	1.65%	1,099.86
2018	1,404	,474		552,259		90,940				2,047,673		(254,237)		(28,981)		1,764,455	1.67%	1,162.46
2019	1,553	,771		569,000		95,606				2,218,377		(249,423)		(26,158)		1,942,796	1.72%	1,264.73

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ Governmental and Business-Type amounts are net of premiums/discounts.

² Airport, Solid Waste, Development Services, and Parking utilized part of this debt from fiscal year 2010 to fiscal year 2019; refer to Note 7 Long-Term Debt.

³ Resources have been externally restricted for the repayment of the principal of debt.

⁴ Amount available for repayment of general obligation bonds, certificates of obligation, tax notes, and contractual obligations.

⁵ Population data can be found in Demographic and Economic Statistics.

Statistical Data Direct and Overlapping Governmental Activities Debt As of September 30, 2019

(Dollars In Thousands)

	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Shares of Overlapping Debt
Governmental Unit:			
Debt Repaid with Property Taxes:			
Alamo Community College Bonds	\$ 426,018	71.55%	\$ 304,806
Bexar County Bonds	1,762,337	71.61%	1,262,015
San Antonio River Authority Bonds	20,066	69.70%	13,986
University Health System	839,649	71.50%	600,349
Alamo Heights Independent School District Bonds	192,128	50.76%	97,519
East Central Independent School District Bonds	116,117	49.39%	57,352
Edgewood Independent School District Bonds	65,789	100.00%	65,789
Harlandale Independent School District Bonds	216,957	100.00%	216,957
Judson Independent School District Bonds	594,712	36.61%	217,753
Northeast Independent School District Bonds	1,325,675	84.71%	1,122,970
Northside Independent School District Bonds	2,157,863	71.78%	1,548,918
San Antonio Independent School District Bonds	780,913	99.21%	774,733
Somerset Independent School District Bonds	33,812	4.36%	1,474
South San Antonio Independent School District Bonds	156,587	100.00%	156,587
Southside Independent School District Bonds	92,334	32.96%	30,432
Southwest Independent School District Bonds	481,961	65.50%	315,667
Total Overlapping Debt			\$ 6,787,307
City Direct Debt			\$ 2,800,878
Total Direct and Overlapping Debt			\$ 9,588,185

Sources: Assessed value data used to estimate applicable percentages provided by the districts. Debt outstanding data provided by each overlapping government.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of San Antonio. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Statistical Data Legal Debt Margin Information Last Ten Fiscal Years

(Dollars In Thousands)

Legal Debt Margin Calculation for Fiscal	Year 2019
Assessed Value	\$ 132,647,906
Debt Limit (10.0% of Assessed Value)	13,264,791
Debt Applicable to Limit:	
Total Bonded Debt	2,041,830
Less: Self-Supporting Debt:	(249,423)
Debt Supplemented by Other Sources	
Assets Available for Payment of	
Principal In:	
Debt Service Fund	(28,713)
Total Net Debt Applicable to Limit	1,763,694
Legal Debt Margin	<u>\$ 11.501.097</u>

					Fisca	al Ye	ar						
	2010	2011	2012	2013	2014		2015		2016	2017		2018	2019
Debt Limit Total Net Debt Applicable to Limit	\$ 8,448,161 1,159,482	\$ 8,273,618 1,177,644	\$ 8,265,658 1,246,134	\$ 8,349,432 1,297,787	\$ 8,698,321 1,381,400	\$	9,247,186 1,448,815	·	10,432,156 1,450,349	\$ 11,444,581 1,487,662	·	2,433,599 1,626,425	\$ 13,264,791 1,763,694
Legal Debt Margin Total Net Debt Applicable to the Limit as a Percentage	\$ 7,288,679	\$ 7,095,974	\$ 7,019,524	\$ 7,051,645	\$ 7,316,921	\$	7,798,371	\$	8,981,807	\$ 9,956,919		0,807,174	\$ 11,501,097
of Debt Limit	13.7%	14.2%	15.1%	15.5%	15.9%		15.7%		13.9%	13.0%	1	13.1%	13.3%

 $\textbf{Note:} \ \text{City Charter and the Constitution of the State of Texas sets limits of bond indebtedness at 10.0\% of assessed valuation.}$

Statistical Data Pledged-Revenue Coverage Last Ten Fiscal Years

(Dollars In Thousands)

		Hotel Occupancy Tax Revenue Bonds ¹					Texas Convention Center Hotel Finance ²							
	' <u>-</u>	Hotel							Net					
Fiscal	Od	ccupancy		Debt 9	Service				Revenues		Debt 9	Service		
Year		Tax	Pr	incipal	Ir	nterest	Coverage		of Hotel		Principal		Interest	Coverage
2010	\$	46,460	\$	7,265	\$	4,199	4.1	\$	-	\$	2,150	\$	10,442	
2011		48,975		7,660		3,952	4.2				2,320		10,345	
2012		52,840		8,385		3,819	4.3				2,500		10,238	
2013											2,690		10,122	
2014											2,895		9,993	
2015											3,120		9,850	
2016											3,350		9,699	
2017											3,600		9,528	
2018											3,860		9,344	
2019											4,140		9,148	

Municipal Drainage Utility System Starbright Industrial Development Corporation Municipal Fiscal **Drainage Utility Debt Service** Pledged **Debt Service** Year System Revenue Principal Interest Revenue Principal Interest Coverage Coverage 2010 36,972 2,795 4,507 5.1 \$ 283,502 \$ 565 1,097 170.6 2011 2,915 585 37,576 4,390 5.1 297,630 1,078 179.0 2012 38.187 3.055 4,253 5.2 288,096 605 1,057 173.3 2013 38,847 3,200 2,851 6.4 293,310 605 484.8 2014 39,279 3,245 6.0 331,717 733 452.5 3,312 2015 39,919 3,390 733 3,170 6.1 332,068 453.0 42,955 2016 3,515 3,045 331,847 825 733 213.0 6.6 2017 2,919 935 724 47,436 3,645 7.2 346,985 209.2 2018 3,785 2,770 7.7 371,136 950 710 223.6 50,167 2019 51,730 3,965 2,596 7.9 358,789 965 693 216.4 (Continued)

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Operating expenses do not include interest, depreciation, or amortization expenses.

¹ In fiscal year 2013 the City's Public Facilities Corporation issued Lease Revenue Bonds to refund all Hotel Occupancy Tax Revenue Bonds and finance the Convention Center expansion project. The debt issued by the Public Facilities Corporation is paid by annually appropriated lease payments made by the City to the Public Facilities Corporation.

² The bonds are secured by a lien on and are payable from the following sources of revenue (in the order of priority given): first, the Pledged Hotel Operating Revenues which are the net revenues derived from the Hotel that remain after making necessary monthly escrow payments for property taxes; insurance premiums; and furniture, fixtures, and equipment replacements; second, the State Hotel Occupancy Tax collected at the Hotel; third, the Hotel specific General Hotel Occupancy Tax (7.0% HOT); and fourth, the Expansion Hotel Occupancy Tax revenues collected Citywide (2.0% HOT).

6,823

700

1.9

(End of Schedule)

Statistical Data Pledged-Revenue Coverage Last Ten Fiscal Years

(Dollars In Thousands)

			Airport	Syste	m						
	Airp	ort									
Fiscal	Syst	em	Debt :	Service	2						
Year	Reve	nues	 Principal		Interest		Coverage				
2010	\$	68,224	\$ 5,380	\$	11,770		4.0				
2011		83,289	13,325		11,661		3.3				
2012		90,164	12,845		10,200		3.9				
2013		89,324	13,190		10,750		3.7				
2014		91,035	13,440		9,874		3.9				
2015		91,618	11,250		9,316		4.5				
2016		96,847	11,695		10,670		4.3				
2017		94,687	12,220		10,296		4.2				
2018		106,953	12,795		9,731		4.7				
2019		116,004	8,385		9,170		6.6				
						PF	C Operations				
	PF	:C			Less:		Net				
Fiscal	Begin	ning	PFC		PFC		Available	Debt 9	Service	<u> </u>	
Year	Fund B		Revenues		Expenses		Revenue	 Principal		Interest	Coverage
2010	\$	30,752	\$ 16,766	\$	6,049	\$	41,469	\$ 3,690	\$	7,066	3.9
2011		32,498	16,197		7,926		40,769	4,845		7,783	3.2
2012		25,200	16,364		3,725		37,839	4,795		7,605	3.3
2013		21,542	16,064		715		36,891	4,925		7,904	2.9
2014		21,165	15,318		10		36,473	5,225		7,609	2.8
2015		20,230	16,582		340		36,472	5,460		7,380	2.8
2016		19,868	16,035		113		35,790	5,705		7,138	2.8
2017		19,228	17,994				37,222	5,975		6,869	2.9
2018		20,727	19,032				39,759	6,265		6,583	3.1
2019		23,482	20,130				43,612	6,580		6,274	3.4
						CFC	Operations ¹				
	CF				Less:		Net				
Fiscal	Begin	•	CFC		CFC		Available	Debt :	Service	!	
Year	Fund B	alance	Revenues		Expenses		Revenue	 Principal		Interest	Coverage
2015	\$	-	\$ 9,621	\$		\$	9,621	\$ -	\$		
2016			10,694				10,694			6,293	1.
2017			10,676				10,676			6,823	1.
2018			12,024				12,024			6,823	1.3
2019			14.263				14.263	700		6.823	1.0

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Operating expenses do not include interest, depreciation, or amortization expenses.

14,263

2019

14,263

¹ CFC Operations started in fiscal year 2015.

Statistical Data Demographic and Economic Statistics Last Ten Calendar Years

Year	Population	Personal Income	P	r Capita ersonal ncome	Median Age	School Enrollment	Unemployment Rate
2009	1,340,549	\$ 28,750,754	\$	21,447	32.6	296,328	5.9%
2010	1,319,492	28,260,879		21,418	32.1	387,343	7.0%
2011	1,326,539	28,421,098		21,425	32.8	392,897	7.1%
2012	1,359,730	29,038,394		21,356	32.7	396,718	6.4%
2013	1,383,194	30,752,552		22,233	33.2	397,500	5.8%
2014	1,409,019	31,581,326		22,414	33.0	407,047	4.8%
2015	1,436,697	32,790,329		22,823	33.2	401,771	3.7%
2016	1,469,824	34,905,380		23,748	33.1	403,558	3.7%
2017	1,517,866	36,308,882		23,921	33.5	401,867	3.5%
2018	1,536,137	37,827,377		24,625	33.6	410,625	3.5%

Sources: Population, personal income, per capita income, median age, and school enrollment information provided by the Planning & Community Development Department, City of San Antonio, Texas. Unemployment rate provided by the Texas Workforce Commission.

Statistical Data Principal Employers Current Year and Nine Years Ago

		2019			2010	
Employer	Employees	Rank	Percentage of Total City Employment ¹	Employees	Rank	Percentage of Total City Employment ²
Joint Base San Antonio (JBSA) -						
Lackland, Fort Sam & Randolph ³	80,000	1	7.56%	75,052	1, 2, 6	9.22%
H.E.B. Food Stores	22,000	2	2.08%	17,664	3	2.17%
United Services Automobile Association	19,000	3	1.80%	14,589	4	1.79%
Northside Independent School District	13,977	4	1.32%	12,597	5	1.55%
City of San Antonio	13,881	5	1.31%	11,017	7	1.35%
Methodist Health Care System	9,851	6	0.93%	7,154	10	0.88%
North East Independent School District	9,001	7	0.85%	10,223	8	1.25%
San Antonio Independent School District	7,677	8	0.73%	7,714	9	0.95%
Baptist Health Systems	6,371	9	0.60%			
JPMorgan Chase & Co.	5,000	10	0.47%			
Total	186,758		17.65%	156,010		19.16%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2019, and Department of Defense personnel statistics.

¹ Percent based on an Employment Estimate of 1,058,300 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2019. Figure provided by the Texas Workforce Commission.

² Percent based on an Employment Estimate of 814,900 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2010. Figure provided by the Texas Workforce Commission.

³ In fiscal year 2012, Lackland, Fort Sam and Randolph military operations were consolidated into Joint Base San Antonio. In fiscal year 2010, the employee counts were 35,026, 28,082, and 11,944, respectively.

Statistical Data
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Last Ten Fiscal Years										
	2010	2011	2012	Full-time t 2013	Equivalent Employee 2014	es as of September 2015	30 2016	2017	2018	2019
Function/Program:	2010	2011	2012	2013	2017	2013	2010	2017	2010	2013
Mayor and Council	17	15	18	19	18	15	15	18	18	13
City Manager	17	17	15	18	18	15	20	18	18	15
Animal Care Services	108	103	117	116	109	112	116	121	123	133
Arts and Culture ¹⁴	11	12	12	19	20	24	18	17	16	16
Aviation Civilian Employees	415	409	425	338	322	349	353	368	408	427
Aviation Uniformed - Fire and Rescue	30	31	33	52	49	31	28	30	30	32
Building & Equipment Services 11	147	157	256	250	155	156	157	169	166	173
Capital Management Services (CMS) 10	196	200	200	198						
Center City Development ^{2, 9, 14, 20}		6	7	7	121	114	132	136	132	139
City Attorney	104	99	95	94	84	84	83	79	79	81
City Auditor	22	20	21	21	21	22	24	21	21	22
City Clerk	20	21	22	27	30	28	29	29	32	31
Code Enforcement Services					137	133	141	142	146	149
Communications and Public Affairs 8, 13	8	13	16	16	56	50				
Convention and Visitors Bureau 17	86	84	132	127	80	81	76			
Convention, Sports and Entertainment Facilities	280	290	311	292	297	283	285	312	322	330
Customer Services/311 System ⁸	56	59	52	42						
Development Services 1,6	200	225	199	195	221	231	233	255	261	273
Downtown Operations ⁹	160	140	143	123						
Eastpoint 20					15	15	3	4	2	
Early Education Development				146	300	344	356	358	373	373
Economic Development ^{2, 12}	33	24	27	21	24	23	29	35	34	33
Finance 3, 15	82	89	134	186	145	147	143	134	131	131
Firefighters and EMS	1,568	1,606	1,612	1,641	1,655	1,601	1,616	1,714	1,719	1,734
Fire Department Civilian Employees	159	144	124	107	112	153	158	264	163	146
Government and Public Affairs 13, 18							59	69	34	35
Grants Monitoring and Administration 5	25	22	16							
Health	360	345	314	295	292	306	312	354	364	372
Housing and Neighborhood Services 7	154	131	133	134						
Human Resources	73	69	84	80	105	102	105	112	74	77
Human Services	278	251	286	285	255	297	296	312	310	305
Information Technology Services	214	199	194	317	309	309	314	317	322	320
Intergovernmental Relations 12	5	5	5	5	7	7				
International Affairs ⁴	8	4	4							
Library	300	321	497	468	297	297	308	310	321	322
, Municipal Court	174	182	188	171	175	168	160	114	124	122
Municipal Court Detention Center								41	38	35
Neighborhood and Housing Services ¹⁹									51	70
Non Departmental ⁴	36	36	30	53	35	36	28	40	29	35
Office of 311/Customer Service 18									37	36
Office of Historic Preservation ⁶					12	16	15	18	16	19
Office of Innovation 16								8	5	9
Office of Management and Budget 16	17	23	22	21	26	24	24	18	16	19
Parks and Recreation	617	602	630	587	566	594	606	474	464	469
Parks Police								160	174	185
Planning 1, 5, 19			48	57	52	56	55	62	18	22
Police Officers	2,229	2,261	2,276	2,311	2,333	2,191	2,199	2,201	2,240	2,311
Police Department Civilian Employees	599	585	565	547	506	541	551	815	773	838
Public Works ¹⁰	610	591	600	547						
Purchasing and Contract Services ³	136	131	2							
Risk Management 15	150	151	-					19	17	24
Solid Waste Management ¹¹	455	447	521	512	578	606	609	649	684	694
Transportation and Capital Improvements ¹⁰	.55	* * * *	321	51 2	698	741	740	758	794	809
Transportation and Capital Improvements Total	10,009	9,969	10,386	10,445	10,235	10,302	10,396	11,075	11,099	11,379
	10,003	3,303	_3,500	-5,5	-0,200		20,000			_1,5,5

Statistical Data

Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

Source: City of San Antonio, Texas. Figures account for actual employment positions filled.

- ¹ In fiscal year 2009, Planning and Community Development was combined with Development Services and then split back up in fiscal year 2012.
- ² In fiscal year 2011, Center City Development was separated from Economic and Employment Development.
- ³ In fiscal year 2012, Purchasing and Contract Services was combined with Finance.
- ⁴ In fiscal year 2013, International Affairs was combined with Non Departmental.
- ⁵ In fiscal year 2013, Grants Monitoring and Administration was combined with Planning and Community Development.
- ⁶ In fiscal year 2014, Office of Historic Preservation split from Development Services.
- ⁷ In fiscal year 2014, Housing and Neighborhood services combined with Planning and Community Development.
- ⁸ In fiscal year 2014, Customer Services/311 Systems combined with Communications and Public Affairs.
- ⁹ In fiscal year 2014, Downtown Operations was combined with Center City Development.
- 10 In fiscal year 2014, Public Works and CMS combined to form Transportation and Capital Improvements.
- ¹¹ In fiscal year 2015, some Fleet employees were reclassed from Building Equipment Services into Solid Waste Management.
- ¹² In fiscal year 2016, the International Relations Office was combined with the Economic Development Department.
- 13 In fiscal year 2016, the Communications and Public Affairs Department was combined into the Government and Public Affairs Department.
- ¹⁴ In fiscal year 2016, some employees were reclassed from Arts & Culture into Center City Development.
- ¹⁵ In fiscal year 2017, Risk Management split from the Finance Department.
- ¹⁶ In fiscal year 2017, Office of Innovation split from Office of Management and Budget (OMB).
- ¹⁷ In fiscal year 2017, the Convention and Visitors Bureau transitioned to the independent, non-profit corporation, Visit San Antonio (VSA).
- ¹⁸ In fiscal year 2018, Customer Services/311 Systems split from Government and Public Affairs Department.
- ¹⁹ In fiscal year 2018, some employees were reclassed from Planning into Neighborhood and Planning Department.
- ²⁰ In fiscal year 2019, Eastpoint was combined with Center City Development.

Statistical Data Operating Indicators by Function/Program Last Ten Fiscal Years

Fiscal Year 2011 2012 2013 2017 2018 2010 2014 2015 2016 2019 Function/Program: Police: Physical Arrests 1 186,181 161,604 165.319 164,310 180,667 188.212 116,382 103,443 103,318 54,173 **Parking Violations** 76,142 62.170 78.612 77.570 76.128 74,716 77.694 92.678 73,561 61,202 **Traffic Violations** 254,011 165,908 266,157 226,084 215,164 182,237 183,140 166,659 178,759 144,358 Fire: Fire Incidents 104,253 114,087 108,507 105,404 99,191 114,483 142,358 160,520 167,977 174,701 Fires Extinguished 2,390 3,121 2,218 2,420 2,371 2,046 2,881 2,756 2,512 3,155 Inspections 22,459 21,180 25,057 23,891 24,517 24,668 24,300 29,693 32,222 31,659 Solid Waste: Refuse Collected (tons per day) 1,376 1,137 1,123 1,084 1,219 1,225 1,305 1,247 1,230 1,138 Recyclables Collected (tons per day) 478 446 501 593 504 581 627 628 592 678 Other Public Works: Street Resurfacing (miles) 423.00 275.00 348.00 252.00 241.00 270.00 271.00 241.00 275.00 300.00 Potholes Repaired 42,240 15,137 11,431 10,465 12,955 29,401 57,679 75,127 85,443 100,520 Parks and Recreation: Athletic Field Permits Issued 1,945 3,939 4,273 4,746 5,043 4,116 3,919 3,634 4,166 4,026 2.015 2.097 3.172 **Community Center Reservations** 1.930 1,735 2,198 2,173 2.114 2.550 3,124 Library: Volumes in Collection 2,241,491 2,333,032 2,216,722 2,155,139 2,139,234 2,179,598 2,214,770 2,066,789 2,083,989 2,016,804 Volumes in Circulation 6,601,175 6,733,534 7,354,466 7,396,057 7,330,691 7,282,570 7,384,064 8,001,230 7,177,889 7,362,800 Water: Customers 352,059 356,546 378,365 496,543 360,281 365,099 367,408 373,920 488,705 505,627 Water Main Breaks 3,397 3,212 1,475 2,128 1,863 2,018 2,151 1,194 1,843 2,329 Average Daily Consumption (millions of gallons) 181.4 188.0 204.5 192.2 189.1 191.3 194.2 240.5 245.6 233.1 **Maximum Daily Consumption** (millions of gallons) 243.5 265.6 264.0 270.2 261.0 292.9 359.9 302.8 301.1 266.0 Wastewater: Amount Treated Peak Day (millions of gallons) 194.0 258.0 160.0 199.0 221.0 196.0 286.0 311.0 245.0 235.0

Sources: Various City departments and San Antonio Water System.

¹ City Class "C" offenses.

Statistical Data Capital Asset Statistics by Function/Program Last Ten Fiscal Years

					Fiscal	Year				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program:	'								·	
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	6	6	6	6	6	6	6	6	6	6
Marked Patrol Units ¹	680	716	716	716	716	716	719	769	768	768
Fire:										
Fire Stations	50	50	51	51	51	51	51	53	53	54
Solid Waste:										
Garbage Trucks	49	65								
Recycling Trucks ²										
Dual Purpose Collection Vehicles ²	120	160	323	333	349	360	377	377	377	383
Other Public Works:										
Streets (miles)	4,064	4,066	4,066	4,066	4,066	4,066	4,081	4,081	4,152	4,155
Highways (miles)	1,046	1,036	1,036	1,140	1,180	1,180	1,180	1,180	1,180	1,219
Streetlights	79,468	79,468	70,714	71,531	71,877	71,834	74,010	77,521	79,290	79,936
Traffic Signals	1,288	1,299	1,317	1,332	1,366	1,385	1,397	1,402	1,419	1,422
Parks and Recreation:										
Acreage	14,282	14,288	14,519	14,822	14,866	15,469	15,572	15,933	15,942	15,994
Playgrounds	148	154	166	177	178	196	197	200	221	223
Baseball/Softball Diamonds	129	129	129	129	130	129	129	129	129	129
Soccer/Football Fields	93	93	94	94	94	94	100	100	100	114
Golf Courses	7	7	7	7	7	8	8	8	8	8
Swimming Pools	27	26	26	26	26	26	26	25	25	26
Community Centers	30	30	30	30	30	30	30	30	30	30
Water:										
Water Mains (miles)	4,866	4,936	4,988	5,022	5,072	5,259	5,315	6,961	7,060	7,144
Fire Hydrants	26,599	27,115	27,566	27,914	28,323	28,753	29,530	39,998	40,872	41,553
Storage Capacity										
(millions of gallons)	166.2	180.8	184.1	183.7	197.4	220.6	221.0	269.2	277.2	287.6
Wastewater:										
Sewer Mains (miles)	5,085	5,118	5,163	5,200	5,238	5,247	5,322	5,375	5,482	5,535
Storm Sewers (miles)	498.0	581.0	581.0	581.0	700.0	700.0	700.0	574.0	646.0	623.0
Permitted Treatment Capacity										
(millions of gallons)	187.0	187.0	187.0	187.0	187.0	187.0	187.0	187.0	187.0	187.0

Sources: Various City departments, CPS Energy, TxDOT, and San Antonio Water System.

 $^{^{1} \ \, \}text{The number of units reported in fiscal year 2011 includes all marked patrol vehicles, regardless of function.}$

The City has purchased dual purpose vehicles, which serve both as garbage and recycle collection vehicles.

FEDERAL SECTION

Summary Schedule of Federal Awards by Type Last Two Fiscal Years

Grant Type	Fiscal Year 2019		20	Fiscal Year 2018 (Restated)		Variance Increase (Decrease)
Federal Categorical Grants:						
Air Transportation	\$	12,560,397	\$	2,363,934	\$	10,196,463
Criminal Justice		3,862,718		7,537,955		(3,675,237)
Emergency Management		3,797,450		1,506,972		2,290,478
Environmental Quality		257,642		453,456		(195,814)
Public Health		14,928,958		14,141,802		787,156
Public Works		15,356,000		1,801,300		13,554,700
Recreation and Culture		1,405,230		1,230,206		175,024
Social Services		94,834,655		81,410,794		13,423,861
Total Federal Categorical Grants	\$	147,003,050	\$	110,446,419	\$	36,556,631
Federal Block Grants:		_				_
Community Development Block Grant	\$	12,741,544	\$	11,604,919	\$	1,136,625
HOME Program Block Grant		5,491,627	_	3,898,909		1,592,718
Total Federal Block Grants	\$	18,233,171	\$	15,503,828	\$	2,729,343
Total Federal Grants	\$	165,236,221	\$	125,950,247	\$	39,285,974

Air Transportation increase of \$10.2 million is primarily due to the receipt of new Federal Aviation Administration Airport Improvement Program (AIP) Grants. New AIP funding includes \$4.6 million for Taxiway Projects and \$2.4 million for the Master Plan Phase II Project. The City also received \$2.3 million in Voluntary Airport Low Emissions grant for the Emissions Reduction Project in fiscal year 2019.

Criminal Justice decrease of \$3.7 million is due to the \$3.1 million Community Oriented Policing Services (COPS) multi-year grant awarded in fiscal year 2018 and \$208 thousand Technology Innovation for Public Safety (TIPS) grant awarded in fiscal year 2018 that was not received in fiscal year 2019.

Emergency Management increase of \$2.3 million is due to the 2018 Urban Area Security Initiative (UASI) and the 2018 State Homeland Security Program (SHSP) both being awarded in fiscal year 2019 for \$1.1 million and \$854 thousand respectively; and the receipt of the Emergency Management Performance Grant (EMPG) for fiscal year 2018 and 2019 both being awarded in fiscal year 2019 for a total of \$321 thousand.

Public Health increase is due primarily to a \$618 thousand increase in WIC Grant funding.

Public Works increase of \$13.6 million is due to the receipt of \$15.4 million from six Advanced Funding Agreements (AFA) between the City and Texas Department of Transportation (TxDOT) that are multi-year grants for multi-year projects.

Social Services increase of \$13.4 million is primarily due to the Child Care Service Program receiving \$12.1 million in additional funding for direct costs, additional enrollments, and rate increases to providers.

The City receives multi-year grants that are awarded during the fiscal year, as well as grants whose award dates do not correlate with the City's fiscal year. As such, expenditures for these grants will be reported on the Schedule of Federal Expenditures when expended, and expenditures will not always be reported in the same year the award was received.

Schedule of
Expenditures of
Federal Awards by
Grantor, Federal
Program and Grant
Number

Schedul	le of Expend	ditures of	^f Federal	Awards
Year-End	led Septembe	r 30, 2019		

	FEDERAL				
FEDERAL GRANTOR/PASS THROUGH	CFDA	GRANT	CITY	AMOUNTS TO	FEDERAL
GRANTOR/FEDERAL PROGRAM	NUMBER	NUMBER	NUMBER	SUBRECIPIENTS	EXPENDITURES
U. S. Department of Agriculture:					
Pass Through - Texas Department of State Health Services: WIC Special Supplemental Nutrition Program for Women,					
Infants. and Children:					
WIC 2016-2017	10.557	2017-049832-001	22-01636011	\$ -	\$ (213)
WIC 2017-2018	10.557	2017-049832-001 2017-049832-001A	22-01030011	,	258,284
WIC 2018-2019	10.557	2017-049832-001	22-01636048		5,245,097
Total Special Supplemental Nutrition Program for Women,	20.557	2017 0.3032 001	22 010000 10		3,2 13,037
Infants, and Children				\$ -	\$ 5,503,168
Child Nutrition Cluster:					
Pass Through - Texas Department of Agriculture:					
Summer Food Service Program for Children:					
Summer Food Program 2019	10.559	CE ID 01566	22-02026004	\$ -	\$ 484,935
Total Child Nutrition Cluster				\$ -	\$ 484,935
Total U.S. Department of Agriculture				\$ -	\$ 5,988,103
U.S. Department of Housing and Urban Development:					
Direct Programs					
Housing Counseling Assistance Program: Housing Counseling Program 2017	14.169	HC170821025	22-05438010	\$ -	\$ 174
Housing Counseling Program 2018	14.169	HC180821030	22-05457002	· ·	11,513
Total Housing Counseling Assistance Program	14.103	110100021030	22-03437002	\$ -	\$ 11,687
Total Housing Counseling Assistance Hogiani					7 11,007
CDBG - Entitlement Grant Cluster:					
Community Development Block Grants/Entitlement Grants:					
Community Development Program - 29th Year	14.218	B03MC480508	28-029000	\$ -	\$ 383,742
Community Development Program - 38th Year	14.218	B12MC480508	28-038000		105,047
Community Development Program - 39th Year	14.218	B13MC480508	28-039000		82,598
Community Development Program - 40th Year	14.218	B14MC480508	28-040000	216,553	582,084
Community Development Program - 41st Year	14.218	B15MC480508	28-041000		550,072
Community Development Program - 42nd Year	14.218	B16MX480508	28-242000		589,156
Community Development Program - 43rd Year	14.218	B17MX480508	28-243000	23,060	718,851
Community Development Program - 44th Year	14.218	B18MX480508	28-244000	331,476	7,360,821
Neighborhood Stabilization Grant	14.218	B08MN480501	23-28000001	244,482	268,436
CDBG Investment Partnerships Program Outstanding Loans Neighborhood Stabilization Grant Program Outstanding Loans	14.218 14.218	Various Various	Various Various		1,778,600 2,568,668
Total Community Development Block Grants/Entitlement Grants	14.210	various	various	\$ 815,571	\$ 14,988,075
Total CDBG - Entitlement Grant Cluster				\$ 815,571	\$ 14,988,075
Emergency Solutions Grant Program: ESG 2017-2019	14.231	E17MC480508	22-05438009	\$ 45,237	\$ 68,086
ESG 2018-2020	14.231	E18MC480508	22-05438014	770,326	962,191
Total Emergency Solutions Grant Program	14.251	L16WC460506	22-03438014	\$ 815,563	\$ 1,030,277
HOME Investment Partnerships Program:					
HOME Program Grant - 18th Year	14.239	M09MC480508	25-018000	\$ -	\$ 1,337
HOME Program Grant - 19th Year	14.239	M10MC480508	25-019000		81,105
HOME Program Grant - 21st Year	14.239	M12MC480508	25-021000		22,537
HOME Program Grant - 22nd Year	14.239	M13MC480508	25-022000		1,627,942
HOME Program Grant - 23rd Year	14.239	M14MC480508	25-023000		603,631
HOME Program Grant - 24th Year	14.239	M15MC480508	25-024000		12,951
HOME Program Grant - 25th Year	14.239	M16MC480508	25-225000		3,385,060
HOME Program Grant - 26th Year HOME Program Grant - 27th Year	14.239 14.239	M17MC480508	25-226000 25-227000		1,320,404
HOME Program Grant - 27th rear HOME Investment Partnerships Program Outstanding Loans	14.239	M18MC480508 Various	Various		1,607,286 32,433,964
Total HOME Investment Partnerships Program	14.233	various	various	\$ -	\$ 41,096,217
Housing Opportunities for Persons with AIDS:					
HOPWA 2017-2020	14.241	TXH17F005	22-05438006	\$ 50,576	\$ 52,548
HOPWA 2018-2021	14.241	TXH18F005	22-05438013	1,416,746	1,459,618
Total Housing Opportunities for Persons with AIDS				\$ 1,467,322	\$ 1,512,166
Lead Hazard Reduction Demonstration Grant Program:					
Lead Hazard Reduction Demonstration 2016-2019	14.905	TXLHD0297-16	22-05450001	\$ -	\$ 471,532
Healthy Homes Technical Studies Grants: Healthy Homes Tech Grant	14.906	MILTS0007-17	22-05457003	\$ -	\$ 1,250
Total U.S. Department of Housing and Urban Development	14.500	WIIE130007-17	22-03437003	\$ 3,098,456	\$ 1,250 \$ 59,111,204
				y 3,030,430	y 33,111,204

Schedule of Expenditures of Federal Awards
Voor Ended Sentember 20, 2019

	FEDERAL					
FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	CFDA NUMBER	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERA EXPENDITU	
U.S. Department of Justice:						
Direct Programs						
Services for Trafficking Victims:						
Enhanced Collaborative Model to Combat Human Trafficking	16.320	2016-VT-BX-K011	22-02817002	\$ -	\$ 22	24,714
Public Safety Partnership and Community Policing Grants: Cops CHRP Grant 2018-2020	16.710	2017ULWX0018	22-02817007	\$ -	\$ 1,67	72,676
Edward Byrne Memorial Justice Assistance Grant Program:						
SAPD NIBIN Implementation Program	16.738	2017-DG-BX-K009	22-02817005	\$ -	\$	7,147
Pass-Through - Bexar County: Edward Byrne Memorial Justice Assistance Grant Program:						
JAG 2016-2020	16.738	2016-DJ-BX-0205	22-02817004	\$ -	\$	9
JAG 2017-2021	16.738	2017-DJ-BX-0847	22-02817008		15	6,206
JAG 2018-2021	16.738	2018-DJ-BX-0415	22-02817011			20,879
Total Edward During Mamorial Justice Assistance Cront Drogram				\$ -		77,094
Total Edward Byrne Memorial Justice Assistance Grant Program Direct Programs				\$ -	\$ 28	34,241
Economic, High-Tech, and Cyber Crime Prevention:						
Intellectual Property Crimes 2018	16.752	2018-IP-BX-0019	22-02817009	\$ -	\$ 4	18,263
Equitable Sharing Program:						
Airport Federal Account	16.922	N/A	29-037000	\$ -		15,780
Federal Account	16.922	N/A	29-039000 29-046000			16,088
HIDTA - Federal Account Total Equitable Sharing Program	16.922	N/A	29-046000	\$ -		55,452 17,320
				*		
Total U.S. Department of Justice				\$ -	\$ 2,62	17,214
U.S. Department of Transportation: Direct Program						
Airport Improvement Program:						
Expand Apron 80-2014	20.106	3-48-0192-080-2014	26-05833068	\$ -		94,988
Master Plan Update, SAT Perimeter Road Pk2 88-17	20.106 20.106	3-48-0192-091-2018 3-48-0192-088-2017	22-05833011 22-05833007			35,469
Rehabilitate Perimeter RD 87-2016	20.106	3-48-0192-088-2017	22-05833007			16,966 20,078
Rehabilitate Taxiway G 77-2014	20.106	3-48-0192-077-2014	26-05833065			6,404
Rehabilitate Taxiway N 78-2014	20.106	3-48-0192-078-2014	26-05833066			16,178
Residential Acoustical Program 85-2016	20.106	3-48-0192-085-2016	22-05833004		2,26	66,716
Residential Acoustical Program 90-2017	20.106	3-48-0192-090-2017	22-05833009		3,37	77,635
Taxiway G Rehabilitate 83-2016	20.106	3-48-0192-083-2016	22-05833001			01,071
Taxiway J Rehabilitate 84-2016	20.106	3-48-0192-084-2016	22-05833002			L4,964
Taxiway R Rehabilitation, Phase 1	20.106	3-48-0192-089-2017	22-05833008			34,375
Terminal Area Taxiways 81-2015 Total Airport Improvement Program	20.106	3-48-0192-081-2015	26-05833069	\$ -		53,075 57,919
Pass Through - Texas Department of Transportation:				, -	3 12,60	07,313
Highway Planning and Construction Cluster:						
Highway Planning and Construction Program:	20.205	CCI 001E 13 EE0	26 05022012	<u> </u>	\$ 1,90	0000
Medical Center-Floyd Curl TXDOT - B-Cycle Urban Core Transportation Enhancement	20.205 20.205	CSJ 0915-12-558 CSJ 0915-12-536	26-05923012 26-05955004	\$ -		08,968 57,146
TXDOT - Contributions	20.205	Various	26-05940001			96,007
Total Highway Planning and Construction Program				\$ -		72,121
Total Highway Planning and Construction Cluster				\$ -	\$ 2,57	72,121
Pass Through - Texas Department of Transportation:						
Highway Safety Cluster:						
State and Community Highway Safety:						
Police Traffic Services Enforcement and Education Campaign to Reduce						
Intersection Crashes	20.600	2018-SATCID-G-1	22-05923004	\$ -	\$	3,119
Traffic Safety Grant 2018 Traffic Safety Grant 2019	20.600 20.600	2018-SanAntPD-S-1YG-0002 2019-SanAntPD-S-1YG-0009	22-05917001 22-05917002		93	1,260 28,211
Total State and Community Highway Safety	20.000	2013 34174111 2 3 114 0003	22 03317002	\$ -		32,590
Total Highway Safety Cluster				\$ -		32,590 32,590
Total U.S. Department of Transportation				\$ -		72,630
Institute of Museum and Library Services:						,
Pass Through - Texas State Library and Archives Commission:						
Grants to States: Interlibrary Loan Grant 2018	45.310	LS-00-17-0044-17	22-01804004	\$ -	\$ 10	06,396
Total Institute of Museum and Library Services	.2.020		1100.004	ė		06,396
Total Institute Of Iviuseum and Library Services				-	<u>ب ال</u>	0,390

Schedule of Expenditures of Federal Awards
Voor Ended Contember 20, 2010

Year-Ended September 30, 2019						
	FEDERAL					
FEDERAL GRANTOR/PASS THROUGH	CFDA	GRANT	CITY	AMOUNTS TO		FEDERAL
GRANTOR/FEDERAL PROGRAM	NUMBER	NUMBER	NUMBER	SUBRECIPIENTS	EXF	PENDITURES
Environmental Protection Agency:						
Direct Program Brownfields Assessment and Cleanup Cooperative Agreements:						
EPA Grant - Hazardous	66.818	BF-01F07701	26-01219003	\$ -	\$	36,486
EPA Grant - Petroleum	66.818	BF-01F07201	26-01219004	•		81,212
Total Brownfield Assessment and Cleanup Cooperative Agreements				\$ -	\$	117,698
Total Environmental Protection Agency				\$ -	\$	117,698
3 ,						
U.S. Department of Health and Human Services:						
Pass Through - Alamo Area Council of Governments:						
Aging Cluster:						
Special Programs for the Aging, Title III, Part C, Nutrition Services: SNP 2018-2019	93.045	539-16-00210001	22-01138002	ć	4	1,582,805
SINF 2010-2015	33.043	339-10-00210001	22-01138002	\$ -	\$	1,382,803
Nutrition Services Incentive Program:						
SNP 2018-2019	93.053	539-16-00210001	22-01138002	\$ -	\$	522,000
Total Aging Cluster				\$ -	\$	2,104,805
Pass Through-Texas Department of State Health Services:						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedne	ess					
(PHEP) Aligned Cooperative Agreements: Bio-Terrorism Preparation 2016-2018	93.074	537-18-0179-0001	22-01636019	\$ -	\$	(137)
Bio-Terrorism Preparation 2017-2019	93.074	537-18-0179-0001	22-01636037	¥	Ÿ	748,507
Bio-Terrorism Preparation 2018-2020	93.074	537-18-0179-0001	22-01636056			255,892
Cities Readiness Initiative 2018	93.074	537-18-0191-0001	22-01636020			(1,323)
Cities Readiness Initiative 2019	93.074	537-18-0191-0001	22-01636038			146,053
Cities Readiness Initiative 2020	93.074	537-18-0191-0001	22-01636057			50,129
Laboratory Response Network 2018	93.074	537-18-0148-0001	22-01636018			(105)
Laboratory Response Network 2019 Laboratory Response Network 2020	93.074 93.074	537-18-0148-0001 537-18-0148-0001	22-01636036 22-01636055			132,508 60,028
ZIKA Grant 2018	93.074	537-18-0356-0001	22-01636035			89,807
Total Hospital Preparedness Program (HPP) and Public Health Emergency	33.074	337 10 0330 0001	22 01030010			03,007
Preparedness (PHEP) Aligned Cooperative Agreements:				\$ -	\$	1,481,359
Comprehensive Community Mental Health Services for Children with						
Serious Emotional Disturbances (SED): Substance Abuse and Mental Health Services Administration 2017	93.104	EU705M061630 04	22-05438008	ć	4	1 122
Substance Abuse and Mental Health Services Administration 2017	95.104	5U79SM061639-04	22-03436006	\$ -	\$	1,123
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:	:					
Special T.B. Team Project 2018	93.116	HHS000036000008	22-01636033	\$ -	\$	93,703
Special T.B. Team Project 2019	93.116	HHS000036000008	22-01636051			219,629
Total Project Grants and Cooperative Agreements for Tuberculosis Control						242 222
Programs				\$ -	\$	313,332
Direct Program						
Immunization Cooperative Agreements: Immunization Program 317 - 2017	93.268	6 NH23IP000718-05-02	22-02236003	\$ -	\$	(19,746)
Immunization Program 317 - 2017	93.268	6 NH23IP000718-05-02	22-02236005	ş -	Ş	1,978,590
Immunization Program 317 - 2019	93.268	1 NH23IP922584-01-00	22-02236007			875,034
Total Immunization Cooperative Agreements	33.200	1 N112311 322384-01-00	22-02230007	\$ -	\$	2,833,878
				<u> </u>		2,033,070
Pass Through-Texas Department of State Health Services:						
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC): ZIKA Grant 2018	93.323	537-18-0356-00001	22-01636016	\$ -	\$	95,760
ZIKA GIBII 2018	33.323	337-18-0330-00001	22-01030010	-	-	33,700
Public Health Emergency Response: Cooperative Agreement for Emergency						
Response: Public Health Crisis Response:						
Hurricane Crisis Response FY19	93.354	HHS000371500007	22-01636054	\$ -	\$	17,194
Pass Through - Alamo Workforce Development, Inc.:						
TANF Cluster:						
Temporary Assistance for Needy Families: CCDS - 2017-2018	93.558	2017CCS-01	22-03938006	\$ -	Ś	1,022
CCDS - 2017-2018 CCDS - 2018-2019	93.558	2017CCS-01 2017CCS-02	22-03938007	· -	۶	8,749
	33.330	2017 000 02	22 00330007	_	_	
Total Temporary Assistance for Needy Families Total TANF Cluster				\$ -	\$	9,771 9,771
Total TANF Cluster				-	<u> </u>	9,771
Describerable Tours Describerable filter the Control of Affile						
Pass Through - Texas Department of Housing & Community Affairs: Community Services Block Grant:						
CSBG - 2018	93.569	61180002844	22-06038003	\$ -	\$	534,586
CSBG - 2019	93.569	61190003036	22-06038003	7	~	1,490,276
Total Community Services Block Grant				\$ -	\$	2,024,862
Subtotal U.S. Department of Health and Human Services				\$ -	\$	8,882,084
				-	<u> </u>	0,002,004

Schedule of Expenditures of Federal Awa	ırds
Year-Ended September 30, 2019	

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM NI J.S. Department of Health and Human Services (Continued): Pass Through - Alamo Workforce Development, Inc.: Child Care and Development Block Grant: CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Subsection Bearly Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medical Assistance Program: TB Medicaid Waiver 2014	DERAL CFDA JMBER	GRANT NUMBER 2017CCS-01 2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938006 22-03938007 22-03938007 22-03938000 22-03938006 22-03938005 22-02238005 22-02238005 22-02238004 22-02238004 22-02238004		1,817,664 278,063 6,594,151 7,972,522 16,662,400	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,181 1,849,581
J.S. Department of Health and Human Services (Continued): Pass Through - Alamo Workforce Development, Inc.: Child Care Cluster: Child Care and Development Block Grant: CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Start 2019-2019 Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medical Assistance Program: TB Medicaid Waiver 2014	JMBER	2017CCS-01 2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938006 22-03938007 22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238004 22-02238004	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$ \$ \$ \$	1,398,435 48,221,390 49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Pass Through - Alamo Workforce Development, Inc.: Child Care Cluster: Child Care and Development Block Grant:	33.596 33.596 33.596 33.596 33.600 33.600 33.600 33.600 33.600	2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938007 22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$ \$ \$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	48,221,390 49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Pass Through - Alamo Workforce Development, Inc.: Child Care Cluster: Child Care and Development Block Grant:	33.596 33.596 33.596 33.596 33.600 33.600 33.600 33.600 33.600	2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938007 22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$ \$ \$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	48,221,390 49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Child Care and Development Block Grant: CKDS - 2017-2018 CCDS - 2018-2019 Total Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.596 33.596 33.600 33.600 33.600 33.600 33.600	2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938007 22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$ \$ \$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	48,221,390 49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
CCDS - 2017-2018 CCDS - 2018-2019 CCDS - 2018-2019 Total Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.596 33.596 33.600 33.600 33.600 33.600 33.600	2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938007 22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$ \$ \$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	48,221,390 49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188
CCDS - 2018-2019 Total Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.596 33.596 33.600 33.600 33.600 33.600 33.600	2017CCS-02 CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938007 22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$ \$ \$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	48,221,390 49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Total Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.596 93.596 93.600 93.600 93.600 93.600 93.600 93.600	CCDS2013001-03 2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938000 22-03938006 22-03938007 22-02238003 22-02238005 22-02238007 26-02238004 22-02238006	\$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	49,619,825 (500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Child Care Mandatory and Matching Funds of the Child Care and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.600 33.600 33.600 33.600 33.600 33.600	2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938006 22-03938007 22-02238003 22-02238005 22-02238018 22-02238004 22-02238006	\$ \$ \$	- 1,817,664 278,063 6,594,151 7,972,522	\$ \$	(500) 6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
and Development Fund: CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.600 33.600 33.600 33.600 33.600 33.600	2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938006 22-03938007 22-02238003 22-02238005 22-02238018 22-02238004 22-02238006	\$ \$	278,063 6,594,151 7,972,522	\$ \$	6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
CCDS - 2016-2017 CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Program 2019-2020 PPHF: Racial and Ethnic Approaches to Community Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Funds (PPHF): PPU Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by the Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.600 33.600 33.600 33.600 33.600 33.600	2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938006 22-03938007 22-02238003 22-02238005 22-02238018 22-02238004 22-02238006	\$ \$	278,063 6,594,151 7,972,522	\$ \$	6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
CCDS - 2017-2018 CCDS - 2018-2019 Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	33.596 33.596 33.600 33.600 33.600 33.600 33.600 33.600	2017CCS-01 2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-03938006 22-03938007 22-02238003 22-02238005 22-02238018 22-02238004 22-02238006	\$ \$	278,063 6,594,151 7,972,522	\$ \$	6,010,842 3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	13.596 13.600 13.600 13.600 13.600 13.600 13.600	2017CCS-02 06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238003 22-02238005 22-02238007 26-02238008 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522	\$	3,766,174 9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total Child Care Cluster Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2019-2020 Total Head Start Program 2019-2020 Total Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	13.600 13.600 13.600 13.600 13.600 13.600	06HP0019/03 06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238003 22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522	\$	9,776,516 59,396,341 1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Care and Development Fund Total Child Care Cluster Direct Programs Head Start:	93.600 93.600 93.600 93.600 93.600 93.600	06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522	\$	1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2016-2019 Head Start Program 2019-2020 Total Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.600 93.600 93.600	06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522	\$	1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Direct Programs Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Program 2019-2020 Total Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.600 93.600 93.600	06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522	\$	1,238 2,779,999 436,623 (113) 9,035,188 14,849,581
Head Start: Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Program 2019-2020 Start Provention and Performance - financed in part by the Prevention and Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medical Assistance Program: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.600 93.600 93.600	06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522		2,779,999 436,623 (113) 9,035,188 14,849,581
Early Head Start 2017-2018 Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.600 93.600 93.600	06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522		2,779,999 436,623 (113) 9,035,188 14,849,581
Early Head Start 2018-2019 Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.600 93.600 93.600	06HP0019/04 06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238005 22-02238007 26-02238018 22-02238004 22-02238006	\$	278,063 6,594,151 7,972,522		2,779,999 436,623 (113) 9,035,188 14,849,581
Early Head Start 2019-2020 Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.600 93.600	06HP0019/05 06CH7074/04 06CH7074/06 06CH010821-01	22-02238007 26-02238018 22-02238004 22-02238006		278,063 6,594,151 7,972,522	\$	436,623 (113) 9,035,188 14,849,581
Head Start Program 2016-2017 Head Start Program 2018-2019 Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.600 93.733	06CH7074/04 06CH7074/06 06CH010821-01	26-02238018 22-02238004 22-02238006		6,594,151 7,972,522	\$	(113) 9,035,188 14,849,581
Head Start Program 2018-2019 Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600 93.600 93.733	06СН7074/06 06СН010821-01	22-02238004 22-02238006		7,972,522	\$	9,035,188 14,849,581
Head Start Program 2019-2020 Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.600	06CH010821-01	22-02238006		7,972,522	\$	14,849,581
Total Head Start Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014	93.733					\$	
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014		1 NH23IP922556-01-00	22-02236001		16,662,400	<u>\$</u>	27,102,516
Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014		1 NH23IP922556-01-00	22-02236001	\$			
Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF): HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014		1 NH23IP922556-01-00	22-02236001	\$			
HPV Vaccine 2017 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014		1 NH23IP922556-01-00	22-02236001	Ś			
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicald Cluster: Medical Assistance Program: TB Medicaid Waiver 2014		1 NH23IP922556-01-00	22-02236001	\$			
solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medicaid Assistance Program: TB Medicaid Waiver 2014	93.738			<u> </u>		\$	64,376
solely by Public Prevention Health Funds: Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medicaid Assistance Program: TB Medicaid Waiver 2014	3.738						
Reach Healthy Neighborhoods Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medicaid Assistance Program: TB Medicaid Waiver 2014	3.738						
Pass Through - Texas Department of State Health Services: Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medicaid Assistance Program: TB Medicaid Waiver 2014	3.730	6 NU58DP006589-01-00	22-01636050	\$	_	\$	522,874
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014		0.10302.000303.01.00	22 01000000	<u> </u>		<u> </u>	322,07
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014							
Prevention and Public Health Funds (PPHF): Federal Triple OOO FY 19 Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014							
Medicaid Cluster: Medical Assistance Program: TB Medicaid Waiver 2014							
Medical Assistance Program: TB Medicaid Waiver 2014	3.758	517-18-0245-00001	22-01636047	\$	-	\$	89,778
Medical Assistance Program: TB Medicaid Waiver 2014							
TB Medicaid Waiver 2014							
TR Medicaid Waiver 2018-2019	3.778	2014-045668	26-01636128	\$	-	\$	(44,521)
	3.778	2014-045668-001E	22-01636034				473
	3.778	HHS000068600001	22-01636049	_			771,504
Total Medical Assistance Program				\$		\$	727.456
Total Medicaid Cluster				\$		\$	727,456
Direct Program							
Healthy Start Initiative:							.==
•)3.926)3.926	6 H49MC00101-18-02 2 H49MC00101-19-00	22-02236004 22-02236006	\$	-	\$	877,920
Healthy Start Initiative 2019-2020 Total Healthy Start Initiative	3.920	2 H49IVIC00101-19-00	22-02230000	\$		\$	322,296 1,200,216
Total Healthy Start Illitiative				<u>,</u>			1,200,210
Pass Through - Texas Department of State Health Services:							
HIV Prevention Activities - Health Department Based:							
HIV Prevention Program 2019	3.940	2016-001339-009	22-01636053	\$	-	\$	125,000
Sexually Transmitted Diseases (STD) Prevention and Control Grants:							
STD-Staff Support Program 2018 9	3.977	2016-003944-002	22-01636031	\$	-	\$	780,398
	3.977	HHS000288900006	22-01636052				1,205,151
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants							
Control Grants				\$		\$	1,985,549
Preventive Health and Health Services Block Grant:							
	3.991	HHS000485600003	22-01636061	\$	-	\$	17,090
			1000001				27,030
Maternal and Child Health Services Block Grant to the States:							
	3.994	2016-003944-00	22-01636010	\$	-	\$	17,455
DSHS Healthy Texas Babies 2019 9	3.994	HHS000066400001	22-01636039				60,978
	3.994	HHS000066400001	22-01636064				7,104
	3.994	2016-003944-002	22-01636026				12,929
	3.994	2016-003944-002	22-01636044				263,692
Title V CHS - Dental Services 2020	3.994	HHS000136500028	22-01636062				3,832
Total Maternal and Child Health Services Block Grant to the States				\$	-	\$	365,990
otal U.S. Department of Health and Human Services	.5.554						
otal o.s. Department of nearth and number Services				خ -	16,662,400	Ś	100,479,270

^{*} Major Program

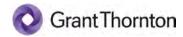
Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2019

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL CFDA NUMBER	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS		EX	FEDERAL EXPENDITURES	
Executive Office of the President: Direct Program High Intensity Drug Trafficking Areas Program: Office of National Drug Control Policy: HIDTA Initiative San Antonio 2017	95.001	G175S0009A	22-02817003	\$		Ś	44,017	
HIDTA Initiative San Antonio 2017 HIDTA Initiative San Antonio 2018	95.001	G17530009A G18SS0009A	22-02817003	Ş	-	Ş	1,119,145	
HIDTA Initiative San Antonio 2019	95.001	G19SS0009A	22-02817010				994,034	
Total High Intensity Drug Trafficking Areas Program				\$	-	\$	2,157,196	
Total Executive Office of the President				\$	<u>-</u>	\$	2,157,196	
U.S. Department of Homeland Security: Pass Through - United Way National Board:								
Emergency Food and Shelter National Board Program:	97.024	SF7886-00-039C1	22-05438018	ć		,	200 201	
Emergency Food and Shelter Program	97.024	SF/886-00-039C1	22-05438018	\$		\$	280,201	
Pass Through - Texas Department of Public Safety: Emergency Management Performance Grants:								
EMPG 2018	97.042	18TX-EMPG-0632	22-06520003	\$	-	\$	(90,174)	
Pass Through - Texas Department of Emergency Management: Emergency Management Performance Grants: EMPG 2019	97.042	19TX-EMPG-0632	22-06520008				157,999	
Total Emergency Management Performance Grants				\$		\$	67,825	
Pass Through - Texas Office of the Governor- Homeland Security Grants Division: Homeland Security Grant Program:								
HSGP 2017	97.067	EMW-2017-SS-00005	22-06520004	\$	-	\$	244,946	
SHSP 2016	97.067 97.067	EMW-2016-SS-00056 EMW-2016-SS-00056	22-06520002 22-05620014				112,510 29,611	
SHSP 2016 Supplemental Funds SHSP 2018	97.067	EMW-2018-SS-00020-S01	22-05620014				514,793	
UASI 2017	97.067	EMW-2017-SS-00005	22-06520007				607,650	
UASI 2018	97.067	EMW-2018-SS-00022	22-06520006				403,449	
Total Homeland Security Grant Program				\$	-	\$	1,912,959	
Direct Program								
Homeland Security Biowatch Program:								
Biowatch Fed Air Monitoring 2019	97.091	150HBO000270200	22-06536004	\$	-	\$	246,577	
Biowatch Fed Air Monitoring 2020	97.091	150HBIO00027050	22-01636063	<u> </u>		\$	23,473	
Total Direct Homeland Security Biowatch Program				\$		->	270,050	
Total U.S. Department of Homeland Security				\$		\$	2,531,035	
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$	19,760,856	\$	189,510,746	

Notes to the Schedule of Expenditures of Federal Awards Year-Ended September 30, 2019

- 1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule of Federal Awards represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.
- 2. As of September 30, 2019, the City recorded net HOME Program Notes Receivable of \$32,050,444, which includes the estimated allowances for the doubtful accounts of \$27,065,632. These are loans that are made for renovation or construction of apartment complexes that provide rental to low income people. Some loans are forgivable provided the program and loan criteria are met. Included in the gross notes receivable balance are multi-family loans in the amount of \$32,433,964 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
- 3. As of September 30, 2019, the City recorded net CDBG Program Notes Receivable of \$9,191,732, which includes the estimated allowances for the doubtful accounts of \$9,054,869. These are rental rehabilitation loans. Some loans are forgivable provided the program and loan criteria are met. Included in the gross notes receivable balance are multi-family loans in the amount of \$1,778,600 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
- 4. As of September 30, 2019, the City recorded net NSP Program Notes Receivable of \$1,062,819, which includes estimated allowances for doubtful accounts of \$3,198,401. These are rental rehabilitation loans. Some loans are forgivable provided the program and loan criteria are met. Included in the gross notes receivable balance are multi-family loans in the amount of \$2,568,668 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
- 5. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Report of Independent Certified
Public Accountants on Internal
Control over Financial Reporting
and on Compliance and Other
Matters Required by Government
Auditing Standards



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

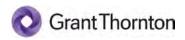
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 20, 2020.

Our report includes a reference to other auditors who audited the financial statements of San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, HemisFair Park Area Redevelopment Corporation, San Antonio Economic Development Corporation, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, and Visit San Antonio, blended and fiduciary component units; CPS Energy, San Antonio Water System, Brooks Development Authority, Port Authority of San Antonio dba Port San Antonio, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Foundation, Inc., San Antonio Housing Trust Public Facility Corporation, and San Antonio Tricentennial Celebration Commission, discretely presented component units; and the San Antonio Early Childhood Education Municipal Development Corporation (Pre-K 4 SA), a major fund and blended component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Finance Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Public Facility Corporation, San Antonio Economic Development Corporation, and Visit San Antonio were not audited in accordance with Government Auditing Standards.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that



there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

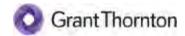
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Stant Thornton LLP

Houston, Texas February 20, 2020 Report of Independent Certified
Public Accountants on Compliance
for Each Major Federal Program
and on Internal Control Over
Compliance as Required by the
Uniform Guidance



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

Report on compliance for each major federal program

We have audited the compliance of the City of San Antonio, Texas (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

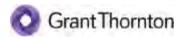
Our audit of, and opinion on, the City's compliance for each major federal program does not include the operations of the San Antonio Water System (SAWS) and Port Authority of San Antonio dba Port San Antonio, discretely presented component units, and San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, a major fund and blended component unit, which received federal awards for the year ended September 30, 2019 that are not included in the accompanying schedule of findings and questioned costs. SAWS, Port San Antonio and Pre-K 4 SA engaged other auditors to audit its compliance with the types of compliance requirements described in the *OMB Compliance Supplement*.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to the City's federal programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on each major federal program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

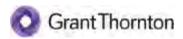
Report on internal control over compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

As described in our Report on Compliance for Each Major Federal Program above, this Report on Internal Control Over Compliance does not include the results of the other auditors' testing of internal control over compliance that is reported on separately by those auditors.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Entity's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Houston, Texas February 20, 2020

Scant Thornton LLP

Schedule of Findings and Questioned Costs Federal

Schedule of Findings and Questioned Costs Federal Grants

Year-Ended September 30, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements						
Type of auditor's repor	Unmodified					
Internal control over fi	nancial reporting:					
Material weakness Significant deficien material weakness	cies identified that are not considered to be			X X		
Noncompliance materi	al to financial statements noted?		Yes	X	·	
Federal Awards						
Internal control over m	ajor programs:					
Material weakness Significant deficien material weakness	cies identified that are not considered to be			X X		
Type of auditor's repor	t issued on compliance for major programs:					
-	disclosed that are required to be reported in e 2 CFR 200.516(a)?		Yes	X	No	
Identification of major	Federal programs:					
CFDA Number(s) 93.575, 93.596 93.600	Name of Federal Program or Cluster Child Care Cluster Head Start					
Dollar threshold used t	o distinguish between Type A and Type B programs:		\$3,0	00,000		
Auditee qualified as lov	v-risk auditee?		Yes	X	No	

Schedule of Findings and Questioned Costs Federal Grants Year-Ended September 30, 2019

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

There are no findings to be reported.

Schedule of Findings and Questioned Costs Federal Grants Year-Ended September 30, 2019

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There are no findings to be reported.

Corrective Action Plan Federal



Corrective Action Plan Federal Grants Year-Ended September 30, 2019

<u>None</u>

Summary Status of Prior Year Findings Federal



Summary Status of Prior Year Findings Federal Grants Year-Ended September 30, 2019

Finding: 2014-004

Procurement and Suspension and Debarment
CFDA #95.001 – High Intensity Drug Trafficking Area
Award Number – G14SS0009A
Award Year – 2014
Federal Agency – Executive Office of the President
Type of Finding – Non-compliance and Control deficiency
Questioned Costs - \$0

Recommendation:

We recommend the City amend its Procurement Policy and Procedures to include controls and procedures over federally funded leases and lease renewals greater than \$25,000 in order to ensure such expenditures are adequately documented and in compliance with procurement and suspension and debarment requirements.

Status:

Corrected

The City amended its Procurement Policy and Procedures and held training for City Departments led by the Purchasing Division of the Finance Department. The new policy requires any federal or state funded procurements greater than \$25,000 to be documented and to be in compliance with procurement and suspension and debarment requirements.

Implementation Date

October 2018

Responsible Persons:

John Jacks, Director
Center City Development and Operations

Troy Elliott, CPA, Deputy Chief Financial Officer Finance Department

STATE SECTION

Summary Schedule of State Awards by Type Last Two Fiscal Years

Grant Type		Fiscal Year 2019		Year		Fiscal Year 2018		Year		Variance Increase Decrease)
State Categorical Grants:										
Air Transportation	\$	50,000	\$	50,000	\$	-				
Criminal Justice		1,555,357		4,094,669		(2,539,312)				
Emergency Management		30,914		32,146		(1,232)				
Environmental Quality				110,795		(110,795)				
Public Health		1,578,452		1,526,003		52,449				
Public Works		1,150,813		642,891		507,922				
Social Services		12,180,850		14,045,993		(1,865,143)				
Total State Categorical Grants	\$	16,546,386	\$	20,502,497	\$	(3,956,111)				

Criminal Justice decrease of \$2.5 million is primarily due to the receipt of the one-time Rifle-Resistant Body Armor Grant Program (BAGP) in fiscal year 2018.

Environmental Quality decrease of \$111 thousand is due to the Air Monitors grants being funded with federal dollars in fiscal year 2019.

Public Works increase of \$508 thousand is due to the receipt of \$1.2 million in state awards for six Advanced Funding Agreements with Texas Department of Transportation (TxDOT) for various improvement projects offset by State funding in fiscal year 2018 of \$500 thousand for the "Green Street" Project Agreement between the City and TxDOT.

Social Services decrease of \$1.9 million is due to a \$3.8 million reduction in fiscal year 2019 State funding for the Child Care Services Program mitigated by a \$2.0 million additional state funding for the fiscal year 2018 Child Care Services Program. The City's decrease in the State portion of the Child Care Services Program is due to outside agencies being awarded contracts directly from the State to manage this program, thus reducing the City's allocation of State grant funding.

The City receives multi-year grants that are awarded during the fiscal year, as well as grants whose award dates do not correlate with the City's fiscal year. As such, expenditures for these grants will be reported on the Schedule of State Expenditures when expended, and expenditures will not always be reported in the same year the award was received.

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Schedule of Expenditures of State Awards by Grantor, State Program and Grant Number

Schedule of Expenditures of State Awards Year-Ended September 30, 2019

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM	GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES		
Texas Attorney General's Office: Direct Program State Confiscated Property: HIDTA Task Force Seizures New State Account Salvage Theft Reduction Program Seizures Vice State Account Total State Confiscated Property Total Texas Attorney General's Office	*	29-043000 29-038000 29-042000 29-040000	\$ 75,778 614,320 21,945 132 \$ 712,175 \$ 712,175		
Texas Commission on Environmental Quality: Direct Programs Air Monitors: Air Monitors Lake Calaveras 2018-2019	582-19-90040	22 00826005	ć (40C)		
Solid Waste Grant Projects: Community Outreach Program 2019	19-18-01	22-00836005 22-00855004	\$ (196) \$ 71,357		
Total Texas Commission on Environmental Quality Texas Department of Public Safety: Direct Program Hurricane Harvey and Harvey Deployments Total Texas Department of Public Safety	N/A	Various	\$ 71,161 \$ 50,830 \$ 50,830		
Texas Department of State Health Services: Direct Programs Emerging and Acute Infectious Disease Branch: IDCU/FLU - Lab 2019 IDCU/Surveillance Epidemiology Ebola 2018 IDCU/Surveillance Epidemiology Ebola 2019 IDCU/Surveillance Epidemiology Ebola 2020 Total Emerging and Acute Infectious Disease Branch	537-18-0334-00001 537-18-0328-00001 537-18-0328-00001 HHS000436300023	22-01636043 22-01636023 22-01636041 22-01636066	\$ 4,832 (41) 129,693 12,161 \$ 146,645		
HIV Surveillance & Prevention Programs: HIV Prevention Program 2018 HIV Prevention Program 2019 HIV Surveillance Program 2019 HIV Surveillance Program 2020 Total HIV Surveillance & Prevention Programs	2016-001339-007 2016-001339-009 537-18-0007-00001 537-18-0007-00001	22-01636032 22-01636053 22-01636045 22-01636059	\$ 44,048 44,331 160,328 13,240 \$ 261,947		
Immunization Grants: Inner-City School Immunization 2019 Inner-City School Immunization 2020 Total Immunization Grants	* HHS000119700021 HHS000119700021	22-01636040 22-01636065	\$ 625,634 56,587 \$ 682,221		
Milk Sample Lab Tests: Milk Group - 2019 Milk Group - 2020 Total Milk Sample Lab Tests	537-18-0162-00001 537-18-0162-00001	22-01636042 22-01636067	\$ 50,218 3,977 \$ 54,195		
Preventive Health and Health Services Block Grant: Fed Triple OOO FY19	537-18-0245-00001	22-01636047	\$ 114,263		
STRAC Grant Project: STRAC Grant Project FY 2019	N/A	22-01620003	\$ 30,914		
TB Prevention and Control: TB Prevention and Control 2018-2019 TB Prevention and Control 2019-2020 Total TB Prevention and Control Subtotal Texas Department of State Health Services	* 537-18-0042-00001 HHS000484100001	22-01636046 22-01636060	\$ 663,881 34,271 \$ 698,152 \$ 1,988,337		
* * * *					

^{*} Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards $\,$

Schedule of Expenditures of State Awards Year-Ended September 30, 2019

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM	GRANT NUMBER	CITY NUMBER	EXP	STATE ENDITURES
Texas Department of State Health Services (Continued):				
Pass Through - Alamo Area Council of Governments: Special Programs for the Aging, Nutrition Services:				
SNP 2018-2019	539-16-00210001	22-01138002	\$	6,472
	555 10 00210001	22 01100002	\$	
Total Texas Department of State Health Services			\$	1,994,809
Texas Department of Transportation: Pass Through - The Texas Automobile Burglary & Theft Prevention Authority:				
Regional Auto Crimes Team: Regional Auto Crimes Team 2015-2016	SAT041006314	26-03117007	\$	125
Regional Auto Crimes Team 2015-2016	608-17-SPD0000	22-05117007	Ş	(1,926)
Regional Auto Crimes Team 2017-2018	608-18-SPD0000	22-03117001		(109,536)
Regional Auto Crimes Team 2018-2019	608-19-SPD0000	22-03117002		646,072
Regional Auto Crimes Team 2019-2020	608-20-SPD0000	22-03117003		90,832
Total Texas Automobile Burglary & Theft Prevention Authority			\$	625,567
Direct Programs				
Airport Improvement Program:				
Stinson Ramp - 2019	M1915STSO	22-05833012	\$	35,844
Highway Planning and Construction:				
Medical Center Green St-Floyd Curl	CSJ 0915-12-558	26-05923017	\$	205,214
Callaghan Road	CSJ 0915-12-516	26-05923019		268
TxDOT - Contributions	Various	Various		7,038
Total Highway Planning and Construction			\$	212,520
Total Texas Department of Transportation			\$	873,931
Office of the Texas Governor: Direct Program Criminal Justice Division:				
Rifle-Resistant Body Armor	2018-BG-ST-0025	22-05517004	\$	63,180
Texas Anti-Gang Program 2018	2018-AG-ST-0019	22-05517003		291,895
Truancy Intervention & Prevention Program 2018	3291102	22-05303002		598,283
Truancy Intervention & Prevention Program 2019	3291103	22-05303003		40,771
Total Criminal Justice Division			\$	994,129
Total Office of the Texas Governor			\$	994,129
Texas Parks and Wildlife Commission: Direct Program				
Local Park Grant Program:	FF 000027	22-05226002	\$	100.050
Hardberger Park Rosedale Park Improvement	55-000037 55-000031	22-05226002	\$	106,850 5,750
Total Local Park Grant Program	33 000031	22 03220001	\$	112,600
Total Texas Parks and Wildlife Commission			\$	112,600
Texas Workforce Commission:				
Pass Through - Alamo Workforce Development, Inc.:				
CCDS - 2017-2018	2017CCS-01	22-03938006	\$	2,752
CCDS - 2018-2019	2017CCS-02	22-03938007		10,340,539
Total Texas Workforce Commission			\$	10,343,291
TOTAL EXPENDITURES OF STATE AWARDS			\$	15,152,926

^{*} Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards $\,$

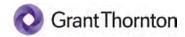
Notes to the Schedule of Expenditures of State Awards

Year-Ended September 30, 2019

- 1. The accompanying schedule of expenditures of state awards includes the state grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the State of Texas Single Audit Circular ("Audit Circular"). The Audit Circular was issued under the authority of the Texas Government Code, Chapter 783, entitled Uniform Grant and Contract Management. This circular sets standards for obtaining consistency and uniformity among state agencies for the coordinated audit of local governments expending any state awards. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.
- 2. As of September 30, 2019, the City did not provide any state awards to subrecipients.

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Report of Independent Certified
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

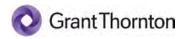
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 20, 2020.

Our report includes a reference to other auditors who audited the financial statements of San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, HemisFair Park Area Redevelopment Corporation, San Antonio Economic Development Corporation, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, and Visit San Antonio, blended and fiduciary component units; CPS Energy, San Antonio Water System, Brooks Development Authority, Port Authority of San Antonio dba Port San Antonio, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Foundation, Inc., San Antonio Housing Trust Public Facility Corporation, and San Antonio Tricentennial Celebration Commission, discretely presented component units; and the San Antonio Early Childhood Education Municipal Development Corporation (Pre-K 4 SA), a major fund and blended component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Finance Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Public Facility Corporation, San Antonio Economic Development Corporation, and Visit San Antonio were not audited in accordance with Government Auditing Standards.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that



there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

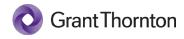
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Stant Thornton LLP

Houston, Texas February 20, 2020 Report of Independent Certified
Public Accountants on Compliance
for Each Major State Program and
on Internal Control Over
Compliance as Required by the
State of Texas Uniform Grant
Management Standards



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

Report on compliance for each major state program

We have audited the compliance of the City of San Antonio, Texas (the "City") with the types of compliance requirements described in the *Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards*, which includes the State of Texas Single Audit Circular ("UGMS") that could have a direct and material effect on each of its major state programs for the year ended September 30, 2019. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to the City's state programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the UGMS. Those standards and the UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on each major state program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2019.



Other matters

The results of our audit procedures disclosed instances of noncompliance, described in the accompanying schedule of findings and questioned costs as item 2019-001, that are required to be reported in accordance with the UGMS. Our opinion on each major state program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the City's response.

Report on internal control over compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the UGMS. Accordingly, this report is not suitable for any other purpose.

Houston, Texas February 20, 2020

Scant Thornton LLP

Schedule of Findings and Questioned Costs State

Schedule of Findings and Questioned Costs State Grants

Year-Ended September 30, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements					
Type of auditor's report issued:	Unmo	dified			
Internal control over financial repo	rting:				
Material weakness(es) identifie	ed? ed that are not considered to be		Yes	X	No
material weaknesses?	ed that are not considered to be		Yes	X	None Reported
Noncompliance material to financia	al statements noted?		Yes	X	•
State Awards					
Internal control over State major p	rograms:				
Material weakness(es) identific Significant deficiencies identific		Yes	X	No	
material weaknesses?			Yes	X	None Reported
Type of auditor's report issued on one Any audit findings disclosed the Accordance with the <i>State of T</i>	at are required to be reported in	X	Yes		No
Identification of major State progra	ams:				
Grant Numbers N/A HHS000119700021 537-18-0042-00001,	Name of State Program or Cluster State Confiscated Property Immunization Grants				
HHS0004841000001 2017CCS-01, 2017CCS-02	TB Prevention and Control Child Care Service				
Dollar threshold used to distinguish	n between Type A and Type B programs:	\$454,	587		
Auditee qualified as low-risk audite	ee?		Yes	X	No

Schedule of Findings and Questioned Costs State Grants Year-Ended September 30, 2019

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

There are no findings to be reported.

Schedule of Findings and Questioned Costs State Grants

Year-Ended September 30, 2019

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS

Finding #2019-001: Special Tests and Provisions

Program Title: Confiscated Property **Contract Grant Number:** N/A

State Award Year: 10/1/2018 – 9/30/2019 State Agency: Texas Attorney General's Office

Type of Finding: Control Deficiency and Noncompliance

Criteria:

Article 59.06 of the Code of Criminal Procedure states "all forfeited property shall be administered by the attorney representing the state, acting as the agent of the state, in accordance with accepted accounting practices and with the provisions of any local agreement entered into between the attorney representing the state and law enforcement agencies". Additionally, "If a local agreement exists between the attorney representing the state and law enforcement agencies, all money, securities, negotiable instruments, stocks or bonds, or things of value, or proceeds from the sale of those items, shall be deposited, after the deduction of court costs to which a district court clerk is entitled under Article 59.05(f), according to the terms of the agreement."

The Interlocal Agreement between the City and the Bexar County Criminal District Attorney (Prosecutor) requires that all money seized by San Antonio Police Department (SAPD) be deposited in the Prosecutor's Forfeitures Trust Fund as soon as possible, but in no event later than 15 days after seizure.

Condition:

For five (5) of the forty (40) cash seizures randomly selected for testing, the SAPD did not deposit the funds within the required 15 days.

Context:

For the five (5) exceptions noted, the amount seized totaled \$8,836 and the days between seizure and deposit ranged from 16 to 21 days.

Cause:

The Property Room is responsible for the deposits and there are sometimes delays because of holiday closures, as well as delays in obtaining the necessary paperwork.

Effect:

Lack of controls over cash seizure deposits could result in the City's noncompliance with the Interlocal Agreement requirement.

Questioned Costs:

None

Repeat Finding:

No

Schedule of Findings and Questioned Costs State Grants

Year-Ended September 30, 2019

Recommendation:

We recommend that the Department follow the specific requirements as outlined in the Interlocal Agreement between the City and Bexar County for all cash seizures or consider modifying the agreement to allow for specific exceptions.

Views of responsible officials:

The San Antonio Police Department (SAPD) fell short in some instances in meeting the 15-day deadline to deposit asset seizure funds, as specified in the interlocal agreement (ILA) between Bexar County and SAPD. The longest time frame to deposit was 23 days. These isolated delays stem from the intentional decision to hold off depositing funds until a case is filed with the District Attorney's Office. State forfeiture statutes mandate a 30-day deadline to file cases. If the deposit is made before filing the case and investigations later show the case cannot be filed, the District Attorney's Office would be required to issue SAPD a check, and then SAPD would return the funds, thereby creating additional administrative work. In discussions with the DA's office, it is more interested in making sure the case meets the filing deadline and has no preference regarding when the deposit is made. Given the 15-day deadline as specified in the ILA is not required by law or any outside entity, the City will work with Bexar County to amend future ILAs to require the deposit funds in a timely manner after cases are filed.

Corrective Action Plan State



Corrective Action Plan State Grants Year-Ended September 30, 2019

Finding #2019-001: Special Tests and Provisions

Type of Finding: Control Deficiency and Noncompliance

Responsible Person

Rick Riley, Assistant Police Director San Antonio Police Department

Implementation Date

October 2020

Views of responsible officials and planned corrective actions

The City agrees that some payments made to Bexar County were not made within the 15 days written in the interlocal agreement (ILA) with Bexar County. As this 15 day requirement is one decided between the City and Bexar County, and not mandated by external sources, the City will work with Bexar County to amend future ILAs to require timely deposit after the cases are filed.

Summary Status of Prior Year Findings State



Summary Status of Prior Year Findings State Grants Year-Ended September 30, 2019

Finding: 2018-001

Procurement – Texas Anti-Gang Grant Program (TAG) – Significant deficiency and Non-compliance

Recommendation:

We recommend that the Department follow the grant specific requirements for procurement for all transactions.

Status:

Corrected

The San Antonio Police Department (SAPD) has strengthened its approval process for all departmental buys to ensure purchases are reviewed and approved by the SAPD Fiscal Office prior to procurement. SAPD has updated their Standard Operating Procedures (SOP) on grant management. In addition to the updated SOP, SAPD updated their internal routing slip that is used to approve all purchases within the department. The updated routing slip now requires SAPD's Fiscal Analyst to acknowledge that they have reviewed all grant procurement policies for that purchase prior to approving.

Responsible Person

Rick Riley, Assistant Police Director San Antonio Police Department

Finding: 2018-002

Reporting – Truancy Intervention & Prevention (TIP) – Significant Deficiency

Recommendation:

We recommend that the City of San Antonio Municipal Court fill open positions and develop and implement a process for independently reviewing Financial Status Reports prior to the submission to the grantor agency in order to ensure there is appropriate evidence of review by a person other than the preparer of such reports.

Status:

Corrected

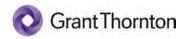
The process for reporting expenditures of grants to the Office of the Governor (OOG) was implemented in June 2019. The process for reporting expenditures of grant to OOG includes the Accountant (preparation, entry, and submission of Financial Status Report) and the Senior Accountant/Accounting Manager (review and approval of Financial Status Report).

Responsible Person

Frederick Garcia Jr., Court Clerk Municipal Court

PFC REPORT

Report of Independent Certified
Public Accountants on Internal
Control over Financial Reporting
and on Compliance and Other
Matters Required by Government
Auditing Standards



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

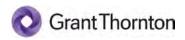
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 20, 2020.

Our report includes a reference to other auditors who audited the financial statements of San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, HemisFair Park Area Redevelopment Corporation, San Antonio Economic Development Corporation, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, and Visit San Antonio, blended and fiduciary component units; CPS Energy, San Antonio Water System, Brooks Development Authority, Port Authority of San Antonio dba Port San Antonio, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Foundation, Inc., San Antonio Housing Trust Public Facility Corporation, and San Antonio Tricentennial Celebration Commission, discretely presented component units; and the San Antonio Early Childhood Education Municipal Development Corporation (Pre-K 4 SA), a major fund and blended component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Finance Corporation, San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Public Facility Corporation, San Antonio Economic Development Corporation, and Visit San Antonio were not audited in accordance with Government Auditing Standards.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that



there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Stant Thornton LLP

Houston, Texas February 20, 2020 Report of Independent Certified
Public Accountants on Compliance
with Applicable Requirements of
the Passenger Facility Charge
Program and on Internal Control
over Compliance in Accordance
with the Passenger Facility Charge
Audit Guide for Public Agencies



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S linkd.in/grantthorntonus twitter.com/grantthorntonus REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH APPLICABLE REQUIREMENTS OF THE
PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE PASSENGER FACILITY
CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

The Honorable Mayor and Members of the City Council City of San Antonio, Texas

Report on compliance for the Passenger Facility Charge Program

We have audited the compliance of the City of San Antonio, Texas (the "City") with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the "Guide") that could have a direct and material effect on the Passenger Facility Charge program (the "PFC program") for the year ended September 30, 2019.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions applicable to the City's Passenger Facility Charge program.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for the City's Passenger Facility Charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Passenger Facility Charge program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the PFC program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge program for the year ended September 30, 2019.

Report on internal control over compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on the Passenger Facility Charge program to design audit procedures that are appropriate in the circumstances for the purpose of



expressing an opinion on compliance for the Passenger Facility Charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Passenger Facility Charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Passenger Facility Charge program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Passenger Facility Charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Houston, Texas February 20, 2020

Grant Thornton LLP

Schedule of Revenues and Expenditures of Passenger Facility Charges

SCHEDULE OF REVENUES AND EXPENDITURES OF PASSENGER FACILITY CHARGES
Year Ended September 30, 2018 and Each Quarter During the year ended September 30, 2019 with Cumulative Totals as of September 30, 2018 and 2019

	PTEMBER 30, 2018 GRAM TOTAL	осто	UARTER 1 BER THROUGH ECEMBER	QUARTER 2 UARY THROUGH MARCH	Al	QUARTER 3 PRIL THROUGH JUNE	Jl	QUARTER 4 JLY THROUGH SEPTEMBER	YEAR ENDED SEPTEMBER 30, 2019 TOTAL		PTEMBER 30, 2019 DGRAM TOTAL
Revenue:											
Collections	\$ 233,869,067	\$	5,212,254	\$ 4,884,245	\$	4,093,947	\$	6,262,356	\$	20,452,802	\$ 254,321,869
Interest	 7,459,339		202,396	192,527		225,794		206,540		827,257	8,286,596
Total Revenue	\$ 241,328,406	\$	5,414,650	\$ 5,076,772	\$	4,319,741	\$	6,468,896	\$	21,280,059	\$ 262,608,465
Disbursements: Application 01-01-C-00-SAT											
Project ID 1.8 Replace RON Apron	\$ 1,722,176	\$	-	\$ -	\$	_	\$	-	\$	_	\$ 1,722,176
Project ID 1.9-Rehabilitate T-1 & T-2	18,106,264			199,957				961,161		1,161,118	19,267,382
Project ID 1.11-Reconstruct Per. Rd.	464,840										464,840
Application 03-02-U-00-SAT											
Project ID 1.10 Concourse B	103,576,290			2,221,533		262		6,434,693		8,656,488	112,232,778
Application 04 03 H 00 CAT											
Application 04-03-U-00-SAT	40 000 740			004.000		0.0		007 700		4 070 747	45 000 405
Project ID 1.1 Residential Noise Attenuation	13,930,718			364,882		39		907,796		1,272,717	15,203,435
Application 05-04-C-00-SAT											
Project ID 4.1 Terminal Elevated Roadway	26,045,799			468,210		263		1,698,450		2,166,923	28,212,722
Project ID 4.2 Central Plant Upgrade	6,233,206			156,685		58		487,348		644,091	6,877,297
Project ID 4.3 Apron Replacement	2,507,765			25,558				92,901		118,459	2,626,224
Project ID 4.4 New Utilities -Terminal Expansion	7,936,801			146,587		127		490,457		637,171	8,573,972
Project ID 4.5 Replace Two ARFF Vehicles	303,970										303,970
Project ID 4.6 Conduct Environmental Impact Statement	549,241										549,241
Project ID 4.7 Reconstruct Terminal Area Roadway	225,000										225,000
Project ID 4.8 Noise Monitoring Equipment	245,153										245,153
Project ID 4.9 Terminal and Airfield Security	973,534										973,534
Project ID 4.10 Airfield Electrical Improvements	633,333										633,333
Project ID 4.11 PFC Development	150,000										150,000
Application 07-05-C-00-SAT											
Project ID 5.1 Terminal 1 Modifications	25,460,155			583,846				1,424,204		2,008,050	27,468,205
Project ID 5.2 Runway Safety Action Team (RSAT)	824,376										824,376
Project ID 5.3 Runway 21 Extension	5,737,978										5,737,978
Project ID 5.4 Taxiway R Extension	 631,259										631,259
Total Disbursements	\$ 216,257,858	\$	-	\$ 4,167,258	\$	749	\$	12,497,010	\$	16,665,017	\$ 232,922,875
Net PFC Revenue	\$ 25,070,548	\$	5,414,650	\$ 909,514	\$	4,318,992	\$	(6,028,114)	\$	4,615,042	\$ 29,685,590
PFC Account Balance	\$ 25,070,548	\$	30,485,198	\$ 31,394,712	\$	35,713,704	\$	29,685,590	\$	29,685,590	\$ 29,685,590

Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges

Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges Year-Ended September 30, 2019

General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the local imposition of Passenger Facility Charges (PFC) and use of PFC revenue on Federal Aviation Administration (FAA) approved projects.

- On August 29, 2001, the FAA approved a \$3.00 Passenger Facility Charge collection at San Antonio International Airport (SAT) effective November 1, 2001 per PFC Application 01-01-C-00-SAT. The total approved amount of PFC revenue plus interest SAT is allowed to collect under this application is \$238,029,391 by January 1, 2013, as amended on February 15, 2005 and June 26, 2007. The second amendment additionally increased the approved collection rate for the application to \$4.50, effective October 1, 2007.
- PFC Application 03-02-U-00-SAT, approved on July 23, 2003, and 04-03-U-00-SAT approved on December 1, 2004, authorized SAT to utilize funds collected at SAT in PFC Application 01-01-C-00-SAT. Approved PFC project funding was increased, as amended on February 15, 2005 and June 26, 2007.
- On February 22, 2005, per PFC Application 05-04-C-00-SAT, the FAA additionally approved a \$3.00 PFC to be collected at SAT effective November 1, 2012 (upon the expiration date of the previous application, as amended). The total approved amount of PFC revenue plus interest SAT is allowed to collect under this application is \$118,303,705 by March 1, 2018, as amended on June 26, 2007. Additionally, the second amendment increased the approved collection rate for this application to \$4.50 and changed the charge effective date to January 1, 2013.
- On October 4, 2007, per PFC Application 07-05-C-00-SAT, the FAA approved a \$4.50 PFC to be collected at SAT effective March 1, 2018 (upon the expiration date of the previous application, as amended). The total approved amount of PFC revenue plus interest SAT is allowed to collect under this application is \$24,625,453.
- On May 28, 2010, the FAA approved an amendment to PFC Application 01-01-C-00-SAT. As a result, the impose authority is increased by \$126,197,658 from \$238,029,391 to \$364,227,049. As a result of this amendment, the approved authority in Application 03-02-U-00-SAT, as amended, increased by \$108,498,037 from \$176,470,875 to \$284,968,912. This amendment is referenced as 03-02-U-03-SAT. Also as a result of this amendment, the approved authority in Application 04-03-U-00-SAT is increased by \$17,699,621 from \$24,840,225 to \$42,539,846. This amendment is referenced as 04-03-U-03-SAT.
- On May 28, 2010, the FAA approved an amendment to PFC Applications 07-05-C-00-SAT and 05-04-C-00-SAT. As a result, the approved applications impose and use authority is increased by \$55,756,620 from \$24,625,453 to \$80,382,073 and \$10,856,201 from \$118,303,705 to \$129,159,906 respectively. These applications are now referenced as 07-05-C-01-SAT and 05-04-C-02-SAT, respectively.
- On April 13, 2015, the FAA approved an amendment to PFC Applications 01-01-C-03-SAT, 05-04-C-02-SAT, and 07-05-C-01-SAT. The approved impose authority decreased in Application 01-01-C-04-SAT by \$48,338,011 from \$284,968,912 to \$236,630,901. This amendment is referenced as 03-02-U-04-SAT. The approved imposed and use authority decreased in Application 01-01-C-04-SAT by \$87,517 from \$552,357 to \$464,840. Also as a result of this amendment, the approved impose and use authority decreased in 05-04-C-03-SAT by \$34,154,019 from \$129,159,906 to \$95,005,887 and 07-05-C-02-SAT by \$27,479,278 from \$80,382,073 to \$52,902,795.

Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges (Continued)

Year-Ended September 30, 2019

Schedule of Revenues and Expenditures of Passenger Facility Charges

The accompanying schedule of revenues and expenditures of passenger facility charges presents the revenues received from Passenger Facility Charges and expenditures incurred on approved projects on the cash basis of accounting.

Revenues received and expenditures spent on approved projects in the accompanying schedule agree to the Passenger Facility Charge Quarterly Status Reports submitted by SAT to the FAA.

Schedule of Findings and Questioned Costs Passenger Facility Charges

Schedule of Findings and Questioned Costs Passenger Facility Charge Program Year-Ended September 30, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS					
Passenger Facility Charge Program					
Internal control over passenger facility charge program:					
Material weakness(es) identified?	\	⁄es	_	Χ	No
Significant deficiencies identified that are not considered to be material weaknesses?	\	⁄es	-	Х	None Reported
Type of auditors' report issued on compliance for passenger facility charge program:		Unn	nodified		
Any audit findings disclosed that are required to be reported?	\	⁄es	_	Х	No
SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO PA	ASSENGER FACIL	TY CH	IARGE PI	ROGR	<u>AM</u>
There are no findings to be reported.					

Summary Status of Prior Year Findings Passenger Facility Charges

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CITY OF SAN ANTONIO, TEXAS

Summary Status of Prior Year Findings Passenger Facility Charge Program Year-Ended September 30, 2019

None.

