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Disclaimer

This Annual Comprehensive Financial Report (ACFR) of the City of San Antonio contained on the City's web pages is historical information as of September 30, 2023. The information in the ACFR has not been updated for developments subsequent to the date of the independent auditor's report.

The City has taken reasonable security measures to protect the integrity of its website and information posted thereon. However, no website can fully ensure against infiltration. Absent any unauthorized act that deletes, edits, or somehow manipulates the words or data, this publication represents the presentation of the City of San Antonio's ACFR dated September 30, 2023.

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

FISCAL YEAR-ENDED SEPTEMBER 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

& OTHER REPORTS

CITY OF
SAN ANTONIO
— TEXAS —

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CITY OF SAN ANTONIO, TEXAS

Annual Comprehensive Financial Report & Other Reports

Year-Ended September 30, 2023

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

Prepared by:
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Member of the Government Finance Officers
Association of the United States and Canada

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STATE SECTION

PFC REPORT

Letter of Transmittal

March 27, 2024

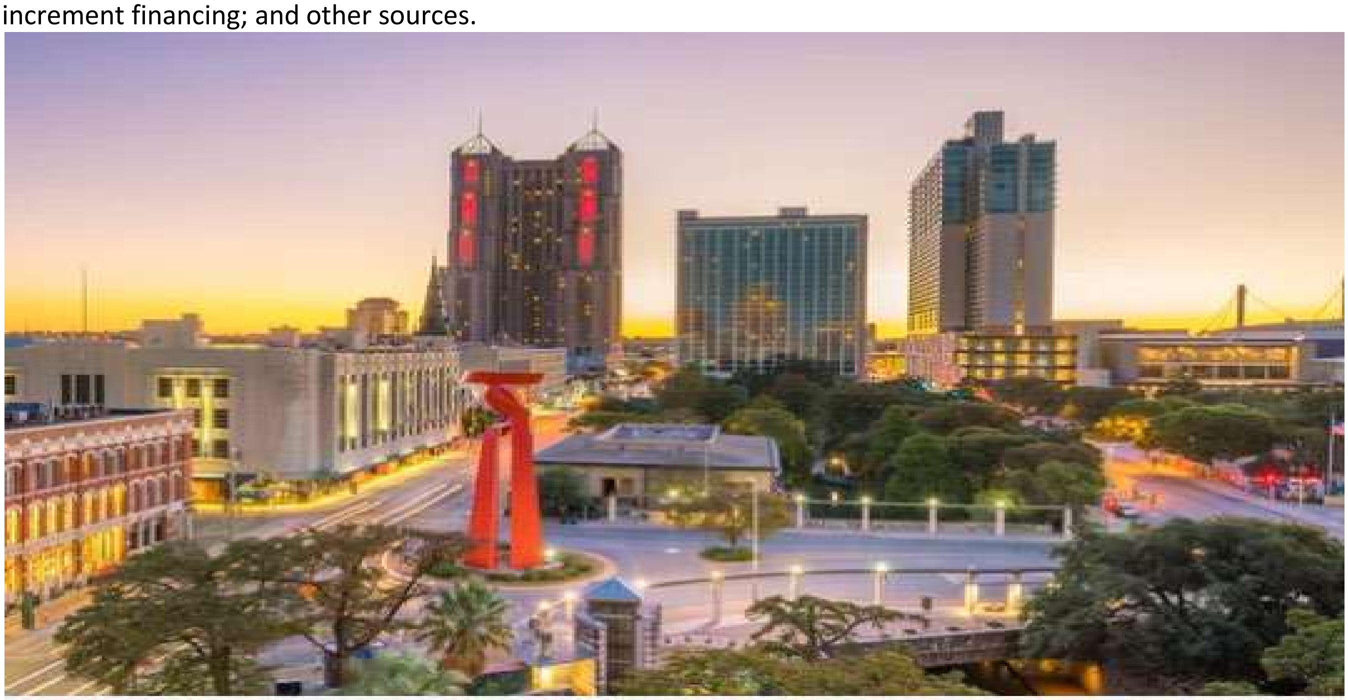
To the Honorable Mayor, City Council, and City Manager:

It is my pleasure to present the City of San Antonio's (City) Annual Comprehensive Financial Report (ACFR) and Other Reports for the fiscal year-ended September 30, 2023. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of FORVIS, 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 ambulatory services; 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.



CITY PROFILE (Continued)

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 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. The City Manager is limited to a term of eight years. The most recent election for the offices of the Mayor and all ten Councilmembers occurred in June of 2023.

The City is in South Central Texas, approximately 80 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, and superb recreation choices, including championship golf courses, 86 miles of linear greenway trails, theme parks, historical attractions, museums, professional sporting attractions, and a lively performing arts environment. Geographically, the City covers more than 507 square miles. The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.4 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2010, the City's metropolitan area grew 9.5% and is projected to grow by an additional 1.0 million people through the year 2040. Bexar County is one of the fastest growing regions in the state. 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, Northside, North East, and San Antonio Independent School Districts, Methodist Healthcare System, UT Health Science Center, and Baptist Health Systems.

San Antonio's Gross Domestic Product continues to show consistent growth, rising 9.7% from 2021 to 2022, and is estimated to grow to 10.8% in 2023. San Antonio remains one of the fastest-growing cities in the United States, adding nearly 19,000 residents from 2021-2022. Its location along Interstate 35 provides the local economy with easy access to efficient transit both north within Texas and beyond, and to the booming trade economy of northern Mexico.

San Antonio is a great place to live. Its cost of living is 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. Public, private, and parochial schools are available as well as several colleges and higher education facilities. Our beautiful City allows residents to go outdoors to relax in beautiful municipal parks, play challenging golf courses, visit theme parks, or take advantage of other popular attractions and cultural events such as Fiesta San Antonio each April. San Antonio is also home to the five-time NBA Champion San Antonio Spurs, a double-A affiliated baseball team, and a minor league soccer team.

ECONOMIC CONDITIONS AND OUTLOOK

Though impacted by the unforeseen COVID-19 global pandemic, the City's resiliency is demonstrated in the positive change that has occurred within economic growth indicators. The pandemic's impact upon our community was most greatly felt in 2020 when the City experienced a surge in unemployment along with significant effects throughout the community. Since then, the City has been able to rebound from the devastating toll it had on our economy.

According to the Bureau of Labor Statistics, national unemployment for October 2023 was 3.7%, significantly reduced from a national unemployment rate peak of 14.4% during the pandemic. At a local level, the San Antonio area unemployment rate for October 2023 was 3.5% as compared to the peak during the pandemic of 12.5%. Recognizing that the pandemic will have a lasting effect on our community for years to come, there is focused effort to rebuild our job sector and strengthen businesses and our local workforce. This continues to be carried out through economic incentives, regional strategic partnerships, and Ready to Work, San Antonio's premier training, education, and employment program. Efforts to expand and bring new industries promises to bring over 2,500 new target industry jobs to San Antonio and over $2 billion in new investments. San Antonio employment continues to grow as the overall employment in the City grew by 1.5%, which equates to over 19 thousand jobs in 2023.

The City's local economy is diverse and vibrant. San Antonio is anchored by several key industries and is targeting other emerging industries to drive the City's economic future. The military has had a significant relationship with the City San Antonio for more than 200 years and is home to several military commands. With Joint Base San Antonio (JBSA) as a hub for U.S. Military operations, San Antonio companies receive significant contracts for providing research & development services, goods, products, and other support services through federal contracts. In 2023 San Antonio companies received over $2.8 billion in contracts, providing a stable source of revenue and the potential to expand operations for many companies.

The City is also a cybersecurity hub and is nationally recognized as a leader in the field of information security. There are several colleges and universities recognized as National Centers of Academic Excellence in Cyber Defense Education in San Antonio, most notably is the University of Texas at San Antonio (UTSA). UTSA is home to three cybersecurity centers and has the nation's top-ranked cybersecurity education program. Superior training and education, combined with proximity to cybersecurity offices and installations of the National Security Agency, the Federal Bureau of Investigation, the Department of Homeland Security and the U.S. Air Force, have helped the San Antonio area amass the highest concentration of cybersecurity professionals outside of Washington, D.C. The City has a thriving aerospace industry with more than 10,000 San Antonio residents working in this industry. The City is home to the maintenance, repair, and overhaul operations of some of the world's leading aerospace companies, such as Boeing, VT-SAA, and StandardAero, as well as to key aerospace assets including the San Antonio International Airport, Stinson Municipal Airport, Port San Antonio, JBSA-Randolph, JBSA-Lackland, and various training institutions.

COVID-19 RESPONSE

In response to the COVID-19 pandemic in March 2020, the City responded with executive emergency orders, increased health surveillance, and public health interventions while supporting businesses and households. The City developed numerous plans and began implementing them simultaneously with the executive orders to address the needs of our community.

Recovery and Resiliency Plan The federal government passed legislative aid due to the scale of the public health emergency, business closures, stay at home measures and their resulting financial impacts, which provided funds for governments to continue services, and for families, businesses, and schools to receive funds to survive the economic impact. As part of the Coronavirus Aid, Relief, and Economic Security Act signed into law March 27, 2020, the City received $270 million in Coronavirus Relief Funding. This funding was used to directly respond to the COVID-19 pandemic in our community and better prepare the City after the pandemic with the development of the COVID-19 Recovery and Resiliency Plan. The plan leveraged more than $332 million in local and other federal funds to provide services and aid to the community across four primary pillars: Workforce Development, Housing Security, Small Business, and Digital Inclusion.

American Rescue Plan Act (ARPA) On March 11, 2021, the federal government signed the American Rescue Plan Act of 2021 to aid American families, small businesses, industries, and local governments. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of ARPA, was issued to deliver $350 billion to governments across the country to support their response to and recovery from the COVID-19 public health emergency. The City was awarded $326.9 million in SLFRF to obligate by December 2024 and spend by December 2026. These funds were designed to provide resources to: 1) fight the negative effects of the pandemic and support families and businesses struggling with its public health and economic impacts; 2) maintain essential public services; and 3) build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

On June 16, 2021, as part of the City’s Trial Budget presentation, staff presented to the City Council a two-phased strategy for use of SLFRF, which was later approved in August 2021 as part of the fiscal year 2022 budget process.

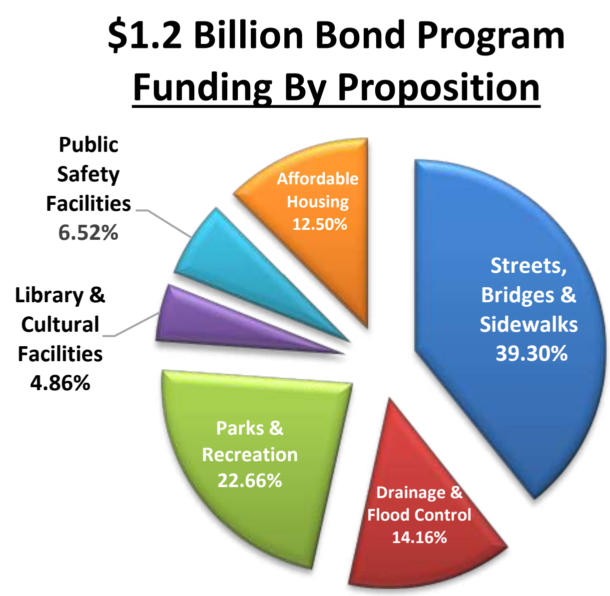
- Phase I allocated $96 million; $45 million was allocated to the General Fund over two years to stabilize the City budget and address community needs exacerbated by the pandemic, including programs and services that support mental health, domestic violence, housing, and community navigators; and $51 million was allocated to the City’s Hotel Occupancy Tax (HOT) Fund over four years to support the City’s convention and Alamodome operations, and the arts.
- Phase II allocated $30 million for residential utility assistance to aid residents who were financially impacted by the COVID-19 crisis and in need of financial assistance with utility payments in arrears; and the remaining $200.4 million of SLFRF, $14.9 million in savings reallocated from the Recovery and Resiliency Plan, and $2.4 million in SLFRF interest earnings, focus on the following areas:
    - Investments in mental health, domestic violence, youth, seniors, nonprofit social services, small business support, digital access/literacy, and the arts - $102.4 million
    - Continued COVID-19 Response/Emergency Preparedness - $50.0 million
    - One-time capital investments for improvements at a theme park where children and adults with special needs have access to facilities that enable them to enjoy outdoor recreation, electrical grid upgrades at nonprofit research institute specializing in virology and immunology to support energy reliability and resiliency given the critical nature of the research conducted at the facility, and the design and construction of a state-of-art facility for the care of children - $32.0 million
    - Infrastructure investments in streets and bridges - $13.8 million
    - Emergency Housing Assistance Program - $10.0 million
    - Employee Retention Program - $9.5 million

MAJOR INITIATIVES – CAPITAL PROGRAMS

Airport Terminal Development In November 2021, City Council unanimously approved the Strategic Development Plan (SDP), a Master Planning process required by the Federal Aviation Administration that provided a comprehensive, long-range study of every physical aspect of an airport to ensure it meets projected demand and serves its designated role within the national airport system. The SDP for the San Antonio International Airport identified need for a new terminal facility to support the forecasted passenger growth for our region.

In May 2022, the City Council was presented with the major components of the Terminal Development Program (TDP), which is targeting completion of a new terminal with up to 17 gates and its associated enabling projects by the end of the second quarter of 2028. The new terminal will serve both domestic and international wide-body flights with a new modern Federal Inspection Station (also known as Customs area) and new concession space. The TDP will also include a new ground transportation center and parking garage as well as a terminal roadway realignment for serving all three terminals at the San Antonio International Airport. To accommodate the projected growth and needs of San Antonio passengers, the $1.4 billion project will include a new terminal, renovate the existing Terminal A, and upgrade and improve the airfield and roadways.

2022 Bond Program On May 7, 2022, the citizens of San Antonio voted for and approved the largest bond program in the history of the City. The $1.2 billion General Obligation Bond Program consisted of six propositions and will fund 182 improvement projects throughout the City and include a significant investment in affordable housing. The Bond Program includes projects to improve: existing and construct new local streets; bridges; sidewalks; drainage; parks; community and service center facilities; libraries; and public safety service facilities. In May 2021, the City's Charter was amended through an election which authorized the City to issue bonds for permanent public improvements including affordable housing projects. Pursuant to this authorization, the voters approved as part of the 2022 Bond Program a $150 million affordable housing program. Funding will be used for the acquisition, construction, preservation, and rehabilitation of homes; providing loans and grants for affordable housing programs as permitted by law; and acquiring land and interest in land and property.



In fiscal year 2023, the Neighborhood and Housing Services Department awarded $81 million to support 30 affordable housing projects which will produce and preserve over 4,800 homes. As of September 2023, more than 3,300 homes were in the pipeline and more than 1,200 homes were under construction with support from the Affordable Housing Bond.

MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

Affordable Housing The City adopted the Strategic Housing Implementation Plan (SHIP) in December 2021 with a vision to produce or preserve over 28,000 affordable homes in San Antonio over the next ten years. San Antonio is currently a little more than halfway toward its goal to produce or preserve 14,158 rental units, about 20% toward producing or preserving homeownership opportunities and nearly 40% toward its goal to add 1,000 permanent supportive housing units, which house people experiencing chronic homelessness. SHIP's adoption defined affordable housing, set new production and preservation goals, and identified 36 strategies to help the City and our partners meet those goals. Successes include implementing the historic $150 million Affordable Housing Bond Program. Over 4,000 homes have entered production and preservation pipeline since the bond was passed. The Neighborhood and Housing Services Department also launched the first Property Tax Help campaign - 18 events to help homeowners file for exemptions and learn how to appeal their property tax appraisals. Nearly 2,000 households attended property tax help events. Further, the City also launched a Tenant's Rights Campaign this year, which culminated with City Council passing a resolution affirming tenant's rights. This campaign will continue with a video series and educational events for renters and rental property owners.

HPARC Civic Park The City, with the Hemisfair Park Area Redevelopment Corporation (HPARC), continues to work towards the redevelopment of the Hemisfair space, home of the 1968 World's Fair. Working from the Hemisfair Master Plan created in 2012, revitalization of this area is progressing, starting with the Yanaguana Gardens that opened in 2015. Work on the Civic Park project started in 2022 and is expected to be completed in time for the City's hosting of the Men's Final Four tournament in 2025. On September 29, 2023 Phase I of Civic Park opened. Civic Park is the grandest of Hemisfair's park series with a beautiful urban green space in the heart of San Antonio; to include an open lawn, a shaded promenade, water features, and gardens next to the City's Convention Center. Based on the Hemisfair Park Master Plan, Civic Park will also have private development to include a 200-room hotel, 565 units of multi-family housing, 870 parking spaces, and 78,000 gross square-foot available for retail and restaurant space. This total private investment is estimated at $340 million. The last phase of the Master Plan, Tower Park, will be located on the eastern side of Hemisfair near the Tower of the Americas. All three areas will complement one another and unite to form the reimagined district, that is Hemisfair.

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MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

Alamo Plaza The City, the Texas General Land Office, and the nonprofit Alamo Trust, are partners for the construction of a $400 million preservation of the Alamo Plaza site. These plans will restore reverence to this historic mission, restore the 1836 battlefield footprint, preserve and conserve the sole remaining structures, and construct an Alamo Museum and visitor center that will be the central focus of the collaboration of the Alamo mission and battle site. Two outdoor exhibits were completed in 2021. Construction was completed on the $15 million, 24,000 square-foot exhibit hall and collections building in late 2022 and opened to the public in March 2023, representing the first new construction on the Alamo grounds since the 1950s. It houses all of the Alamo artifacts, the Alamo Collection, and the Phil Collins Collection under one roof. It also features an exhibit space that will serve as a museum until the $140 million Alamo Museum and visitor center is built. The 100,000 square-foot museum is scheduled for a grand opening in 2027.

MAJOR INITIATIVES – COMMUNITY FOCUS

Property Tax Relief Consistent with the City's financial policies, an annual review of property tax relief with a focus on homeowners was completed in fiscal year 2023. During the fiscal year 2024 budget process, the City received the certified tax roll for 2023 which showed substantial growth in property values. To provide property tax relief, the fiscal year 2024 budget doubled the General Residence Homestead Exemption from 10% of the appraised value of the residence homestead to the maximum 20% of the appraised value, effective January 1, 2023, for qualifying homes. This increase in the Homestead Exemption is in addition to the existing $85,000 exemption for persons aged 65 years or older or disabled. In addition to these exemptions, the City is one of the few cities in Texas to freeze the amount of property taxes imposed on residence homesteads owned by persons 65 years of age or older or disabled. In fiscal year 2024, the City will forgo approximately $134.5 million in property tax revenue from senior and disabled homestead exemptions, frozen City tax payments, and the general homestead exemption.

In 2019, Senate Bill 2 reduced the property tax Rollback Rate (now the Voter Approval Rate) from 8% to 3.5% applicable to the Maintenance and Operations (M&O) portion of the tax rate. The City cannot adopt a rate above the 3.5% revenue cap without triggering an automatic election. Effective January 1, 2024, the calculation for use of the unused increment rate has changed due to state legislation enacted in 2023. Instead of allowing the unused increment tax rate from the previous three years to be added to the calculated statutorily maximum tax rate, the calculation will now allow only "foregone revenue" to be used from previous years. As a result of this statute the Fiscal Year 2024 Adopted Budget also reduces the City's property tax rate from 54.161 to a statutorily maximum rate of 54.116 cents per $100 in value. This is the 31st consecutive year without a tax rate increase.

Resiliency, Energy Efficiency, and Sustainability As part of the fiscal year 2023 Budget, the City established the Resiliency, Energy Efficiency and Sustainability Fund. The Fund's purpose is to:

1. provide local leveraged funding for relevant federal funding opportunities with the Inflation Reduction Act, Bipartisan Infrastructure Law, and other grant opportunities,
2. pilot programs to support Urban Heat Island mitigation,
3. provide business incentives to support the program's objectives, and
4. provide small grants to community organizations for education and demonstration projects in climate action and resiliency.

MAJOR INITIATIVES – COMMUNITY FOCUS (Continued)

Funding is provided through dedicating the portion of the City's Payment from CPS Energy on the recovery of their Sustainable Tomorrow Energy Plan (STEP) expenditures through customer bills. STEP expenditures by CPS Energy are recovered through the fuel adjustment component of CPS Energy customer bills and are subject to the City's 14.0% gross revenue payment calculation. The annual total City Payment on the STEP recovery is projected to be $9.5 million.

Walker Ranch Senior Center The City opened its 11th Comprehensive Senior Center, the Walker Ranch Senior Center, in Council District 9, adjacent to the Walker Ranch Park on August 1, 2022. The $14.2 million, 26,337 square foot center, has a dining room, classrooms, exercise area, dance studio, health screening office, satellite Council office, covered outdoor seating, parking including ADA and EV spaces, and a vehicular drop off area. Programming includes recreation, education, nutrition, health, financial wellness, and other supportive services that are designed to ensure older adults stay healthy, engaged, and independent. In fiscal year 2023, Walker Ranch Senior Center membership grew to 5,963.

MAJOR INITIATIVES – CONVENTION & TOURISM

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. During fiscal year 2023, CSF was able to maintain the momentum established in 2022 as it emerged from the pandemic. This included continued strong attendance and event numbers, matching or nearing pre-pandemic levels.

Henry B. Gonzalez Convention Center Working alongside partner Visit San Antonio (VSA), the City's sales and marketing organization, the Convention Center saw its event and attendance numbers continue to rise from COVID's damaging impact. VSA's strategic recovery plan, designed to impact event numbers for 2023 and beyond, includes utilizing the hosting obligation funds allocated to the City to attract short-term business to the Convention Center. The Convention Center generated $23.4 million in revenue in fiscal year 2023, surpassing pre-pandemic levels. During fiscal year 2023, the Convention Center hosted 245 events with more than 600,000 attendees. In May 2023, the City hosted the IPW conference at the Convention Center, including tour operators, travel agents and media from around the world that generated $13.6 million in economic impact in 2023. Organizers project the conference will generate 395,000 new international visitors and spur approximately $614 million in international visitor spending over the next three years.

MAJOR INITIATIVES – CONVENTION & TOURISM (Continued)

Alamodome The Alamodome's 30th anniversary year in 2023 included another strong, diverse lineup of events that attracted nearly 1.2 million fans to San Antonio's signature downtown venue. The Dome's special year included record-setting crowds and a remarkable variety of offerings such as concerts, sporting events, graduations and shows. It was the second straight year the facility surpassed 1 million in attendance and the eighth time in the past 14 years. The Valero Alamo Bowl hosted more than 56,000 fans in late December, it was the ninth event of the year to total more than 30,000 visitors to the facility. Arguably the biggest moment of 2023 occurred last January when the Spurs set the NBA record for single-game attendance as 68,323 fans attended the team's 50th anniversary ballgame. Two weeks later, WWE held its Royal Rumble at the Alamodome, and more than 51,000 showed up as the wrestling circuit set records for gate revenues.

One of the most remarkable moments of 2023 came on September 25 and 26 when the Dome hosted concerts by global superstars P!nk and Guns 'N Roses on successive nights. Together the performances pulled in 65,000 fans and marked the first time in memory that a venue had tackled such a challenging conversion. The Dome also hosted the debut of the XFL spring football league, including its inaugural title game; UTSA football; Disney on Ice; the UIL boys and girls state basketball championships; and concerts by Red Hot Chili Peppers and Karol G, among others. As part of the countdown to the 2025 Men's Final Four, the Dome is currently adding 18 more suites, replacing elevators and escalators, and is providing new finishes to the upper-concourse concession and eating areas.

Carver Community Cultural Center The mission of the Carver Community Cultural Center is to celebrate the diverse cultures of our world, nation, and community. The Carver continued to gain notice for its headline performance seasons at both the Jo Long Theatre and Little Carver. In 2023, that lineup included spotlight artists such as Take Six, Terence Blanchard, Oleta Adams and Matthew Whitaker. The Center itself saw improvements such as added weatherproofing to the exterior of the historic Jo Long Theatre, restroom remodeling and a completed building assessment for the entire Carver complex.

Arts & Culture The City dedicates 15.0% of the net hotel occupancy tax (net of debt service) collected to arts and culture programs and 1.5% of City's capital improvement projects are dedicated to Public Art. The programs supported by this funding are all managed by the City's Department of Arts & Culture, which collaborates with local artists, art nonprofits, and City partners to bring high-quality arts programming to visitors and residents. As part of the 2022 bond program a historic $15.7 million was secured for public art. This funding will allow the City to work with the community to plan for the creation of 36 new public artworks. In 2023, the arts and culture programming produced 23 events and festivals and showcased 78 artists in its Centro de Artes and Culture Commons Galleries, which hit an attendance record with more than 23,000 visitors.

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MAJOR INITIATIVES – EDUCATION

Early Child Education In November 2012, City voters approved funding for Pre-K 4 SA with a 1/8 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. 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 November 2020, City voters renewed adoption of a sales and use tax at the rate of 1/8 cent for the purpose of continued financing of Pre-K 4 SA, an authorized program of the San Antonio Early Childhood Education Municipal Development Corporation, for another eight years.

Ready to Work (RTW) Ready to Work is San Antonio's premier training, education, and employment program. In 2020, as a longer-term investment in San Antonio's workforce ecosystem, voters overwhelmingly approved Ready to Work as an authorized program of the San Antonio Early Childhood Education Municipal Development Corporation. The $200 million program is funded by a separate 1/8 cent sales tax to be collected through December 2025. Eligible participants can earn credentials, certifications, and degrees in targeted industries focused on well-paid jobs in high demand. Over the course of the program, the City anticipates training over 28 thousand residents and providing them with support to help them succeed and find quality employment.

RTW runs through four prime partner agencies, including Workforce Solutions Alamo, Alamo Colleges District, Project Quest, and Restore Education, and many subcontracted community organizations. Now in its second year, over 10,000 applicants have completed intake interviews and needs assessments, over 5,000 participants have enrolled in approved training courses, and almost 400 participants have been hired by 278 employers. To date, participants are achieving a 65% training completion rate and a 59% job placement rate within 6 months of completing training. Over 380 local employers have pledged to support RTW.

After December 2025, the 1/8 cent sales and use tax proceeds associated with the Ready to Work program, was approved by voters in 2020 to be reassigned and collected by VIA Metropolitan for advanced public transportation services, operations, passenger amenities, equipment and other innovative advanced transportation purposes or public transportation mobility enhancement purposes.

MAJOR INITIATIVES – PUBLIC HEALTH SERVICES

The SA Forward Plan In April 2022, Metro Health launched the SA Forward blueprint to address the City's most pressing health issues, strengthen our public health system, and fortify our efforts to decrease social and racial disparities in health. Over the next years, Metro Health will focus efforts on the following six priority areas:

- ***Access to Care:*** Access to affordable, quality health care is important to physical, social, and mental health. The initiatives in this priority area will address systemic barriers to patient-centered health care. Through quantitative and qualitative data, the research team provided a picture of our community's needs and strengths that can be used to work toward solutions.
- ***Data & Technology Infrastructure:*** Updated technology and infrastructure are essential to ensuring a strong foundational workforce, robust infrastructure and advanced technological services, software, and equipment. In fiscal year 2023 1,774 specimens were analyzed to ensure continuation of local Public Health Laboratory capacity for DNA sequencing to identify SARS CoV-2 variants in circulation.
- ***Food Insecurity & Nutrition:*** A food systems approach identifies, analyzes, and assesses the impact of the systems' actors, activities, and outcomes to help identify intervention points to address food insecurity. Increasing access to healthy foods can help prevent obesity and diabetes. As part of the Diabetes Program expansion, the program education staff completed 45 in-person workshops.
- ***Health Equity & Social Justice:*** In order to strengthen the City's ecosystem, structural racism and other factors, such as the Social Determinants of Health, that impact the health and wellbeing of our citizens need to be addressed.

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MAJOR INITIATIVES – PUBLIC HEALTH SERVICES (Continued)

- ***Mental Health & Community Resilience:*** Mental health problems constitute a large and increasing part of the burden of disease in our community. As such, improving the coordination of mental health services by strengthening community assets to ensure emotional, psychological, and social wellbeing for people and communities is essential. In fiscal year 2023, over $18 million in ARPA funding was allocated through Metro Health to community partners. This historic funding will address inequities and gaps in youth mental health services and adult harm reduction efforts. This funding also represents an unprecedented investment in mental health services for youth and young adults in foster care.
- ***Violence Prevention:*** Metro Health will expand screening and services for domestic violence victims, support the adoption of a trauma-informed approach within all City departments serving our communities, expand positive parenting classes for justice-involved parents, and implement restorative justice programs in high schools and middle schools. In fiscal year 2023, 1,579 clients in Survivor-Centered Domestic Violence Initiative received on-going services.

SA Core The San Antonio Community Outreach and Resiliency Effort (SA-CORE) is a partnership between Metro Health, the San Antonio Fire Department (SAFD), San Antonio Police Department (SAPD), Southwest Texas Regional Advisory Council (STRAC), and the Center for Health Care Services (CHCS). SA-CORE enhances the City's response to mental health related 911 calls by dispatching a multi-disciplinary response team comprised of a SAFD paramedic, a SAPD police officer, and a CHCS mental health clinician. The SA-CORE initiative is a key step in improving the first response system for individuals experiencing a mental health emergency, so they may gain access to appropriate, tailored clinical care as soon as possible. In fiscal year 2023, the SA-CORE team responded to 1,350 mental health calls with a success rate of less than 1% resulting in an arrest.

MAJOR INITIATIVES – PLANNING AND COMMUNITY DEVELOPMENT

SA Tomorrow By 2040, San Antonio's population is expected to increase by approximately 1.0 million people from 2020. 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.

Comprehensive Plan was developed with support and collaboration from the City's residents, local organizations, the Department of Planning and Community Development, and other City entities. The purpose of this plan is to unify the visions, goals, and policies of San Antonio's other plans and initiatives and identify specific issues, challenges and needs. It presents preliminary concepts, strategies, and recommendations for various elements of the community.

Sustainability Plan focuses on enhancing a community's quality of life and overall resilience while balancing the impact of the City's 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 and use technology to assist in keeping emissions out of the atmosphere. The goal of the Climate Action Plan is to be a net-zero carbon emission City by 2050, making San Antonio the second major Texas City to adopt such a goal.

MAJOR INITIATIVES – PLANNING AND COMMUNITY DEVELOPMENT (Continued)

The following are key items completed in 2023 with the intent to pursue net-zero carbon emissions by 2050:

- The largest on-site solar project by a local Texas Government was approved by City Council. The $30 million project will install roof-top, and parking canopy solar photovoltaic systems at 42 city facilities with the option for a supplemental $10 million for additional solar projects. The City's newly approved services agreement, with local developer Big Sun Solar, will contribute to San Antonio's 2040 goal of zero net energy for all municipal buildings. Installations will begin Spring 2024, with anticipated completion in the Fall of 2026. The City was able to finance this project by leveraging clean energy credits extended to municipalities under the Inflation Reduction Act, issuing self-supporting debt funded through the REES Fund, and utilizing State Energy Conservation Office loans.
- In 2021, the City became the first city in Texas to fight heat with cool pavement, testing it on a small stretch of asphalt at the east end of the Hays Street Bridge. In 2023, the City expanded its initiative, and invested $1 million in installing cool pavement application products to sections of roadway in all 10 City Council Districts. The City prioritized locations with high scores for extreme heat and in partnership with the University of Texas San Antonio, they studied the effects of the one of five sealants products used.
- Educating and empowering all San Antonio residents around climate action is the driving force behind our robust and innovative climate education initiatives. As one of the major strategies within the SA Climate Ready Climate Action and Adaptation Plan, the City is dedicated to ensuring that communication, outreach, and engagement efforts reach all residents, particularly frontline communities and those that have been historically under-represented. The SA Climate Ready Public Engagement & Communications initiative informs the greater San Antonio community about the benefits of climate action and adaptation.

Multimodal Transportation Plan effort will explore how to preserve the San Antonio culture and increase livability through ensuring housing and transportation choices as the City grows. The Plan covers the entire City including its extraterritorial jurisdictions. It also considers all modes of transportation: auto; freight; rail; transit; biking; and walking. The plan will communicate the City's transportation strategy for the future, develop proposed improvements that address all modes, and provide for a method of prioritizing projects.

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 generally accepted accounting principles. 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 results 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, City 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 which exceed 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 and Trial Budget 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 which 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. To give City Council and the community an opportunity to provide feedback on the budget, prior to the proposed budget in August, a Trial Budget was also presented to the City Council. The Trial Budget included certain revenue and expenditure assumptions, as well as proposing targeted improvements for the fiscal year 2023 Budget.

Goal – Setting Session A budget goal-setting session was held on April 13, 2022, with the Mayor and City Council. At this session, the City Council discussed financial policies and community input on the fiscal year 2023 Trial Budget, highlighting topics on property taxes and homestead exemptions, public safety, streets and transportation, and civilian compensation.

Public Input A major component of the budget process is community input. Through the City's public outreach campaign, SASpeakUp, residents had 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.

Proposed Budget After obtaining the priorities of City Council and the community, 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 to achieve a balanced budget, while optimizing City service deliveries and addressing priorities of the City Council and residents.

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FINANCIAL INFORMATION (Continued)

Public Hearing After the budget was proposed, the City Council held 11 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.

Adopted Budget On September 15, 2022, City Council adopted the fiscal year 2023 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.

With the adoption of the 2023 Budget, the City continued to follow established Financial Policies. These Financial Policies include:

- Maintain a minimum General Fund ending balance of 15%
- Maintain Public Safety below 66% of the General Fund
- Manage structural balance in the General Fund
- Maintain a $1 million contingency in the General Fund and $3 million in the Capital Budget
- Address Internal Fund deficits within three to five years
- Annually review the impact of the State-imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate
- Annually review property tax relief with a focus on homeowners
- Annually review and periodically adjust Fees and Charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals

The City continues to evaluate financial policies as a means of fiscal prudence in consideration with City operations, implications to the City's credit rating, and City Council priorities 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, a 'Aaa' from 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 and initiatives as an additional tool in providing services to the citizens of San Antonio. In 2023, the City was awarded $320 million in Federal assistance and $17 million in State assistance for a total of $337 million.

AWARDS

The City's Budget Office 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 2023 Operating and Capital Budget for the 40th consecutive year.

The City's Finance Department received the Achievement of Excellence in Procurement (AEP) award for the 26th consecutive year in recognition of organizational excellence in public procurement.

The City is ranked as one of the best employers in Texas according to Forbes, ranking 12th in Texas and 2nd amongst San Antonio employers. The evaluation was based on employee-driven feedback surrounding working conditions, diversity, salary, potential for development and company image regarding their current employer. America's Best-in-State Employers 2023 were identified based on 2.1 million employer recommendations from employees working for companies with more than 500 employees in the United States.

The City's Human Resources Department was awarded the Agency of Excellence Award - Large Agency from the Public Service Human Resources Association. This award recognizes the "quality, accomplishments and contributions of an outstanding human resource program". In 2023 only two large agency awards were given. This award was specifically given to the City in recognition of our efforts to develop and recruit employees through our apprentice, training, and wellness programs.

In 2023, the City was awarded the Bloomberg Philanthropies What Works Cities Certification at the Gold Level for exceptional use of data to inform policy decisions, allocate funding, improve services, evaluate program effectiveness, and engage residents. What Works Cities Certification helps set the standard of excellence for data-informed, well-managed local governments. This was an improvement in our rating from What Works Cities Silver Certification in 2021. The City has demonstrated measurable progress on foundational data practices. We strive to invest in the well-being of our residents by continuing to foster a data-driven culture for the organization.

The City received the International Economic Development Council's (IEDC) 2023 Excellence in Economic Development Silver Award in the "Resiliency, Recovery, and Mitigation" category for work impacting over 500,000 residents and small businesses. The award recognized EDD staff and leadership for work on its ARPA-Funded Small Business Implementation Programs and setting an example of how economic development can help transform a community for the better.

The City received the Minority Enterprise Development Week Chairman's Resiliency Award for illustrating COVID-19 strategies that adapted to a fluid economy, and "New Normal," successfully. These methods include Creativity, Resiliency, Innovation, and Tenacity that play an integral role in the creative, technical, or professional progress of minority business development.

The City's Small Business Economic Development Advocacy Program received the Top 25 Prime and Subcontractors Award from Subcontractors USA that celebrates companies who work industriously to foster business growth in minority communities by supporting subcontractors, prime contractors and government agencies.

AWARDS (Continued)

The City's Building and Equipment Services Department received the Clean Air Award from the National Air Filtration Association for excellence in air filtration by using high-efficiency filtration products in the Heating, Ventilation and Air Conditioning systems, employing good maintenance practices, and showing outstanding effort in maintaining a clean and healthy indoor work environment.

The City was one of 10 cities who received a 2023 All-America City Award from the National Civic League. San Antonio was recognized for the Department of Human Services NXT LEVEL Youth Opportunity Centers and San Antonio Youth Commission, Metro Health Teen Ambassadors, Bexar County Fostering Educational Success, and the Up Partnership led Future Ready Plan.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Report for the fiscal year-ended September 30, 2022. This was the 48th consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. 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 Annual Report 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 FORVIS, 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 Grant Management Standards, and the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

The Independent Auditor's Report on the basic financial statements, Management's Discussion and Analysis, required supplementary information, and required disclosures and schedules are included in the Financial Section of this Annual Report. 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 Grant Management Standards. The Passenger Facility Charges Report has been prepared in accordance with the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

The Federal, State and Passenger Facility Charges Report section is comprised of the Schedules of Expenditures of Federal and State Awards, respectively, the Schedule of Revenues and Expenditures of Passenger Facility Charges, Report 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* – Independent Auditor's Report, Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance – Independent Auditor's Report, Report on Compliance for each Major State Program, and Report on Internal Control Over Compliance Required by the State of Texas Grant Management Standards – Independent Auditor's Report, Report 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 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.

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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

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Antonio
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

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City of San Antonio Mayor and City Council

Ron Nirenberg
Mayor

Manuel "Manny" Peláez
District 8

John Courage
District 9

Marina Alderete Gavito
District 7

Marc Whyte
District 10

Melissa Cabello Havrda
District 6

Dr. Sukh Kaur
District 1

Teri Castillo
District 5

Jalen McKee-Rodriguez
District 2

Dr. Adriana Rocha Garcia
District 4

Phyllis Viagran
District 3

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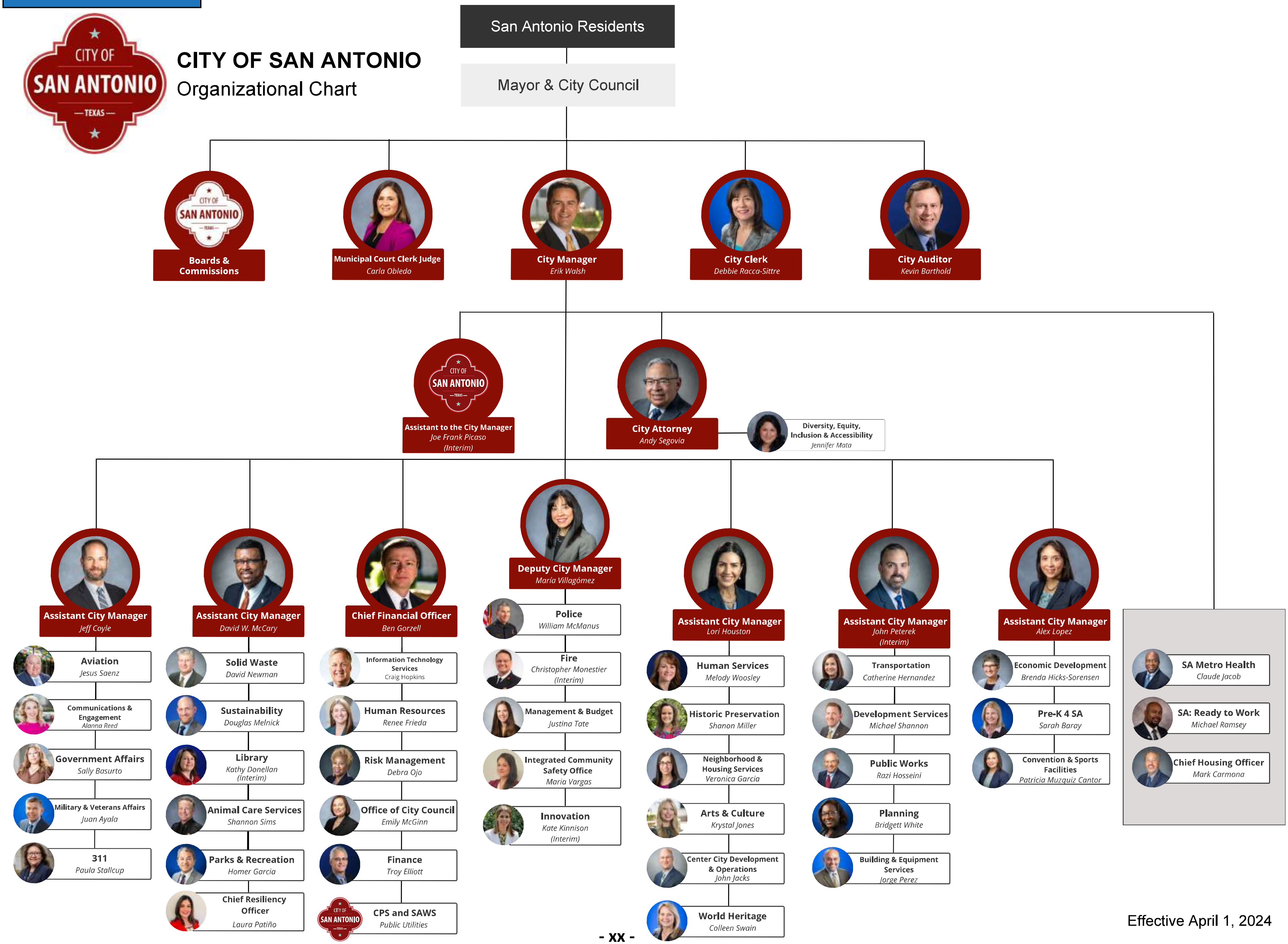
CITY OF SAN ANTONIO
Organizational Chart



Effective April 1, 2024

FINANCIAL SECTION

Independent Auditor's Report

FORVIS

2700 Post Oak Boulevard, Suite 1500 / Houston, TX 77056
P 713.499.4600 / F 713.499.4699
forvis.com

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2023, 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.

We did not audit the financial statements of Municipal Golf Association – San Antonio dba Alamo City Golf Trail, Prosper West San Antonio, 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 component units), and San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units), which represent 69%, 78%, and 14%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information as of and for the year ended September 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for those component units, are based solely on the reports of the other auditors. We also did not audit the financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Water System, discretely presented component units, which represent 98%, 98% and 99%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units as of and for the year ended September 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*).

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

Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of SA Energy Acquisition Public Facility Corporation and San Antonio Bexar County Soccer Public Facility Corporation, component units included in the financial statements of the aggregate discretely presented component units and City of San Antonio Council Aides Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, Prosper West San Antonio, San Antonio Economic Development Corporation and Visit San Antonio, blended component units included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the current year the City adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which 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, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* the schedule of expenditures of state awards as required by the *Texas Comptroller of Public Accounts, State of Texas Grant Management Standards,* which includes 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* (supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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, including comparing and reconciling such 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, 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 City'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.

FORVIS, LLP

Houston, Texas
March 27, 2024

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, 2023. This discussion and analysis are 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 at the close of fiscal year 2023 by $3,182,470 (net position), which is an increase of $197,651 from prior year's net position. A deficit ending balance of $739,937 in unrestricted net position is primarily due to the City's pension and other postemployment benefits liabilities.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $1,941,659, an increase of $217,918 compared to the fiscal year 2022 fund balance. Of this amount, $27,759 is nonspendable, $1,180,425 is restricted in use, $364,500 is committed, $20,775 is assigned, and $348,200 is unassigned. The unassigned fund balance includes the General Fund's of $393,226 less $45,026 in deficits reported in other governmental funds.
- The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. The unassigned fund balance includes $393,226 in financial reserves of which $246,092 or 16.0% of budgeted revenues, was reserved for a two-year balanced budget. City Council approved financial policies requiring the City to maintain a minimum General Fund ending balance of 15.0% of revenues. The General Fund available ending balance is $5,699 better than anticipated when compared to re-estimated fiscal year 2023 budget.
- As discussed in Note 1 Summary of Significant Accounting Policies, the City adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 96*, Subscription-Based Information Technology Arrangements,* in fiscal year 2023. Fiscal year 2022 comparative information contained herein has not been restated for the adoption of GASB Statement No. 94 or GASB Statement No. 96.

Overview of the Financial Statements

This discussion and analysis are 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). 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 statements, 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 funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, COVID-19, and 2022 General Obligation Bonds Funds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation labeled as 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, and Solid Waste Management Funds. *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 for Airport System and Solid Waste Management Funds, which are considered to be major funds in the proprietary funds' statement of net position and in the proprietary funds' statement of revenues, expenses, and changes in net position. Data from the other enterprise funds, Development Services Department, Market Square, and Parking 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 – The City maintains two different types of fiduciary funds. The Pension (and Other Employee Benefit) Trust Funds are used to report resources held in trust for retirees and beneficiaries covered by the San Antonio Fire and Police Pension Fund, the Retiree Health & Wellness SA Fire and Police Fund and the City of San Antonio Retiree Health Care Fund. The Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

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. 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 budgetary comparison schedules that demonstrate compliance with their budget, and (b) pension and other postemployment benefits 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 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 Reports, 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, 2023.

Net Position
As of September 30, 2023
(With Comparative Totals for September 30, 2022)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	$ 2,979,835	$ 2,867,854	$ 735,638	$ 464,481	$ 3,715,473	$ 3,332,335
Capital Assets	5,667,636	5,554,284	758,021	756,880	6,425,657	6,311,164
Total Assets	8,647,471	8,422,138	1,493,659	1,221,361	10,141,130	9,643,499
Total Deferred Outflows of Resources	1,012,841	429,816	66,464	40,836	1,079,305	470,652
Current and Other Liabilities	819,102	934,723	140,867	77,735	959,969	1,012,458
Long-term Liabilities	5,503,657	4,336,864	823,073	579,315	6,326,730	4,916,179
Total Liabilities	6,322,759	5,271,587	963,940	657,050	7,286,699	5,928,637
Total Deferred Inflows of Resources	594,516	1,004,344	156,750	196,351	751,266	1,200,695
Net Position:						
Net Investment in Capital Assets	3,162,762	3,065,297	288,098	304,792	3,450,860	3,370,089
Restricted	195,668	181,560	275,879	222,510	471,547	404,070
Unrestricted (Deficit)	(615,393)	(670,834)	(124,544)	(118,506)	(739,937)	(789,340)
Total Net Position	$ 2,743,037	$ 2,576,023	$ 439,433	$ 408,796	$ 3,182,470	$ 2,984,819

As of September 30, 2023, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $3,182,470. Investment in capital assets which represents the largest portion of the City's net position, $3,450,860, 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. 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 $471,547 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:

Changes in Net Position
Year-Ended September 30, 2023
(With Comparative Totals for the Year-Ended September 30, 2022)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	$ 264,320	$ 276,200	$ 307,208	$ 300,502	$ 571,528	$ 576,702
Operating Grants and Contributions	353,574	467,342	19,004	36,350	372,578	503,692
Capital Grants and Contributions	59,843	97,368	51,078	44,588	110,921	141,956
General Revenues:						
Property Taxes	765,507	708,485			765,507	708,485
Other Taxes	662,897	642,241			662,897	642,241
Revenues from Utilities	487,646	419,985			487,646	419,985
Investment Earnings (Loss)	81,677	(16,933)	13,487	(2,176)	95,164	(19,109)
Miscellaneous	112,231	130,856	4,837	2,100	117,068	132,956
Total Revenues	2,787,695	2,725,544	395,614	381,364	3,183,309	3,106,908
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	146,465	135,351			146,465	135,351
Public Safety	1,009,008	766,295			1,009,008	766,295
Public Works	409,149	347,536			409,149	347,536
Sanitation	12,889	11,316			12,889	11,316
Health Services	121,572	102,620			121,572	102,620
Culture and Recreation	252,864	202,798			252,864	202,798
Convention and Tourism	91,784	80,658			91,784	80,658
Urban Redevelopment and Housing	74,021	126,328			74,021	126,328
Welfare	243,551	260,447			243,551	260,447
Education	107,452	79,651			107,452	79,651
Economic Development and Opportunity	63,711	71,490			63,711	71,490
Environmental	1,866	193			1,866	193
Bond Issuance Costs	-	4,061			-	4,061
Interest on Long-Term Debt	86,637	63,382			86,637	63,382
Business-Type Activities:						
Airport System			152,352	135,836	152,352	135,836
Development Services			48,530	43,540	48,530	43,540
Market Square			2,854	2,232	2,854	2,232
Parking System			9,558	7,188	9,558	7,188
Solid Waste Management			150,982	138,763	150,982	138,763
Total Expenses	2,620,969	2,252,126	364,276	327,559	2,985,245	2,579,685
Change in Net Position						
Before Transfers	166,726	473,418	31,338	53,805	198,064	527,223
Transfers, Net	288	431	(701)	(2,679)	(413)	(2,248)
Net Change in Net Position	167,014	473,849	30,637	51,126	197,651	524,975
Beginning, Net Position (Previously Reported)	2,576,023	2,101,258	408,796	357,670	2,984,819	2,458,928
Other Restatement		916				916
Beginning Net Position	2,576,023	2,102,174	408,796	357,670	2,984,819	2,459,844
Ending Net Position	$ 2,743,037	$ 2,576,023	$ 439,433	$ 408,796	$ 3,182,470	$ 2,984,819

The City's total revenues were $3,183,309 for fiscal year-ended September 30, 2023. Revenues from Governmental Activities totaled $2,787,695 (87.6%) and revenues from Business-Type Activities totaled $395,614 (12.4%). Expenses for the City totaled $2,985,245; Governmental Activity expenses totaled $2,620,969 (87.8%) and Business-Type Activity expenses totaled $364,276 (12.2%).

Governmental Activities

Overall governmental activities increased the City's net position by $167,014.

Revenues for Governmental Activities were $2,787,695 compared to prior year's revenues of $2,725,544. The increase of $62,151 is due to the following:

- Operating Grants and Contributions revenue decreased by $113,768, primarily attributed to the following:
  - General Government decreased by $11,433 due to one-time funding in fiscal year 2022 from the State and Local Fiscal Recovery Funds (SLFRF) for expenses related to employee compensation, benefits, and retention programs.
  - Urban Redevelopment and Housing decreased by $54,652 due to the Emergency Rental Assistance (ERA) Program coming to a close.
  - Welfare decreased by $23,570 due to the funding for small business from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and Provider Growth Childcare Developments Services from ARPA are coming to an end. Most of the funds allocated for these programs were expended in fiscal year 2022. This decrease is offset by an increase of $20,345 in expenditure reimbursement for the Child Care Services grants; as approximately 1,500 more children (not in thousands) were enrolled in fiscal year 2023. Additionally, 42 additional grant funded child care providers received the distinguished Texas Rising Star certification, which translates to a higher standard of care, that is reimbursed at higher rates.
  - Economic Development Opportunity decreased by $12,033 due to decreases in Workforce Training and Development as operations funded from grants were winding down to transition to be funded from sales tax.
- Capital Grant and Contributions revenue decreased by $37,525, primarily attributed to the following:
  - General Government decreased by $7,029 due to a one-time payment in fiscal year 2022 from Bexar County for the Alameda Theater Project.
  - Public Works decreased by $17,951 driven by real property received in fiscal year 2022 by the City from the Federal Governments' General Services Administration (GSA) for the former John Wood Federal Courthouse and Training Center, valued at $9,000, as part of a land swap/sale agreement for the GSA to build their new federal courthouse where the old Public Safety Headquarters used to reside. Additionally as the City's project scopes continue to increase the contributions to various projects by SAWS, CPS Energy, and other entities fluctuate; fiscal year 2023 had $16,196 less of these contributions than in the prior year.
  - Culture and Recreation decreased by $11,002 because improvements were made to City owned facilities on the Witte campus to include the Mays Family Center, the Feik Family Pavilion, and the admissions building, together with the adjacent parking lot, in fiscal year 2022.
  - Convention and Tourism decreased by $1,968 due to the sale of the Grand Hyatt in fiscal year 2022 and thus, resulting in no fiscal year 2023 activity for the Convention Center Hotel Finance Corporation.
- Property Tax Revenues increased by $57,022 due to a 1.9% increase in new construction and a 6.6% increase in taxable property valuation on existing properties when compared to the prior year. The City's property tax rate is at 54.161 cents per $100 of valuation for fiscal year 2023.
- Other Taxes Revenues increased by $20,656. The General Sales and Use Taxes increase of $13,584 is primarily due to lodging, food service, and retail trade sectors continuing to increase. Prices have increased because of inflationary price increases in lodging and food as well as continued market share shift from in-store to online shopping resulting in place of order increases in sales tax revenues. The Occupancy Tax increase of $7,507 is

due to an average daily rate increase of $3.61 (not in thousands), which is offset by a 1.2% decrease in occupancy in fiscal year 2023 as tourism continues to rebound to near pre-pandemic levels.

- Revenue from Utilities increased by $67,661. In fiscal year 2022, revenues were lowered by a one-time $50,000 rebate given as a bill credit to CPS Energy rate payers. Additionally in fiscal year 2023, revenues increased from off system sales by $19,585. Due to the unprecedented higher than average temperatures and the challenges Electric Reliability Council of Texas (ERCOT) has experienced to meet the electrical demand across the State, CPS Energy was able to supply energy to its San Antonio service area and sell excess electric capacity into the Texas wholesale market.
- Charges for Services for Governmental Activities decreased by $11,880;
    - Public Safety revenue decreased by $26,994 primarily attributed to the Emergency Management Services' Charity Care Program due to 27 more providers participating in the program than in the previous year as well as the decrease in the Federal Medical Assistance Percentage for funding dropped from 68.0% to 67.0%.
    - Culture and Recreation revenue increased by $14,125 due to increased attendance and events at the Alamodome and Convention Center compared to fiscal year 2022.
- Investment Earnings reflected an increase by $98,610 in fiscal year 2023 due to higher interest rates, having more cash, and the increase in market value of securities held in the City's investment portfolio. The City's practice is to hold securities to maturity.
- Miscellaneous revenue decreased by $18,625 by activity which occurred in fiscal year 2022, such as a one-time significant land sales of the Grand Hyatt and Southeast Service properties in fiscal year 2022, as well as less revenue recovery for COVID-19 vaccinations and vaccine incentives, as the pandemic is no longer a public emergency.

Expenses for Governmental Activities were $2,620,969 compared to prior year's expenses of $2,252,126. The increase of $368,843 is due primarily to the following:

- The increase of $11,114 in General Government expenses is due to a minimum 7.0% increase in salaries for all civilian employees as a result of a comprehensive salary market analysis and adjustment to assist in hiring and retaining staff.
- The increase of $242,713 in Public Safety expenses is primarily due to the increase in uniform pension liability. Investment income in the San Antonio Fire and Police Pension Fund decreased in 2023 and as a result, the City's liability and expenses increased. In addition, uniform salary increased as a result of Police's and Fire's respective Collective Bargaining Agreements. Police Uniform received a 3.5% salary increase, Fire Uniform received a 2.5% salary increase, and both Police and Fire Uniform received a 3.0% increase based on longevity. Lastly, there was a $17,122 increase in reserve estimates for fatality claims.
- The increase of $61,613 in Public Works expenses is partially due to an increase of $16,426 in depreciation expense for new assets placed into service in the last two years. Additionally, $23,273 was expensed out of the City funded and constructed Port San Antonio project in fiscal year 2023 as it was determined that these improvements are owned and maintained by Port San Antonio. Lastly, there was an increase of $4,420 in grant funding to the Airport System for grant funded capital projects and an increase in spending for pavement markings, traffic control, and traffic safety.
- The increase of $18,952 in Health Services expenses is primarily due to a minimum 7.0% increase in salaries for all civilian employees and an increase of 14 authorized positions for Animal Care Services. Beginning in fiscal year 2023, the City contributed $2,000 in partnership with UT Health and UTSA for the establishment of a new University of Texas School of Public Health in San Antonio. In addition, the civilian pension liability increased; the investment income decreased therefore the civilian pension liability increased resulting in the expenses increasing by $306,032 (this is allocated amongst the function of the employees).
- The increase of $50,066 in Culture and Recreation expenses is driven by City spending for trail connections, parking, other minor enhancements and for the Tree Planting Initiative Projects. In addition, the civilian pension liability increased; the investment income decreased therefore the civilian pension liability increased resulting in the expenses increasing by $306,032 (this is allocated amongst the function of the employees).

- The increase of $11,126 in Convention and Tourism expense is primarily due to increased Visit San Antonio expenditures. Visit San Antonio funded $5,147 to help support the U.S. Travel Association's 2023 IPW conference in San Antonio. In addition, Visit San Antonio had an increase in personnel, marketing, and communications to continue efforts in promoting travel to San Antonio.
- The decrease of $52,307 in Urban Redevelopment and Housing is due to decreased spending from the Emergency Housing Assistance Program appropriated to COVID-19 Pandemic relief as programs are coming to an end.
- The decrease of $16,896 in Welfare is due to the funding for small business from the CRRSAA and Provider Growth Childcare Developments Services from ARPA coming to an end. Most of the money allocated for these programs were expended in fiscal year 2022. This decrease is offset by an increase of $20,345 in expenditures in the Child Care Services grants as approximately 1,500 more children (not in thousands) were enrolled in fiscal year 2023. Additionally, 42 additional grant funded child care providers received the distinguished Texas Rising Star certification, which translates to a higher standard of care, that is reimbursed at higher rates. Also, there were increases of $8,488 in salaries due to a minimum 7.0% increase for all civilian employees and 14 more positions were active in Human Services to support homeless services initiatives, and an increase in services driven by an effort to promote college awareness through the City's partnership with San Antonio Education Partnership.
- The increase of $27,801 in Education is driven by San Antonio Early Childhood Education Municipal Development Corporation, specifically the SA: Ready to Work program as fiscal year 2023 is the first full year of implementation. The SA: Ready to Work program has gained momentum contributing to various partners across the City such as Workforce Solutions, Project Quest, and Alamo Community College District. In addition, increases in payroll due to a minimum 7.0% salary increase and the pension liability increase resulted in the expenses increasing.
- Economic Development & Opportunity decreased by $7,779 due to the COVID-19 Emergency Response and Recovery & Resiliency funds being fully expended for allocations to the Workforce Development, with 96.0% of budgeted spending spent in fiscal year 2022 and prior years.
- Interest on Long-Term Debt increased by $23,255 due to interest payments on the 2012 and 2022 Public Facilities Corporation (PFC) Refunding Bonds in fiscal year 2023. Savings on interest from the PFC Series 2012 partial refunding offset the increase in interest.

Business-Type Activities

Business-Type Activities increased the City's net position by $30,637.

Revenues for Business-Type Activities totaled $395,614 compared to prior year's revenues of $381,364. The increase of $14,250 is due to the following:

- Charges for Services for business-type activities increased $6,706;
    - The San Antonio International Airport revenues increased by $12,685 because of a 13.2% increase in passenger activity compared to fiscal year 2022.
    - Development Services decreased by $4,588 due to 17.3% decrease in residential permits as a result of higher home borrowing rates and 10.0% decrease in commercial permits as compared to fiscal year 2022.
    - Solid Waste Management revenues decreased by $1,035 driven by decrease in recycling processing revenues for aluminum and plastic commodities; the average price for commodities decreased from $55 to $2 per ton (amounts not in thousands).
- Operating Grants and Contributions decrease of $17,346 is due to the remaining usage of funds federal stimulus from CARES, CRRSSA, and ARPA dwindling down of in fiscal year 2023. The funds were used to reimburse the Airport's allowable expenses to include personnel, maintenance, janitorial, and other miscellaneous expenses.

- Capital Grant and Contributions revenue increased by $6,490 largely due to increases in contributed capital of $5,475 related to two projects for the Airport Terminal Development Program, which received new funding in fiscal year 2023. Additionally, there were increases in Passenger Facilities Charges of $1,985 and Customer Facilities Charges of $1,117 due to increases in both passengers by 13.2% and rental car activity by 7.5% in transaction days at San Antonio International Airport.
- Investment Earnings reflected an increase by $15,663 in fiscal year 2023 due to higher interest rates, having more cash, and the increase in market value of securities held in the City's investment portfolio. The City's practice is to hold securities to maturity.

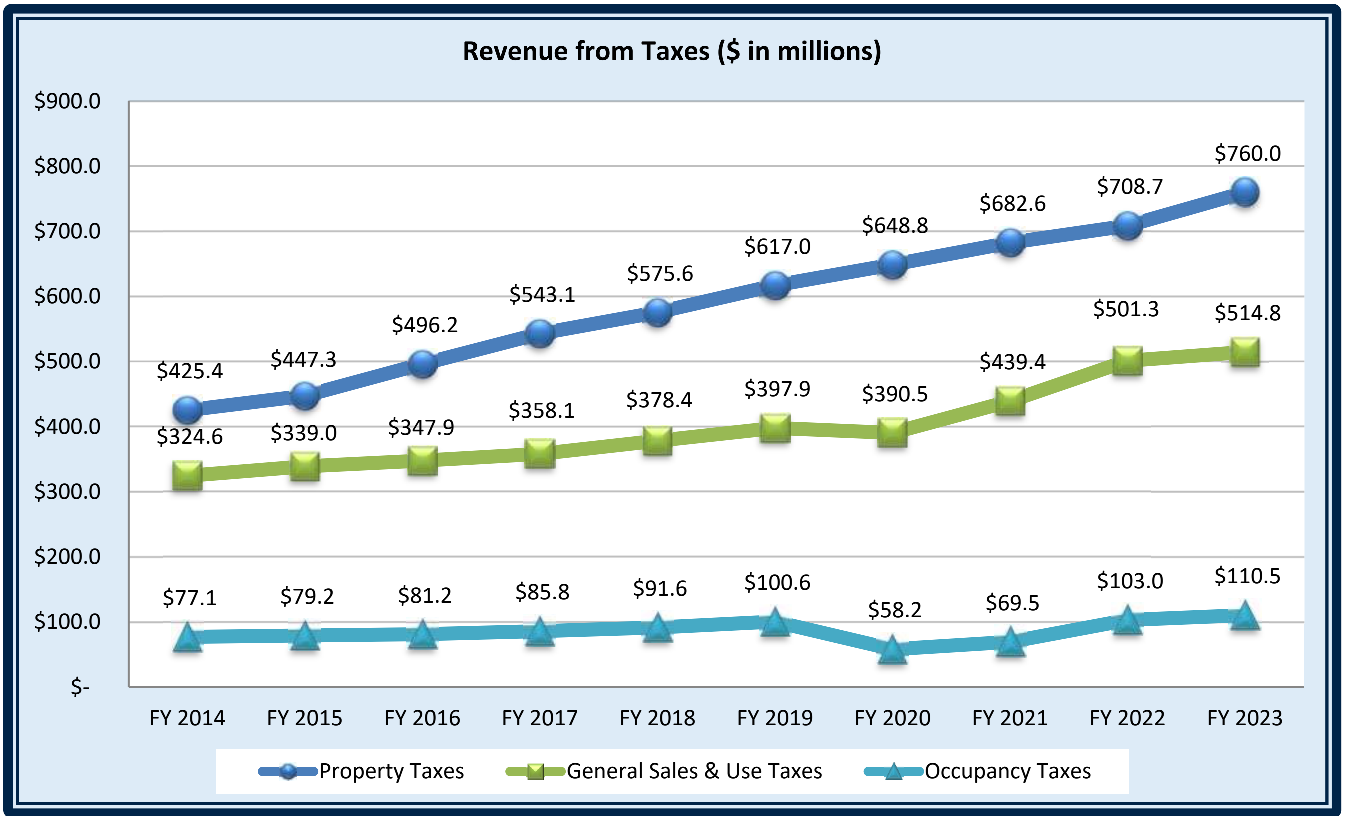
Expenses for Business-Type Activities were $364,276 compared to prior year's expenses of $327,559. The increase of $36,717 is due primarily to the following:

- The increase of $16,516 in Airport System expenses, $12,219 in Solid Waste Management expenses, $4,990 in Development Services expenses, and $2,370 in Parking Facilities expenses primarily attributed to salaries increasing by a minimum 7.0% to attract and retain personnel. In addition, 11 of the 30 new authorized positions were active in Airport System to support the Airport Terminal Development Program and 19 of the 23 new authorized positions were active in Solid Waste Management largely to address illegal dumping and to provide more balanced collection routes. The civilian pension liability also increased. Further, the civilian pension liability increased; the investment income decreased therefore the civilian pension liability increased resulting in the expenses increasing by $306,032 (this is allocated amongst the function of the employees).

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 debt for Capital Projects, other agency contributions, and the operating activities of those projects.

- Revenues from taxes increased by $71,968, which is primarily attributable to: (1) a $51,312 increase in property tax revenues (2) a $13,584 increase in general sales and use tax, and (3) a $7,504 increase in occupancy tax revenues. The increase in property taxes is due to an 8.6% increase in value for existing taxable property valuation, while new taxable property valuation increased by approximately 1.9%. The increase in general sales and use taxes is a result of the lodging, food services, and manufacturing sectors increasing over last year. The increase in occupancy tax revenues is due to an average daily rate increase of $3.61 (not in thousands.



The total fund balance of the General Fund at year-end was $565,252, an increase of $99,377 from the total fund balance of $465,875 in fiscal year 2022. The fund balance is categorized as follows: $10,195 in nonspendable, $161,826 in committed, $5 in assigned, and $393,226 in unassigned fund balances. The unassigned fund balance includes $143,568 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 $246,092 reserve for Two-Year Budget Plan.

The total fund balance of the Debt Service Fund at year-end was $46,614, an increase of $1,567 from the total fund balance of $45,047 in fiscal year 2022. The entire fund balance is restricted for payment of debt service.

The COVID-19 Fund has a total deficit fund balance of $18,487 at year-end, a decrease of $7,927 from the total deficit fund balance of $26,414 in fiscal year 2022. The negative fund balance is a result of the timing of reimbursements from the federal government primarily associated with the FEMA COVID-19 Non-Congregate Shelter program. The COVID-19 Fund is restricted for disbursements related to the City’s response to the COVID-19 pandemic.

The total fund balance of the 2022 General Obligation Bonds at year-end was $309,051, an increase of $146,465 from the total fund balance of $162,586 in fiscal year 2022. The increase is from the second year of sales of obligation bonds issued to support capital expenditures associated with the $1,200,000 bond program approved by voters in fiscal year 2022.

General Fund Budgetary Highlights

Variances in Budget Appropriations Year-Ended September 30, 2023 (Budgetary Basis) General Fund	Original Budget	Final Budget	Actual Results	Variances: Budget	Variances: Final to Actual
Resources (Inflows):					
Taxes	$ 856,902	$ 863,792	$ 857,973	$ 6,890	$ (5,819)
Licenses and Permits	9,713	9,635	9,907	(78)	272
Intergovernmental	32,268	33,958	34,122	1,690	164
Revenues from Utilities	423,219	479,178	487,646	55,959	8,468
Charges for Services	66,623	68,284	69,578	1,661	1,294
Fines and Forfeits	6,268	8,834	9,907	2,566	1,073
Miscellaneous	15,412	18,837	21,141	3,425	2,304
Investment Earnings	7,773	12,476	15,454	4,703	2,978
Transfers from Other Funds	24,062	18,740	19,545	(5,322)	805
Total	$ 1,442,240	$ 1,513,734	$ 1,525,273	$ 71,494	$ 11,539
Charges to Appropriations (Outflows):					
General Government	$ 101,283	$ 107,494	$ 106,767	$ 6,211	$ 727
Public Safety	873,574	887,936	887,308	14,362	628
Public Works	80,901	90,040	88,810	9,139	1,230
Health Services	55,377	57,713	57,364	2,336	349
Culture and Recreation	143,750	146,039	144,535	2,289	1,504
Urban Redevelopment and Housing	35,947	45,601	44,761	9,654	840
Welfare	56,023	60,229	57,709	4,206	2,520
Economic Development and Opportunity	15,346	20,689	16,154	5,343	4,535
Environmental	9,500	6,490	6,400	(3,010)	90
Transfers to Other Funds	129,278	162,457	162,075	33,179	382
Total	$ 1,500,979	$ 1,584,688	$ 1,571,883	$ 83,709	$ 12,805

Changes from the adopted budget revenues to the final amended budget resulted in a net increase of $71,494. This increase can be summarized by the following:

- City Sales Tax budget increased by $6,890 as all top comparable cities increased year over year by a minimum of 4.3% and average inflation was reduced by 2.1%.
- Revenues from Utilities budget was increased by $55,959 to account for the Electric and Gas Fuel Adjustment Factors being 53.0% higher than projections due to rising fuel costs.
- Investment Earnings budget increased by $4,703 due to the continued rate hikes over the course of the fiscal year, the original budgeted rate projections of 2.2% were increased to 3.1%.

Final budgeted revenue appropriations for the General Fund were $1,513,734 while actual revenues on a budgetary basis were $1,525,273, creating a favorable variance of $11,539. Variance explanations are listed below:

- Property tax revenues came in $2,023 lower than planned due to a 0.17% decrease in assessed value because of additional protest and litigations, and an increase in the number of homestead and over 65 exemptions as compared to the fiscal year 2023 estimate. Sales tax revenues are $1,967 under budget, due to a decrease in economic activity from industry sectors mainly from retail and wholesale in September. Business and Franchise taxes were also below budget due to a decline in cable and telecom subscribers. Cable subscribers have been declining in San Antonio and across the nation due to a shift to streaming services. Additionally in the past year, telecom lines for residential have decreased by 3.4% and for businesses, lines have decreased by 2.6%.
- Revenues from Utilities are $8,468 higher than the 2023 estimate of which $7,459 is from CPS Energy. $5,000 is attributed to a warmer September as the average temperature was 97 degrees compared to a historical

average of 90 degrees. The remaining amount is due to fuel prices and off system sales being higher than anticipated. SAWS revenue was $1,009 higher than planned due to less rainfall than anticipated. San Antonio receives approximately 12.1 inches during the summer months; however, only 2.45 inches was received. Dry weather causes more landscape watering, which in turn increases water usage.

Changes in original expenditure budget appropriations to the final amended budget appropriations resulted in a net $83,709 increase in appropriations. This increase can be summarized by the following:

- General Government increased by $6,211 to capture prior year carryforwards related to City-wide planning and capital outlay of computer replacements, generators, and other essential equipment.
- Public Safety increased by $14,362 to capture prior year carryforwards related to capital outlay for replacement of duty weapons, computer replacements, computer equipment, vehicles, and other essential equipment.
- Public Works increased by $9,139 to capture prior year carryforwards of $7,044 for streets and $1,029 for various traffic and transportation programs.
- Urban Redevelopment and Housing increased by $9,654 to capture prior year carryforwards of $4,000 for Neighborhood and Housing primarily for the Home Owner-Occupied Rehabilitation Program and $5,251 for Inner City Incentive Fund to increase new development on vacant lots and redevelopment and/or rehabilitation of underused buildings and sites.
- Economic Development & Opportunity budget increased by $5,343 to capture $4,008 of prior year carryforwards for the Economic Development Incentive Fund, for multi-year incentive agreements with multiple entities, and $1,334 for other economic development initiatives funded from the General Fund.
- Environmental budget decreased by $3,010 driven by the Resiliency, Energy Efficiency, and Sustainability Fund due to finalizing the need for programs such as Urban Heat Island Mitigations, business incentives, and community programs.
- Transfers to Other Funds increased by $33,179, primarily to capture the carryforward for public works projects like street maintenance and pavement markings.

Final budgeted expenditure appropriations for the General Fund were $1,584,688 while actual expenditures on a budgetary basis were $1,571,883, creating a favorable variance of $12,805. Variance explanations are listed below:

- Welfare savings of $2,520 are funds from Workforce Development that will be appropriated for future use.
- Economic Development & Opportunity savings of $4,535 is from the Economic Development Incentive Fund, for multi-year incentive agreements with multiple entities, and other economic development initiatives.

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Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $6,425,657 (net of accumulated depreciation). This investment in capital assets includes land, other non-depreciable assets, buildings, improvements, infrastructure, machinery and equipment, intangible assets, and construction in progress. The net increase in the City's investment in capital assets for the current fiscal year was $114,492, which is comprised of an increase of $113,351 in governmental activities and an increase of $1,141 in business-type activities.

Capital Assets
September 30, 2023
(With Comparative Totals for September 30, 2022)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	$ 1,449,409	$ 1,441,604	$ 15,796	$ 15,796	$ 1,465,205	$ 1,457,400
Construction in Progress	404,267	515,671	37,258	35,672	441,525	551,343
Non-Depreciable Intangible Assets	256,735	246,423			256,735	246,423
Depreciable Intangible Assets	211	299	6,395	9,316	6,606	9,615
Buildings	1,002,464	983,347	335,284	351,421	1,337,748	1,334,768
Improvements	619,649	600,319	348,520	324,808	968,169	925,127
Infrastructure	1,672,961	1,534,401			1,672,961	1,534,401
Machinery and Equipment	261,940	232,221	14,768	19,867	276,708	252,088
Total	$ 5,667,636	$ 5,554,285	$ 758,021	$ 756,880	$ 6,425,657	$ 6,311,165

During fiscal year 2023, the City transferred $481,883 of construction in progress for completed capital projects, mainly comprised of city-wide streets and drainage projects, parks improvements, airport improvements, and renovation of City Tower.

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

Change in Capital Assets
Year-Ended September 30, 2023

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$ 5,554,285	$ 756,880	$ 6,311,165
Additions	432,906	54,846	487,752
Deletions	(63,935)	(8,197)	(72,132)
Accumulated Depreciation	(255,620)	(45,508)	(301,128)
Ending Balance	$ 5,667,636	$ 758,021	$ 6,425,657

Additional information on the City's capital assets can be found in Note 5 Capital Assets.

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Debt Administration

Standard & Poor's, Moody's, and Fitch's underlying ratings for City obligations during fiscal year 2023 were as follows:

Bond Ratings Year-Ended September 30, 2023	Standard & Poor's	Moody's	Fitch
General Obligation/Certificates of Obligation/Tax Notes	AAA	Aaa	AA+
Airport System	A+	A1	A+
Airport PFC	A	A2	A
Airport CFC	A	A3	BBB+
Municipal Drainage Utility System Revenue Bonds	AA+	Aa2	AA+
Municipal Facilities Corporation Lease Revenue Bonds	AA+	Aa1	AA
Public Facilities Corporation Lease Revenue Bonds	AA+	Aa2	AA
Starbright Industrial Development Corporation Contract Revenue Bonds	AA+	Aa1	AA

Long-Term Obligations

At the end of the current fiscal year, the City had a total of $3,757,010 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 8 Long-Term Obligations.

Outstanding Debt
September 30, 2023
(With Comparative Totals for September 30, 2022)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Bonds Payable:						
Tax-Exempt General Obligation Bonds	$ 1,193,425	$ 1,107,015	$ 1,105	$ 1,325	$ 1,194,530	$ 1,108,340
Taxable General Obligation Bonds	470,515	508,940	1,580	3,150	472,095	512,090
Tax-Exempt Certificates of Obligation	431,300	403,195	32,980	34,525	464,280	437,720
Taxable Certificates of Obligation	134,420	140,085			134,420	140,085
Taxable Tax Notes	67,660	88,010	269,635		337,295	88,010
Revenue Bonds	705,865	715,075	331,230	351,345	1,037,095	1,066,420
Notes from Direct Placements	30,000				30,000	
Bonds from Direct Placements	25,295	27,925	62,000	62,000	87,295	89,925
Total	$ 3,058,480	$ 2,990,245	$ 698,530	$ 452,345	$ 3,757,010	$ 3,442,590

Governmental Activities

On May 7, 2022, voters approved a $1,200,000 bond program, the largest bond program in the City's history. On August 22, 2023, the City issued $163,665 in General Improvement Bonds, Series 2023 and $23,020 in General Improvement Bonds, Taxable Series 2023. The General Improvement Bonds, Series 2023 proceeds and premium were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks and recreation; library and cultural facilities; and public safety facilities. The General Improvement Bonds, Taxable Series 2023 proceeds were issued to finance affordable housing. These bonds represent the second installment of the Bond Program approved by voters in May 2022.

Additionally on August 22, 2023, the City issued $46,990 in Combination Tax and Revenue Certificates of Obligation, Series 2023; and $30,450 in Tax Notes, Series 2023. The Combination Tax and Revenue Certificates of Obligation, Series 2023 were issued to finance improvements to public safety; streets, information technology; and parks and recreation. The Tax Notes, Series 2023 proceeds and premiums were issued to finance improvements for information technology, municipal facilities, parks and recreation, and street maintenance projects, and police.

On September 17, 2020, City Council approved an alternative funding source for the Edwards Aquifer Protection Program (EAPP), which was previously funded by 1/8-cent sales and use tax. The EAPP provides funding for the land easement acquisition program in environmentally sensitive areas over the contributing recharge zones of the Edwards Aquifer. Funding for the next iteration of the EAPP will be primarily funded from the issuance of debt through the City's existing Texas Municipal Facilities Corporation. On August 24, 2023, the Texas Municipal Facilities Corporation issued $30,000 in Contract Revenue Notes, Series 2023, to provide funding for the next three years of the program.

Business-Type Activities

On August 22, 2023, the City issued $269,635 in Tax Notes, Series 2023. Proceeds from this issuance are to be utilized to provide interim financing to finance improvements to San Antonio International Airport and the Terminal Development Program.

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 8 Long-Term Obligations.

Currently Known Facts

For more information on other currently known facts, please see Note 22 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, 2023
(In Thousands)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Assets:				
Current Assets:				
Cash and Cash Equivalents	$ 216,167	$ 33,779	$ 249,946	$ 713,536
Investments	624,258	93,757	718,015	431,588
Receivables, Net	186,668	11,450	198,118	555,103
Materials and Supplies, at Cost	13,700	1,293	14,993	190,906
Internal Balances	4,869	(11,145)	(6,276)	
Due From Other Governmental Agencies, Net	5,670	103	5,773	2,495
Deposits	304		304	
Prepaid Expenses	12,033	479	12,512	187,098
Lease Receivable	10,436	11,915	22,351	
Other Assets				970
Restricted Assets:				
Cash and Cash Equivalents	546,877	117,615	664,492	495,880
Investments	927,761	380,103	1,307,864	1,397,307
Receivables, Net	76,467	5,132	81,599	7,193
Materials and Supplies, at Cost	3,623		3,623	
Deposits	3		3	
Prepaid Expenses	6,608	268	6,876	
Lease Receivable	2,393		2,393	24,901
Due From Other Governmental Agencies, Net	55,767	176	55,943	
Total Current Assets	2,693,604	644,925	3,338,529	4,006,977
Noncurrent Assets:				
Capital Assets:				
Non-Depreciable	2,110,411	53,054	2,163,465	2,512,353
Depreciable, Net	3,557,225	704,967	4,262,192	14,623,939
Lease Assets, Net	84,419	192	84,611	
Subscription Assets, Net	18,728	3,983	22,711	
Cash and Cash Equivalents				117,088
Investments	700		700	503,034
Receivables, Net	102,913		102,913	711
Prepaid Expenses				70,576
Pension Regulatory Asset				218,490
Lease Receivable	79,471	86,538	166,009	160,307
Other Noncurrent Assets				1,078,206
Total Noncurrent Assets	5,953,867	848,734	6,802,601	19,284,704
Total Assets	8,647,471	1,493,659	10,141,130	23,291,681
Total Deferred Outflows of Resources	1,012,841	66,464	1,079,305	820,003
Liabilities:				
Current Liabilities:				
Accounts Payable and Other Current Liabilities	76,862	24,298	101,160	845,864
Accrued Interest	35	30	65	
Unearned Revenue	2,824	570	3,394	4,888
Current Portion of Long-Term Obligations	148,473	8,388	156,861	98,537
Liabilities Payable From Restricted Assets:				
Accounts Payable and Current Liabilities	112,561	12,135	124,696	56,638
Accrued Interest on Bonds and Certificates	14,967	5,865	20,832	21,412
Unearned Revenue	195,851	109	195,960	
Due To Other Governmental Agencies	656		656	
Current Portion of Long-Term Obligations	266,873	89,472	356,345	273,326
Total Current Liabilities	819,102	140,867	959,969	1,300,665
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Obligations	5,503,657	823,073	6,326,730	13,549,160
Total Noncurrent Liabilities	5,503,657	823,073	6,326,730	13,549,160
Total Liabilities	6,322,759	963,940	7,286,699	14,849,825
Total Deferred Inflows of Resources	594,516	156,750	751,266	552,442
Net Position:				
Net Investment in Capital Assets	3,162,762	288,098	3,450,860	6,354,815
Restricted for:				
Debt Service	46,395	39,204	85,599	231,915
Capital Projects	3,338	236,675	240,013	856,278
Operating and Other Reserves	126,139		126,139	140,013
Perpetual Care:				
Expendable	13,124		13,124	
Nonexpendable	6,672		6,672	
Unrestricted (Deficit)	(615,393)	(124,544)	(739,937)	1,126,396
Total Net Position	$ 2,743,037	$ 439,433	$ 3,182,470	$ 8,709,417

The accompanying notes are an integral part of these basic financial statements.

Statement of Activities

Year-Ended September 30, 2023

(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION – PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
Primary Government:								
Governmental Activities:								
General Government	$ 146,465	$ 19,298	$ 11,934	$ 4,064	$ (111,169)	$ -	$ (111,169)	
Public Safety	1,009,008	48,310	24,683		(936,015)		(936,015)	
Public Works	409,149	69,766	7,052	54,813	(277,518)		(277,518)	
Sanitation	12,889	11,362			(1,527)		(1,527)	
Health Services	121,572	13,733	50,758	966	(56,115)		(56,115)	
Culture and Recreation	252,864	95,007	5,998		(151,859)		(151,859)	
Convention and Tourism	91,784		15,910		(75,874)		(75,874)	
Urban Redevelopment and Housing	74,021	856	33,692		(39,473)		(39,473)	
Welfare	243,551		190,596		(52,955)		(52,955)	
Education	107,452	4,018	3,153		(100,281)		(100,281)	
Economic Development and Opportunity	63,711	1,717	9,397		(52,597)		(52,597)	
Environmental	1,866	253	401		(1,212)		(1,212)	
Interest on Long-Term Debt	86,637				(86,637)		(86,637)	
Total Governmental Activities	2,620,969	264,320	353,574	59,843	(1,943,232)		(1,943,232)	
Business-Type Activities:								
Airport System	152,352	122,679	19,004	51,078		40,409	40,409	
Development Services	48,530	42,967				(5,563)	(5,563)	
Market Square	2,854	2,460				(394)	(394)	
Parking System	9,558	8,227				(1,331)	(1,331)	
Solid Waste Management	150,982	130,875				(20,107)	(20,107)	
Total Business-Type Activities	364,276	307,208	19,004	51,078		13,014	13,014	
Total Primary Government	$ 2,985,245	$ 571,528	$ 372,578	$ 110,921	(1,943,232)	13,014	(1,930,218)	
Discretely Presented Component Units:								
CPS Energy	$ 3,275,304	$ 3,383,403	$ -	$ 81,225				$ 189,324
SAWS	713,451	877,107		281,746				445,402
Port Authority of San Antonio	70,538	61,232		2,772				(6,534)
SABC Soccer Public Facility Corporation	1,550	585						(965)
SA Energy Acquisition Public Facility Corporation	60,491	37,962						(22,529)
Total Discretely Presented Component Units	$ 4,121,334	$ 4,360,289	$ -	$ 365,743				604,698
General Revenues:								
Taxes:								
Property					765,507		765,507	
General Sales and Use					514,843		514,843	
Selective Sales and Use					12,357		12,357	
Gross Receipts Business					19,523		19,523	
Occupancy					110,548		110,548	
Penalties and Interest on Delinquent Taxes					5,626		5,626	
Revenues from Utilities					487,646		487,646	
Investment Earnings					81,677	13,487	95,164	(89,866)
Miscellaneous					112,231	4,837	117,068	24,452
Special Item - (Loss) on Medina Treatment Plant								(7,200)
Special Item - Adjustment for STP Pension Cost								26,138
Transfers, net					288	(701)	(413)	
Total General Revenues, Special Items and Transfers					2,110,246	17,623	2,127,869	(46,476)
Change in Net Position					167,014	30,637	197,651	558,222
Net Position - Beginning of Fiscal Year (restated)					2,576,023	408,796	2,984,819	8,151,195
Net Position - End of Fiscal Year					$ 2,743,037	$ 439,433	$ 3,182,470	$ 8,709,417

The accompanying notes are an integral part of these basic financial statements.

Balance Sheet
Governmental Funds
As of September 30, 2023
(In Thousands)

	MAJOR FUNDS					
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	2022 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:						
Cash and Cash Equivalents	$ 98,526	$ -	$ -	$ -	$ 60,604	$ 159,130
Investments	325,235				117,853	443,088
Receivables, Net	181,943				3,159	185,102
Materials and Supplies, at Cost	9,532				71	9,603
Prepaid Expenditures	663				726	1,389
Lease Receivable	42,114				8,127	50,241
Due From Other Funds	45,879				2,000	47,879
Due From Other Governmental Agencies, Net	2,498				2,964	5,462
Restricted Assets:						
Cash and Cash Equivalents		10,492	43,336	70,575	422,357	546,760
Investments		35,166	122,387	237,128	533,403	928,084
Receivables, Net	33,625	14,079	1,618	1,348	128,710	179,380
Materials and Supplies, at Cost			18		3,605	3,623
Deposits					3	3
Prepaid Expenditures			3,656		2,952	6,608
Lease Receivable					39,947	39,947
Due From Other Funds		439	10,337		11,578	22,354
Due From Other Governmental Agencies, Net	102		22,358		33,307	55,767
Total Assets	$ 740,117	$ 60,176	$ 203,710	$ 309,051	$ 1,371,366	$ 2,684,420
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):						
Liabilities:						
Vouchers Payable	$ 14,262	$ -	$ -	$ -	$ 4,450	$ 18,712
Accounts Payable - Other	15,534				14,039	29,573
Accrued Payroll	8,756				123	8,879
Accrued Leave Payable	7,925					7,925
Unearned Revenue	2,333				475	2,808
Due To Other Funds	10,776					10,776
Liabilities Payable From Restricted Assets:						
Vouchers Payable	15		3,548		59,459	63,022
Accounts Payable - Other	59		2,626		43,758	46,443
Accrued Payroll	25		257		2,814	3,096
Accrued Leave Payable					230	230
Unearned Revenue			177,664		18,187	195,851
Due To Other Funds		81	19,614		46,073	65,768
Due To Other Governmental Agencies					656	656
Total Liabilities	59,685	81	203,709		190,264	453,739
Deferred Inflows of Resources	115,180	13,481	18,488		141,873	289,022
Fund Balances (Deficits):						
Nonspendable	10,195		3,674		13,890	27,759
Restricted		46,614		309,051	824,760	1,180,425
Committed	161,826				202,674	364,500
Assigned	5				20,770	20,775
Unassigned	393,226		(22,161)		(22,865)	348,200
Total Fund Balances (Deficits)	565,252	46,614	(18,487)	309,051	1,039,229	1,941,659
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 740,117	$ 60,176	$ 203,710	$ 309,051	$ 1,371,366	$ 2,684,420

The accompanying notes are an integral part of these basic financial statements.

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
As of September 30, 2023
(In Thousands)

Fund Balances - Total Governmental Funds		$ 1,941,659
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Capital Assets:		
Land	1,449,409	
Construction In Progress	404,267	
Non-Depreciable Intangible Assets	256,735	
Depreciable Intangible Assets	4,091	
Buildings	1,637,182	
Improvements	1,235,537	
Infrastructure	4,254,789	
Machinery and Equipment	484,145	
Less: Accumulated Depreciation	(4,180,687)	
Total Governmental Capital Assets		5,545,468
Governmental Lease Assets	69,474	
Less: Accumulated Amortization (Lease Assets)	(13,928)	
Total Governmental Lease Assets		55,546
Governmental Subscription Assets	15,752	
Less: Accumulated Amortization (Subscription Assets)	(4,087)	
Total Governmental Subscription Assets		11,665
Deferred inflows of resources-unavailable revenue not reported in the Statement of Net Position		
Revenues previously recorded as unavailable revenue in the fund financial statements		201,733
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.		152,735
Deferred outflows of resources related to pensions, OPEB, loss on bond refunding, and asset retirement obligations not reported in the Governmental Funds		970,271
Deferred inflows of resources related to pensions and OPEB not reported in the Governmental Funds		(470,246)
Long-term liabilities are not due and payable in the current year, therefore are not reported in the governmental funds.		
Governmental Bonds Payable	(3,054,095)	
Unamortized Discount/(Premium) on Bonds, Net	(184,868)	
Lease Liability	(58,627)	
Subscription Liability	(10,281)	
Financed Purchases	(5,686)	
Notes Payable	(1,204)	
Net OPEB and Pension Liability	(2,087,474)	
Accrued Interest Payable	(14,967)	
Arbitrage Rebate Payable	(2,151)	
Pollution Remediation Payable	(6,558)	
Accrued Leave Payable	(239,860)	
Other Payable	(23)	
		(5,665,794)
Net Position of Governmental Activities		$ 2,743,037

The accompanying notes are an integral part of these basic financial statements.

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Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year-Ended September 30, 2023
(In Thousands)

	MAJOR FUNDS					
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	2022 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:						
Taxes:						
Property	$ 432,924	$ 277,843	$ -	$ -	$ 49,209	$ 759,976
General Sales and Use	392,132				122,711	514,843
Selective Sales and Use	12,357					12,357
Gross Receipts Business	17,529				1,994	19,523
Occupancy					110,548	110,548
Penalties and Interest on Delinquent Taxes	3,031	1,942			653	5,626
Licenses and Permits	9,907					9,907
Intergovernmental	34,122		83,814		303,682	421,618
Revenues from Utilities	487,646					487,646
Charges for Services	69,286				163,078	232,364
Fines and Forfeits	9,907				297	10,204
Miscellaneous	21,995	72	143		59,777	81,987
Investment Earnings	16,540	4,968	8,223	3,809	40,238	73,778
Contributions					26,710	26,710
Total Revenues	1,507,376	284,825	92,180	3,809	878,897	2,767,087
Expenditures:						
Current:						
General Government	93,226	695	1,316		17,893	113,130
Public Safety	872,370		164		28,077	900,611
Public Works	67,199		2,861		84,304	154,364
Health Services	55,168		29,476		31,419	116,063
Sanitation					12,631	12,631
Welfare	51,947		19,448		168,328	239,723
Culture and Recreation	142,838		4,995		66,642	214,475
Convention and Tourism					75,023	75,023
Urban Redevelopment and Housing	33,816		12,873		25,177	71,866
Education			2		101,096	101,098
Economic Development and Opportunity	9,358		13,571		41,816	64,745
Environmental	1,677				528	2,205
Capital Outlay					442,919	442,919
Debt Service:						
Principal Retirement		220,955			5,727	226,682
Interest		83,325			29,388	112,713
Issuance Costs				1,047	715	1,762
Leases:						
Principal Retirement	2,739		1,123		5,492	9,354
Interest	447		66		889	1,402
Subscription:						
Principal Retirement	4,106				1,051	5,157
Interest	310				57	367
Total Expenditures	1,335,201	304,975	85,895	1,047	1,139,172	2,866,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	172,175	(20,150)	6,285	2,762	(260,275)	(99,203)
Other Financing Sources (Uses):						
Issuance of Long-Term Debt				186,685	110,899	297,584
Issuance of Notes and Loans					703	703
Issuance of Lease Liabilities	1,391		2,407		1,525	5,323
Issuance of Subscription Liabilities	3,312				603	3,915
Premium on Long-Term Debt				7,483	4,431	11,914
Transfers In	19,545	21,717	876		664,726	706,864
Transfers Out	(97,046)		(1,641)	(50,465)	(560,030)	(709,182)
Total Other Financing Sources (Uses), Net	(72,798)	21,717	1,642	143,703	222,857	317,121
Net Change in Fund Balances (Deficits)	99,377	1,567	7,927	146,465	(37,418)	217,918
Fund Balances (Deficits) October 1 (restated)	465,875	45,047	(26,414)	162,586	1,076,647	1,723,741
Fund Balances (Deficits) September 30	$ 565,252	$ 46,614	$ (18,487)	$ 309,051	$ 1,039,229	$ 1,941,659

The accompanying notes are an integral part of these basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year-Ended September 30, 2023

(In Thousands)

Net change in Fund Balances - Total Governmental Funds		$ 217,918
Amounts reported for governmental activities in the Statement of Activities are different because:		
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 outlay exceeds depreciation in the current year.		
Expenditures for Capital Assets	394,453	
Pollution Remediation Capitalization	4,630	
Donated Capital Assets	710	
Less: Current Year Depreciation	(241,597)	
Less: Current Year Deletions	(42,222)	
		115,974
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		(8,922)
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, Loan and Financed Purchases Amounts Issued	(298,287)	
(Premium)/Discount on Long-term Debt	(11,914)	
Amortization of Bond Premiums/Discounts and Deferred Charges, Net	26,415	
Principal Payments	226,682	
		(57,104)
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	843	
Accrued Leave Payable	(6,725)	
Net OPEB and Pension Expenses	(93,399)	
Pollution Remediation	(3,840)	
Principal Amounts on Financed Purchases and Notes	555	
Arbitrage	(2,151)	
Net Effect of Lease Activity	(37)	
Net Effect of Subscription Activity	918	
Other Expenses	(6)	
		(103,842)
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 of the Internal Service Funds is reported with governmental activities.		2,990
Change in Net Position of Governmental Activities		$ 167,014

The accompanying notes are an integral part of these basic financial statements.

Statement of Net Position
Proprietary Funds
As of September 30, 2023
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Assets:					
Current Assets:					
Unrestricted Assets:					
Cash and Cash Equivalents	$ 24,848	$ 38	$ 8,893	$ 33,779	$ 57,037
Investments	63,912	131	29,714	93,757	181,170
Receivables, Net	221	10,328	901	11,450	1,566
Materials and Supplies, at Cost	1,009	22	262	1,293	4,097
Deposits					304
Prepaid Expenses			479	479	10,644
Lease Receivable	10,070	124	1,721	11,915	299
Due From Other Governmental Agencies, Net	102		1	103	208
Total Unrestricted Assets	100,162	10,643	41,971	152,776	255,325
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	21,622	171	416	22,209	17
Investments	21,045	564	1,366	22,975	56
Receivables, Net	31		2	33	
Construction Accounts:					
Cash and Cash Equivalents	37,540	2,316	28	39,884	100
Investments	216,105		91	216,196	321
Receivables, Net	286		1	287	
Prepaid Expenses	268			268	
Due From Other Funds			35	35	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	55,197		223	55,420	
Investments	140,219		713	140,932	
Receivables, Net	3,735		4	3,739	
Other Restricted Assets:					
Cash and Cash Equivalents	102			102	
Receivables, Net	1,073			1,073	
Due From Other Governmental Agencies, Net	176			176	
Total Restricted Assets	497,399	3,051	2,879	503,329	494
Total Current Assets	597,561	13,694	44,850	656,105	255,819
Noncurrent Assets:					
Capital Assets:					
Land	5,323	1,107	9,366	15,796	
Buildings	542,639	11,147	27,128	580,914	179
Improvements	674,017	15,223	14,276	703,516	715
Machinery and Equipment	40,847	36,082	14,253	91,182	347,533
Depreciable Intangible	352		14,404	14,756	250
Construction in Progress	36,044		1,214	37,258	
Total Capital Assets	1,299,222	63,559	80,641	1,443,422	348,677
Less: Accumulated Depreciation	593,702	42,104	49,595	685,401	226,509
Net Capital Assets	705,520	21,455	31,046	758,021	122,168
Lease Assets	158	91	10	259	31,747
Less: Accumulated Amortization	43	21	3	67	2,874
Lease Assets, Net	115	70	7	192	28,873
Lease Receivable	74,798	127	11,613	86,538	1,813
Subscription Assets	1,020	739	3,776	5,535	13,596
Less: Accumulated Amortization	270	261	1,021	1,552	6,533
Subscription Assets, Net	750	478	2,755	3,983	7,063
Total Noncurrent Assets	781,183	22,130	45,421	848,734	159,917
Total Assets	1,378,744	35,824	90,271	1,504,839	415,736
Total Deferred Outflows of Resources	26,179	24,871	15,414	66,464	42,570

(Continued)

The accompanying notes are an integral part of these basic financial statements.

Statement of Net Position
Proprietary Funds (Continued)
As of September 30, 2023
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Liabilities:					
Current Liabilities:					
Payable from Current Unrestricted Assets:					
Vouchers Payable	$ 7,361	$ 1,017	$ 566	$ 8,944	$ 14,392
Accounts Payable - Other	5,542	2,640	4,937	13,119	3,694
Claims Payable					29,236
Accrued Payroll	734	905	596	2,235	1,612
Accrued Interest	4	26		30	35
Current Portion of Accrued Leave Payable	2,167	2,169	1,461	5,797	4,418
Unearned Revenue	470	59	41	570	16
Current Portion of Lease Liability	31	18	2	51	881
Current Portion of Subscription Liability	222	267	1,020	1,509	1,937
Current Portion of Financed Purchases	218	573		791	
Current Portion of Landfill Postclosure Costs		240		240	
Current Portion of Pollution Remediation					17
Current Portion of Asset Retirement Obligations					263
Total Payable from Current Unrestricted Assets	16,749	7,914	8,623	33,286	56,501
Payable from Current Restricted Assets:					
Vouchers Payable	5,992		35	6,027	
Accrued Payroll	28			28	
Accrued Interest	5,600	223	42	5,865	
Current Portion of Accrued Leave Payable	64			64	
Unearned Revenue	109			109	
Current Portion of Bonds and Certificates (net of premium/discount)	85,537	1,969	1,902	89,408	213
Other Payables	6,080			6,080	
Total Payable from Current Restricted Assets	103,410	2,192	1,979	107,581	213
Total Current Liabilities	120,159	10,106	10,602	140,867	56,714
Noncurrent Liabilities:					
Bonds and Certificates (net of current portion & discount/premium)	587,893	29,184	5,763	622,840	4,230
Claims Payable (net of current portion)					53,917
Accrued Leave Payable (net of current portion)	1,234	681	73	1,988	1,964
Lease Liability (net of current portion)	86	53	4	143	28,988
Subscription Liability (net of current portion)	205		1,346	1,551	3,671
Financed Purchases (net of current portion)	516	3,572		4,088	
Net OPEB and Pension Liabilities	64,243	78,459	47,749	190,451	128,461
Pollution Remediation (net of current portion)	1,274			1,274	
Asset Retirement Obligations (net of current portion)	738			738	1,825
Total Noncurrent Liabilities	656,189	111,949	54,935	823,073	223,056
Total Liabilities	776,348	122,055	65,537	963,940	279,770
Total Deferred Inflows of Resources	106,336	23,464	26,950	156,750	36,981
Net Position (Deficit):					
Net Investment in Capital Assets	275,426	(11,300)	23,972	288,098	118,605
Restricted:					
Debt Service	36,949	511	1,744	39,204	38
Capital Projects	235,615		1,060	236,675	421
Unrestricted (Deficit)	(25,751)	(74,035)	(13,578)	(113,364)	22,491
Total Net Position (Deficit)	$ 522,239	$ (84,824)	$ 13,198	$ 450,613	$ 141,555
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(11,180)	
Net position of business-type activities				$ 439,433	

The accompanying notes are an integral part of these basic financial statements.

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year-Ended September 30, 2023
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Operating Revenues:					
Charges for Services	$ 122,679	$ 130,875	$ 53,654	$ 307,208	$ 443,981
Total Operating Revenues	122,679	130,875	53,654	307,208	443,981
Operating Expenses:					
Personal Services	43,952	58,824	36,606	139,382	108,146
Contractual Services	24,507	38,059	6,667	69,233	50,713
Commodities	3,768	15,151	1,085	20,004	3,181
Materials and Supplies					38,693
Claims					183,748
Other	12,803	33,033	9,840	55,676	55,940
Depreciation	40,948	3,815	6,089	50,852	35,018
Total Operating Expenses	125,978	148,882	60,287	335,147	475,439
Operating (Loss)	(3,299)	(18,007)	(6,633)	(27,939)	(31,458)
Nonoperating Revenues (Expenses):					
Investment Earnings	11,381	662	1,444	13,487	7,899
Other Nonoperating Revenue	23,463	503	34	24,000	16,150
Gain (Loss) on Sale of Capital Assets	(261)	102		(159)	5,654
Interest and Debt Expense	(18,973)	(1,172)	(262)	(20,407)	(222)
Other Nonoperating Expense	(6,341)		(20)	(6,361)	
Total Nonoperating Revenues (Expenses), Net	9,269	95	1,196	10,560	29,481
Change in Net Position Before Capital Contributions and Transfers	5,970	(17,912)	(5,437)	(17,379)	(1,977)
Capital Contributions	51,078			51,078	
Transfers In (Out):					
Transfers In		2,271	3,215	5,486	9,514
Transfers Out	(1,096)	(1,192)	(3,899)	(6,187)	(6,908)
Total Transfers In (Out), Net	(1,096)	1,079	(684)	(701)	2,606
Change In Net Position	55,952	(16,833)	(6,121)	32,998	629
Net Position (Deficit) - October 1	466,287	(67,991)	19,319		140,926
Net Position (Deficit) - September 30	$ 522,239	$ (84,824)	$ 13,198		$ 141,555
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(2,361)	
Change in Net Position of Business-Type Activities				$ 30,637	

The accompanying notes are an integral part of these basic financial statements.

Statement of Cash Flows
Proprietary Funds
Year-Ended September 30, 2023

(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:					
Cash Received from Customers	$ 139,378	$ 131,804	$ 53,956	$ 325,138	$ 444,464
Cash Payments to Suppliers for Goods and Services	(42,686)	(89,617)	(17,982)	(150,285)	(320,017)
Cash Payments to Employees for Service	(60,530)	(56,087)	(34,805)	(151,422)	(103,292)
Cash Received from Other Cash Receipts	23,463	503	34	24,000	16,150
Net Cash Provided by (Used for) Operating Activities	59,625	(13,397)	1,203	47,431	37,305
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds		2,271	3,215	5,486	9,514
Transfers Out to Other Funds	(1,096)	(1,192)	(3,899)	(6,187)	(6,908)
Due From Other Funds			(35)	(35)	
Net Cash Provided By (Used for) Noncapital Financing Activities	(1,096)	1,079	(719)	(736)	2,606
Cash Flows from Capital and Related Financing Activities:					
Acquisitions and Construction of Capital Assets	(57,499)	(710)	(1,829)	(60,038)	(34,004)
Contributed Capital	51,078			51,078	
Interest and Fees Paid on Long-Term Debt	(17,929)		(263)	(18,192)	(224)
Interest Paid on Notes and Leases	(2)	(1,132)		(1,134)	
Principal Payments on Long-Term Debt	(20,323)	(1,926)	(1,892)	(24,141)	(204)
Principal Payments on Notes and Leases		(278)		(278)	
Proceeds from Issuance of Long-Term Debt	269,635			269,635	
Proceeds from Issuance of Notes and Leases		4,145		4,145	
Proceeds from Sale of Assets	2	102		104	6,332
Net Cash Provided by (Used for) Capital and Related Financing Activities	224,962	201	(3,984)	221,179	(28,100)
Cash Flows from Investing Activities:					
Purchases of Investment Securities	(417,269)	(2,664)	(23,414)	(443,347)	(111,147)
Maturity of Investment Securities	160,579	12,876	25,064	198,519	104,316
Investments Earnings	10,292	662	1,307	12,261	7,172
Net Cash Provided by (Used for) Investing Activities	(246,398)	10,874	2,957	(232,567)	341
Net Increase (Decrease) in Cash and Cash Equivalents	37,093	(1,243)	(543)	35,307	12,152
Cash and Cash Equivalents, October 1	102,216	3,768	10,103	116,087	45,002
Cash and Cash Equivalents, September 30	$ 139,309	$ 2,525	$ 9,560	$ 151,394	$ 57,154
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating (Loss)	$ (3,299)	$ (18,007)	$ (6,633)	$ (27,939)	$ (31,458)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	40,948	3,815	6,089	50,852	35,018
Other Nonoperating Revenues	23,463	503	34	24,000	16,150
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:					
Decrease in Accounts Receivable	886	620	38	1,544	117
(Increase) in Lease Receivable	10,644	122	(8)	10,758	70
(Increase) Decrease in Due from Other Governmental Agencies	(23)		(1)	(24)	493
(Increase) Decrease in Materials and Supplies	(69)	1	(127)	(195)	(195)
(Increase) in Prepaid Expenses			(30)	(30)	(5,235)
(Increase) in Deposits					(3)
Increase (Decrease) in Vouchers Payable	4,291	(1,007)	100	3,384	1,659
Increase in Claims Payable					15,006
Increase (Decrease) in Accounts Payable - Other	(5,981)	(2,170)	183	(7,968)	(149)
Increase in Accrued Payroll	154	56	88	298	243
Increase in Accrued Leave Payable	254	310	129	693	453
(Decrease) in Landfill Postclosure Liability		(198)		(198)	
Increase in Net OPEB Liability and Pension Liability	21,669	22,794	14,029	58,492	39,590
Increase (Decrease) in Pollution Remediation Liability	151			151	(31)
Increase in Asset Retirement Obligations					1,210
(Increase) in Deferred Outflows of Resources	(10,181)	(9,833)	(5,934)	(25,948)	(17,422)
(Decrease) in Deferred Inflows of Resources	(22,173)	(10,344)	(6,715)	(39,232)	(18,209)
(Decrease) in Unearned Revenue	(1,109)	(59)	(39)	(1,207)	(2)
Net Cash Provided by (Used for) Operating Activities	$ 59,625	$ (13,397)	$ 1,203	$ 47,431	$ 37,305
Noncash Investing, Capital and Financing Activities:					
Acquisitions of Leased Capital Assets	$ 44	$ 79	$ -	$ 123	$ 69
Acquisitions of Subscription Capital Assets	371		452	823	2,782

The accompanying notes are an integral part of these basic financial statements.

Statement of Fiduciary Net Position
Fiduciary Funds
As of September 30, 2023
(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Assets:		
Current Assets:		
Cash and Cash Equivalents	$ 69,156	$ 4,259
Security Lending Collateral	111,817	
Investments:		
Common Stock	1,551,366	
U.S. Government Securities	144,782	2,146
Corporate Bonds	586,120	
Foreign Bonds	95,987	
Mutual Funds	91,969	
Hedge Funds	21,530	
Real Estate	379,903	
Alternative	1,164,301	
Receivables:		
Accounts	5,029	973
Accrued Interest	5,799	12
Accrued Revenue	7,196	
Prepaid Expenses	53	
Total Current Assets	4,235,008	7,390
Noncurrent Assets:		
Capital Assets:		
Land	10,588	
Machinery and Equipment	2,211	
Buildings	11,334	
Construction in Progress	6,755	
Total Capital Assets	30,888	
Less: Accumulated Depreciation	2,521	
Net Capital Assets	28,367	
Assets Held for Resale	12,236	
Lease Assets	1,408	
Less: Accumulated Amortization	265	
Lease Assets, Net	1,143	
Total Noncurrent Assets	41,746	
Total Assets	$ 4,276,754	$ 7,390
Liabilities:		
Vouchers Payable	$ 7,426	$ -
Accounts Payable - Other	18,374	
Claims Payable	5,095	
Accrued Payroll	413	
Securities Lending Obligation	111,817	
Total Liabilities	143,125	
Net Position:		
Restricted for Pensions	3,586,484	
Restricted for Other Postemployment Benefits	547,145	
Restricted for individuals, organizations, and other governments		7,390
Total Net Position	$ 4,133,629	$ 7,390

The accompanying notes are an integral part of these basic financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year-Ended September 30, 2023
(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Additions:		
Contributions:		
Employer	$ 139,764	$ -
Employee	68,368	
Other Contributions	2,505	
Total Contributions	210,637	
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments	(544,705)	16
Real Estate Income, Net	5,310	
Interest and Dividends	59,044	79
Securities Lending	2,925	
Other Income	37	
Total Investment Earnings (Loss)	(477,389)	95
Less: Investment Expenses		
Investment Management Fees and Custodian Fees	(12,526)	
Less: Securities Lending Expenses		
Borrower Rebates and Lending Fees	(2,614)	
Net Investment Earnings (Loss)	(492,529)	95
Collections:		
Tax Collections for Other Governments		46,267
Fee and Fine Collections for Other Governments		7,965
Payments Collected on Behalf of Others		308
Total Collections		54,540
Total Additions (Reductions)	(281,892)	54,635
Deductions:		
Benefits	294,585	
Refunds of Contributions	2,286	
Administrative Expense	8,684	850
Fees and Fines Disbursed to Other Governments		7,114
Payments Disbursed on Behalf of Others		191
Tax Collections Disbursed to Other Governments		43,173
Other Disbursements		2,427
Total Deductions	305,555	53,755
Change in Net Position	(587,447)	880
Net Position - Beginning of Fiscal Year (restated)	4,721,076	6,510
Net Position - End of Fiscal Year	$ 4,133,629	$ 7,390

The accompanying notes are an integral part of these basic financial statements.

Statement of Net Position
Discretely Presented Component Units
As of September 30, 2023
(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	$ 480,957	$ 222,058	$ 10,521	$ 713,536
Investments		394,966	36,622	431,588
Receivables, Net	460,727	90,313	4,063	555,103
Materials and Supplies, at Cost	183,195	7,711		190,906
Due from Other Governmental Agencies			2,495	2,495
Prepaid Expenses	161,115	9,283	16,700	187,098
Other Assets			970	970
Total Unrestricted Assets	1,285,994	724,331	71,371	2,081,696
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	288,594	23,902	10,543	323,039
Investments		57,204	68,751	125,955
Receivables, Net			69	69
Capital Projects Accounts:				
Cash and Cash Equivalents	17			17
Investments		55,967		55,967
Ordinance Accounts:				
Cash and Cash Equivalents	139,576			139,576
Investments	517,809			517,809
Receivables, Net	1,953			1,953
Other Restricted Accounts:				
Cash and Cash Equivalents	24,289		8,959	33,248
Investments	619,023	78,553		697,576
Receivables, Net	4,499		672	5,171
Lease Receivable			24,901	24,901
Total Restricted Assets	1,595,760	215,626	113,895	1,925,281
Total Current Assets	2,881,754	939,957	185,266	4,006,977
Noncurrent Assets:				
Capital Assets:				
Land	113,949	173,669	39,563	327,181
Land Easements and Water Rights	107,517	249,251		356,768
Depreciable Intangible Assets	299,840	1,354		301,194
Infrastructure			84,871	84,871
Buildings			424,064	424,064
Utility Plant in Service	14,660,830	8,354,341		23,015,171
Machinery and Equipment		612,682	14,762	627,444
Construction in Progress	1,025,312	775,306	27,786	1,828,404
Nuclear Fuel	1,237,499			1,237,499
Total Capital Assets	17,444,947	10,166,603	591,046	28,202,596
Less: Accumulated Depreciation	8,172,664	2,687,033	206,607	11,066,304
Net Capital Assets	9,272,283	7,479,570	384,439	17,136,292
Other Noncurrent Assets:				
Cash and Cash Equivalents		117,088		117,088
Investments		503,034		503,034
Receivables, Net			711	711
Prepaid Expenses			70,576	70,576
Pension Regulatory Asset	218,490			218,490
Lease Receivable		3,959	156,348	160,307
Other Noncurrent Assets	1,016,746	61,460		1,078,206
Total Other Noncurrent Assets	1,235,236	685,541	227,635	2,148,412
Total Noncurrent Assets	10,507,519	8,165,111	612,074	19,284,704
Total Assets	13,389,273	9,105,068	797,340	23,291,681
Deferred Outflows of Resources	735,399	83,829	775	820,003

(Continued)

The accompanying notes are an integral part of these basic financial statements.

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Statement of Net Position
Discretely Presented Component Units (Continued)
As of September 30, 2023
(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Accounts Payable and Other Current Liabilities	$ 766,638	$ 69,325	$ 9,901	$ 845,864
Unearned Revenues			4,888	4,888
Current Portion of Long-Term Lease/Notes Payable		17,033	5,599	22,632
Current Portion of Other Payables	67,392	8,513		75,905
Total Payable from Current Unrestricted Assets	834,030	94,871	20,388	949,289
Payable from Restricted Assets:				
Accounts Payable and Other Current Liabilities		55,967	671	56,638
Accrued Interest on Bonds and Certificates		17,641	3,771	21,412
Current Portion of Long-Term Lease/Notes Payable			71	71
Current Portion of Bonds and Certificates	161,775	73,745	33,095	268,615
Current Portion of Commercial Paper		4,640		4,640
Other Payables				
Total Payable from Restricted Assets	161,775	151,993	37,608	351,376
Total Current Liabilities	995,805	246,864	57,996	1,300,665
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)	6,475,255	3,218,835	126,829	9,820,919
Commercial Paper (net of current portion)	455,500	224,945		680,445
Asset Retirement Obligations	1,112,389	40,305		1,152,694
Long-Term Lease/Notes Payable (net of current portion)		870,799	196,668	1,067,467
Net OPEB and Pension Liabilities	112,055	2,671		114,726
Other Payables (net of current portion)	649,986	12,042	50,881	712,909
Total Noncurrent Liabilities	8,805,185	4,369,597	374,378	13,549,160
Total Liabilities	9,800,990	4,616,461	432,374	14,849,825
Deferred Inflows of Resources	292,467	92,833	167,142	552,442
Net Position:				
Net Investment in Capital Assets	2,672,442	3,521,405	160,968	6,354,815
Restricted for:				
Debt Service	156,175	75,740		231,915
Capital Projects	662,409	192,883	986	856,278
Operating and Other Reserves		140,013		140,013
Unrestricted	540,189	549,562	36,645	1,126,396
Total Net Position	$ 4,031,215	$ 4,479,603	$ 198,599	$ 8,709,417

The accompanying notes are an integral part of these basic financial statements.

Statement of Activities
Discretely Presented Component Units
Year-Ended September 30, 2023
(In Thousands)

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTALS
CPS Energy	$ 3,275,304	$ 3,383,403	$ -	$ 81,225	$ 189,324	$ -	$ -	$ 189,324
San Antonio Water System	713,451	877,107		281,746		445,402		445,402
Nonmajor Component Units	132,579	99,779		2,772			(30,028)	(30,028)
Total	$ 4,121,334	$ 4,360,289	$ -	$ 365,743	189,324	445,402	(30,028)	604,698
General Revenues:								
Investment Earnings (Loss)					(74,970)	(24,053)	9,157	(89,866)
Miscellaneous						2,770	21,682	24,452
Adjustment for STP Pension Cost					26,138			26,138
Adjustment for Medina Treatment Plant						(7,200)		(7,200)
Total General Revenues					(48,832)	(28,483)	30,839	(46,476)
Change in Net Position					140,492	416,919	811	558,222
Net Position - Beginning of Fiscal Year (restated)					3,890,723	4,062,684	197,788	8,151,195
Net Position - End of Fiscal Year					$ 4,031,215	$ 4,479,603	$ 198,599	$ 8,709,417

The accompanying notes are an integral part of these basic financial statements.

Annual Comprehensive Financial Report
Notes to Financial Statements
Year-Ended September 30, 2023

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. 14, *The Financial Reporting Entity,* as amended. 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, for which the City is financially accountable or 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. 14, as amended and 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. 14, as amended) 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

The criteria outlined on the previous page were excerpted from GASB Statement No. 14, as amended. 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, 2021, published by GASB, Sections 2100 and 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. 14, as amended, 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:

City of San Antonio, Texas Municipal Council Aides Corporation
100 Military Plaza,
San Antonio, TX 78205
Contact: Emily McGinn
Telephone No. (210) 207-7041

City of San Antonio, Texas Municipal Council Aides Corporation (Council Aides) was established in fiscal year 2021 in accordance with state laws for the purposes of, solely aiding and acting on behalf of the City to accomplish certain governmental purposes of the City through the employment of council aides for purposes of assisting council members in the performance of their official public duties as members of the City Council of the City, all at the request of the Council. Council Aides' governing board is the same as the City's governing board, providing the City the ability to impose its will. Council Aides has additionally met the fiscal dependency and financial benefit/burden criteria.

Hemisfair Park Area Redevelopment Corporation
630 E. Nueva St.
San Antonio, TX 78205
Contact: Andres Andujar
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. Though HPARC does not directly provide services to the City, its services benefit the City. The HPARC is governed by 11 members appointed by the City Council. The City's ability to impose its will on HPARC is through City Council having the power to remove board members. HPARC has additionally met the fiscal dependency and financial benefit/burden criteria.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

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 ex-officio 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 through managing the City's eight golf courses.

Prosper West San Antonio
630 S.W. 41st Street
San Antonio, TX 78237
Contact: Ramiro Gonzales
Telephone No. (210) 501-0192

Prosper West San Antonio (PWSA), formerly known as Westside Development Corporation, 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. PWSA seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, PWSA 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. Therefore, although PWSA does not directly provide services to the City, it benefits the City. PWSA 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 PWSA advocates. The City can remove board members at will, providing the City the ability to impose its will. PWSA has met the financial benefit/burden criteria.

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

The San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City, to develop and implement programs for early childhood development, job training, and any other undertaking that the board determines will directly facilitate the development of a skilled workforce and foster economic opportunity. As such in 2012, Pre-K 4 SA was established to develop and implement authorized programs for early childhood education services. Additionally, in 2020, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high-demand, well-paid careers. ECEMDC is governed by a board of trustees appointed by the City Council. ECEMDC's debt, including leases, is expected to be repaid almost entirely with the resources of the City comprised of a 1/8 cent sales tax increase approved by San Antonio residents for each program. The City has the ability to impose its will and has met the fiscal dependency and financial benefit/burden criteria.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

San Antonio Economic Development Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

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. The City has the ability to impose its will.

San Antonio Education Facilities Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

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.

San Antonio Health Facilities Development Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

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.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

San Antonio Industrial Development Authority
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

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
100 W. Houston St.
San Antonio, TX 78205
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
100 W. Houston St.
San Antonio, TX 78205
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 met the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

Texas Public Facilities Corporation
100 W. Houston St.
San Antonio, TX 78205
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.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio 100 W. Houston St. San Antonio, TX 78205 Contact: Veronica Garcia Telephone No. (210) 207-8477	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. The City's management has operational responsibility for Our SA. The City has the ability to impose its will.
Visit San Antonio 317 Alamo Plaza San Antonio, TX 78205 Contact: Kari Chapman Telephone No. (210) 244-2026	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.

The only blended component unit with a different fiscal year-end from the City is ECEMDC with a fiscal year-end of June 30th.

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Year-Ended September 30, 2023 - 34 - Amounts are expressed in thousands

Note 1 Summary of Significant Accounting Policies (Continued)

Fiduciary Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, 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, the Retiree Health & Wellness SA Fire and Police Fund, and the City of San Antonio Retiree Health Care Fund. These component units are presented in the Statement of Fiduciary Net Position and Statement of 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 pension 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 uniformed personnel.

Retiree Health & Wellness SA Fire and Police Fund (Health 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 postemployment 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 Retiree Health & Wellness SA Fire and Police Fund (Health Fund), was created to provide these postemployment 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Fiduciary Component Units (Continued)

City of San Antonio Retiree Health Care Fund
100 W. Houston St.
San Antonio, TX 78205
Contact: Ted Scholz
Telephone No. (210) 207-8705

The City of San Antonio's Retiree Health Care Fund was created to provide postemployment health care benefits entirely to civilian retirees and uniformed employees who retired prior to October 1, 1989. The Retiree Health Care Fund is governed by a board of directors, which is comprised of the City Council. The City and its eligible retirees make all contributions to the Retiree Health Care Fund in accordance with assessments and rates adopted by City Council through passage of the annual adopted budget. Additionally, benefits are established pursuant to adoption of annual budget. The Retiree Health Care Fund's governing board is the same as the City's governing board, it meets the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

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 Annual Comprehensive Financial Report for both entities is as of December 31, 2022.

Discretely Presented Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, for inclusion in the reporting entity as discretely presented component units.

Brooks
3201 Sidney Brooks
San Antonio, TX 78235
Contact: Leo Gomez
Telephone No. (210) 678-3318

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. The City has not received Brooks' audited financial statements for the past two fiscal years; therefore, its financial data is not disclosed in the City's financial statements. Brooks is considered immaterial to the opinion unit.

CPS Energy
P.O. Box 1771
San Antonio, TX 78296
Contact: David Ramirez
Telephone No. (210) 216-2639

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.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

Port Authority of San Antonio DBA Port San Antonio
907 Billy Mitchell Blvd.
San Antonio, TX 78226
Contact: Patrick Cruzen
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, providing the City the ability to impose its will.

SA Energy Acquisition Public Facility Corporation
P.O. Box 1771
San Antonio, TX 78296
Contact: David Ramirez
Telephone No. (210) 216-2639

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, meeting fiscal dependency criteria.

San Antonio Bexar County Soccer Public Facility Corporation
100 Military Plaza
San Antonio, TX 78205
Contact: Alejandra Lopez
Telephone No. (210) 207-3975

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, all who must be approved by City Council, providing the City the ability to impose its will. The issuance of bonds is approved by City Council, meeting fiscal dependency criteria.

San Antonio Housing Trust Finance Corporation
2515 Blanco Rd.
San Antonio, TX 78212
Contact: Pedro Alanis
Telephone No. (210) 735-2772

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, consisting of five City Council members. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTFC's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTFC is considered immaterial to the opinion unit.

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Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

San Antonio Housing Trust Foundation, Inc.
2515 Blanco Rd.
San Antonio, TX 78212
Contact: Pedro Alanis
Telephone No. (210) 735-2772

San Antonio Housing Tr 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. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTF's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTF is considered immaterial to the opinion unit.

San Antonio Housing Trust Public Facility Corporation
2515 Blanco Rd.
San Antonio, TX 78212
Contact: Pedro Alanis
Telephone No. (210) 735-2772

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. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTPFC's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTPFC is considered immaterial to the opinion unit.

San Antonio Housing Trust Reinvestment Corporation
2515 Blanco Rd.
San Antonio, TX 78212
Contact: Pedro Alanis
Telephone No. (210) 735-2772

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. The City must approve the issuance of bonds, providing fiscal dependency. As HTRC had no activity through September 30th, an audit is not deemed necessary in fiscal year 2023.

San Antonio Water System
P.O. Box 2449
San Antonio, TX 78298
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 City has the ability to impose its will on SAWS through the setting of user rates for services and charges and the issuance of bonds approved by the City Council.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

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, 2022, while CPS Energy's and SA Energy Acquisition Public Facility Corporation's fiscal year-end is January 31, 2023.

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 Opportunity Home San Antonio. 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. Discretely presented component units are also reported in the Statement of Net Position.

Note 1 Summary of Significant Accounting Policies (Continued)

Basic Financial Statements - GASB Statement No. 34 (Continued)

The Statement of Activities – Reflects both the gross and net expense format. The net expense (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. The net amount of interfund transfers between governmental and proprietary funds is the balance reported in 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.

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 about 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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 COVID-19 Funds accounts for the receipt and disbursements of federal, state, local, and private money designated to be spent towards the City's response to the COVID-19 pandemic and better prepare the City after the pandemic though through infusion of cash aid and services to the community.
- The 2022 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 $1,200,000 bond election held on May 7, 2022.

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), tax notes, 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.

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 or committed 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds (Continued)

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, COVID-19 Funds, Community Development Program, Early Education, Ready to Work SA, Tax Increment Reinvestment Zone, San Antonio Housing Trust, and most Community Services Funds), and City Cemeteries.

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.

Fiduciary Funds

The Trust and Custodial Funds are used to account for, and report assets held by the City in a trustee capacity or as a custodian for individuals, private organizations, and other governmental units. The San Antonio Fire and Police Pension Fund is a statutory trust fund established to provide pension benefits to eligible uniformed employees. The Retiree Health & Wellness SA Fire and Police Fund is a statutory trust fund established to provide Other Postemployment 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 Custodial Funds account for unclaimed property, taxes, fines, fees, and deposits collected by the City for remittance to the State of Texas and other governmental entities.

Fire and Police Pension Fund, Retiree Health & Wellness SA Fire and Police Fund, City Retiree Health Care Fund, and Custodial Funds are accounted for in essentially the same manner as proprietary funds.

Note 1 Summary of Significant Accounting Policies (Continued)

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 charges to those 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.

1) 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.

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that principally only current assets and current liabilities are 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Primary Government (City) (Continued)

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, postemployment obligations, asset retirement obligations and pollution remediation obligations are recorded only when the liability is matured.

The reported fund balance 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 fund balance. 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 spendable assets. Such amounts are generally offset by fund balance nonspendable accounts.

Proprietary, fiduciary, and governmental and business-type activities are accounted for using the accrual basis of accounting. Their revenues/additions are recognized when they are earned, and their expenses/deductions 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.

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

Revenues and expenses related to providing energy services in connection with CPS Energy's principal ongoing operations of the electric and gas systems are classified as operating. All other revenues and expenses are classified as nonoperating and reported as nonoperating income (expense).

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

CPS Energy (Continued)

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 uses historical information from prior fiscal years as partial bases to estimate and record earned revenue not yet billed (unbilled revenue). This process involves 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 are the over/under-recoveries of electric and gas fuel costs and regulatory assessments. Unbilled revenue receivable recorded on January 31, 2023, including estimates for electric fuel and gas costs, was $50,677.

CPS Energy's rate tariffs contain a fuel cost adjustment clause which 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 2023 was $99,948.

The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses based on account delinquencies, historical write-off experience and current energy market conditions. Account balances are written off against the allowance when it is probable the receivable will not be recovered. The allowance for uncollectible accounts totaled $138,760 fiscal year-ended January 31, 2023. As a result of COVID-19 impacts on outstanding accounts receivable balances, the allowance for uncollectible accounts increased because of the prolonged suspension of disconnects and customers being unable to pay.

In June 2020, CPS Energy established the customer outreach program to expand efforts to contact customers by proactively calling those that were largely impacted by the pandemic and educating them on various discounts and affordability programs offered. Customers who applied or have been approved for financial assistance through an approved CPS Energy program or reside in a HUD low-income qualified census tract will not be scheduled for disconnect. CPS Energy began disconnections for commercial and small businesses customers in September 2021 and October 2021, respectively. In November 2021, the customer disconnects were halted due to the holiday season. In January 2022, CPS Energy resumed customer disconnects for commercial and small businesses. There were no residential customer disconnects during fiscal year 2022. The customer disconnects in fiscal year 2022 had a minimal effect, if any, on bad debt provisions. In fiscal year 2023, CPS Energy began residential customer disconnects and continued through the entire fiscal year to mitigate outstanding past due accounts.

CPS Energy records bad debts for its estimated uncollectible accounts related to electric and gas services as a reduction to the related operating revenues. CPS Energy's bad debt provision totaled $86,305 for the fiscal year-ended January 31, 2023. On January 31, 2023, customer accounts receivables, net were $359,265.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

CPS Energy (Continued)

In fiscal year 2022, the City approved the use of regulatory accounting related to the fuel expenses that were incurred as a result of Winter Storm Uri in February 2021 that severely impacted the CPS Energy service area. CPS Energy incurred unprecedented costs associated with the winter storm that included purchases of natural gas and purchased power, along with financing costs to cover short-term liquidity needs, and legal costs for ongoing legal disputes over excessive amounts invoiced by gas suppliers. On January 13, 2022, the City approved the ordinance that established a rate-supported regulatory asset for the winter storm costs incurred and recovery of paid fuel costs totally $418,000 to be recovered over a 25-year period, commencing in March 2022. Recovery of additional amounts for costs include in the regulatory asset must be approved by CPS Energy's Board of Trustees and City Council. On January 31, 2023, fuel costs to be recovered in future years totaled $759,623.

CPS Energy accounts for its legal obligation to decommission STP Units 1 and 2 in accordance with GASB Statement No. 83, C*ertain Asset Retirement Obligations (ARO).* CPS Energy has recognized its pro rata share of an ARO based on the best estimate of the current values of outlays expected to be incurred to decommission the units, determined by the most recent cost study performed in May 2018. A new cost study is performed every five years; in years after the latest study, GASB Statement No. 83 requires the current value of the 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 deferred outflows of resources that are being amortized over the remaining useful life of the plant.

Additionally, due to requirements under the Code of Federal Regulations governing nuclear decommissioning trust funds, a zero-net position approach is applied in accounting for the Decommissioning Trusts. Accordingly, current year and prior year activity in the Trusts is reported in the nonoperating income (expense) section of the Statements of Revenues, Expenses and Changes in Net Position as decommissioning net costs recoverable (refundable). The cumulative effect of activity in the Trusts is reported on the Statements of Net Position as a noncurrent liability referred to as Decommissioning net costs refundable since any excess funds are payable to customers. Going forward, prolonged unfavorable economic conditions could result in the assets of the 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 and would be receivable from customers.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITAs"), requires the recognition of an intangible right-to-use subscription asset with a corresponding subscription liability for contracts that convey control of the right-to-use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a SBITA liability and an intangible right-to-use SBITA asset are recognized as applicable. Refer to Note 21 Restatements for further information on CPS Energy's restatement.

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. This accounting treatment results in no impact to CPS Energy's net position. Federal or state grants that subsidize in whole or a partial amount of capital assets are recognized as contributed capital. 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 expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Note 1 Summary of Significant Accounting Policies (Continued)

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 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.

Current Year GASB Statement Implementations

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates 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 City did not have conduit debt obligations in fiscal year 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* the primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which the operator collects and is compensated by fees from third parties; the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB Statement No. 94 does not change the way the City is currently accounting for service concession arrangement PPP related transactions. Adoption of GASB Statement No. 94 had no effect on beginning net position of fund balance at October 1, 2022. The City's service concession arrangements disclosures can be found in Note 20 Other Disclosures.

Note 1 Summary of Significant Accounting Policies (Continued)

Current Year GASB Statement Implementations (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The City evaluated all SBITAs and has made the necessary adjustments to the financial statements. Adoption of GASB Statement No. 96 had no effect on beginning net position of fund balance at October 1, 2022. See Note 14 Leases and Subscription-Based Information Technology Arrangements for further information.

Applicable provisions of GASB Statement No. 99, *Omnibus 2022*, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing (1) practice issues from implementation and application of certain other GASB statements and (2) accounting and financial reporting for financial guarantees. A month other things, this Statement clarifies GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to determining public-private and public- public partnership terms and the recognition and measurement of installment payments and transfer of the underlying asset. This Statement also provides clarification on GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the term, term classification, and the recognition and measurement of the liability. The City implemented GASB Statement No. 94 and GASB Statement No. 96 in fiscal year 2023. Refer below to GASB Statement No. 99, *Omnibus 2022* for the remaining provisions of this statement.

Future GASB Statement Implementations

GASB Statement No. 99, *Omnibus 2022*, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing (1) practice issues from implementation and application of certain other GASB statements and (2) accounting and financial reporting for financial guarantees. Among other things, this Statement clarifies that instruments within scope of GASB Statement No. 53 that do not meet the definition of an investment derivative or of a hedging derivative are considered as other derivative instruments. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City will assess and implement this Statement where applicable in fiscal year 2024.

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Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement 62*,* the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for decision making and assessing accountability. Accounting changes in this Statement are defined as, changes in accounting principles, estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature and quantitative effects. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The City will assess and implement this Statement where applicable in fiscal year 2024.

GASB Statement No. 101, *Compensated Absences,* the primary objective of this Statement is to meet the information needs of financial statement users by updating recognition and measurement guidance for compensated absences. That is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previous required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is accumulated is carried forward from the reporting period to a future reporting period in which it may be used, paid, or settled. Leave that is likely to be settled through conversion to defined benefit postemployment benefits should not be included in liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. The Statement establishes guidance for liability measurement, generally this is the pay rate of the employee as of date of the financial statements. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The City will assess and implement this Statement where applicable in fiscal year 2025.

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Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

GASB Statement No. 102, *Certain Risk Disclosures,* the primary objective of this Statement is to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This is achieved by requiring governments to disclose information about a concentration or constraint if all of the following criteria are met (a) the concentration or constraint is known to the government prior to issuing the financial statements, (b) the concentration or constraint makes the government vulnerable to the risk of a substantial impact, (c) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date financial statements are issued. The disclosures should include descriptions of the following (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, (3) actions taken by the government to mitigate the risk prior to the issuance of the financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City will assess and implement this Statement where applicable in fiscal year 2025.

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

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 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, 2023, the City's investment portfolio did not contain any derivative instruments or alternative investment products, nor was it leveraged in any way. Derivative instruments 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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 financed purchases are recorded at the present value of future minimum 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.

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:

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

Lease and SBITA asset threshold is $5 and are amortized over the lesser of the life of the associated contract or useful life of the asset.

Year-Ended September 30, 2023 - 51 - Amounts are expressed in thousands

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

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.

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 $81,252 for the period ending January 31, 2023, including donated assets of $5,883. The remaining portion of this balance, $75,369 for fiscal year 2023 represents contributions received from customers as payments for utility extensions and services, as well as funding for community initiatives and other local partnership projects.

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 3.3% for fiscal year 2023.

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

Depreciable Capital Assets	Useful Life (Years)
Buildings and Structures	45
Utility Plant in Service:	
Generation	34-59
Transmission and Distribution	6-63
Gas	30-65
Machinery and Equipment	4-20
Intangibles:	
Software	8
Other	20-30
Mineral Rights and Other	20-40

Year-Ended September 30, 2023 - 52 - Amounts are expressed in thousands

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Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

CPS Energy (Continued)

In fiscal year 2023, CPS Energy engaged an independent third-party consulting firm to conduct a depreciation study, which is performed every five years. The new depreciation rates resulting from the study were retroactively applied to the beginning of fiscal year 2023. As a result of the study, based on the plant in service as of January 31, 2022, total annual depreciation increased by approximately 7.6% based on the updated estimated useful lives and increases in Plant-In-Service balances.

Separately, right-to-use lease assets and subscriptions assets are amortized over the lesser of the life of the assets or the term of the lease, using the straight-line method.

Thresholds contained in CPS Energy's capitalization policy for fiscal year 2023 are as follows:

Assets	Capitalization 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

CPS Energy adopted GASB Statement No. 87, *Leases*, during fiscal year 2022, which no longer differentiates between capital and operating leases. GASB Statement No. 87 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, CPS Energy as a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor is required to recognize a lease receivable and a deferred inflow of resources.

CPS Energy adopted GASB Statement No. 96, *Subscription Based Information Technology Agreements*, during fiscal year 2023. GASB Statement No. 96 establishes an accounting model for subscription assets. Under this statement, CPS Energy is required to recognize a SBITA liability and an intangible right-to-use subscription asset.

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, and direct internal costs 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 (CCN) related to new service areas, and development costs for internally generated computer software. Assets acquired through capital leases are recorded as assets in Utility plant in service and the lease contracts recorded as liabilities in contract and leases payable in SAWS' financial statements using the present value of lease payments and any other non-executory costs. 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; while major plant replacements are capitalized.

Year-Ended September 30, 2023 - 53 - Amounts are expressed in thousands

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

San Antonio Water System (SAWS) (Continued)

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:

Assets	Useful Life (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

Capital contributions consist of plant contributions from developers, capital recovery fees, and contributions in aid of construction and/or grant proceeds received from governmental agencies for facility expansion.

Capital recovery fees are charged to customers to connect to the water or wastewater system. By Texas law, these fees are to be used for capital expenditures that expand infrastructure capacity or to reimburse SAWS for the cost associated with existing excess infrastructure capacity. In certain instances, infrastructure that facilitates expansion of SAWS' service capacity is contributed by developers. In these instances, SAWS records the donated infrastructure as plant contributions and may abate future capital recovery fees due from the developer equal to a portion of the acquisition value of the infrastructure contributed. SAWS abated future capital recovery fees of $8,028 in 2022. These abatements are conditional based on the type of development and in certain instances, time requirements and geographic restrictions.

Year-Ended September 30, 2023 - 54 - Amounts are expressed in thousands

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Note 1 Summary of Significant Accounting Policies (Continued)

Accrued Leave

Primary Government (City)

The City accrues annual leave and associated employee related costs when matured for both civilian and uniformed employees. Beginning in fiscal year 2020 the City implemented a new personal leave policy for temporary and part-time civilians as well as school crossing guards that enabled the matured leave to be paid out upon separation. The City accrued available sick leave at year-end for these employees. The City has a use or lose sick leave policy for its full-time civilian employees; and therefore, does not accrue said leave. The City accrues the matured portion of its uniformed employees' accrued sick leave, holiday, and bonus pay up to the allowed limit in accordance with their respective collective bargaining agreements.

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. CPS Energy does not accrue a liability for sick leave since there is no cash payment made of sick leave when an employee terminates or retires.

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. The total vacation paid in the current year is used as the estimated amount to be due within one year. Sick leave is not accrued as a terminating employee is not paid for accumulated sick leave.

Insurance

Primary Government (City)

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 Component Unit Fund.

The City is insured for property loss on a primary basis through Alliant Property Insurance Programs. 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, performed after fiscal year-end, of historical claim data and industry trends, less expenditures and accrued claims during close out that were included in the reserve census data given to the actuaries.

Note 1 Summary of Significant Accounting Policies (Continued)

Insurance (Continued)

Primary Government (City) (Continued)

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 $1,200.

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 postemployment liabilities based on an actuarial assessment of historical claim data performed annually and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the postemployment liability as additional contributions.

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. In fiscal year 2020, the City purchased worker's compensation stop loss insurance for claims that exceed $3,000. Additionally, in fiscal year 2023, the City purchased workers' compensation stop loss insurance for claims that exceed $2,000 for civilian employees and $5,000 for uniformed employees.

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 16 Risk Financing.

CPS Energy

CPS Energy maintains property and liability insurance programs that combine self-insurance with commercial insurance policies to cover major risks.

San Antonio Water System (SAWS)

SAWS is self-insured for a portion of workers' compensation, employee's health, employer's liability, public officials' liability, property damage, and certain elements of general liability. A liability has been recorded for the estimated amount of eventual loss, which will be incurred on claims arising prior to the end of the period including incurred but not reported claims.

Note 1 Summary of Significant Accounting Policies (Continued)

Pensions and Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability and total and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information (where applicable) about the fiduciary net position of the plans (where applicable) and additions to/deductions from the Plan's fiduciary net position (where applicable) have been determined on the same basis as they are reported by the plans. 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 10 Pension and Retirement Plans and Note 11 Other Postemployment Benefits for more information.

Fund Balances

Fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned based on 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 regulations 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.
- 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 exceed 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 an expenditure is incurred for purposes for which more than one of the classifications of fund balance is available. See Note 18 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.

Note 1 Summary of Significant Accounting Policies (Continued)

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 2023, general government expenditures in the General Fund were reduced by $23,806, resulting in increased expenditures/expenses in other governmental functions and in business-type activities in the amounts of $15,864 and $7,942 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. For current refundings and advance refundings of debt resulting in defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt are deferred as a deferred outflow of resources or deferred inflow of resources and amortized over the shorter of the life of the old debt or the life of the new debt. The reacquisition price differentiates between current and advance refunding. Per GASB Statement 65, *Items Previously Reported as Assets and Liabilities,* in a current refunding, this includes principal of the old debt and any call premium. In an advance refunding, it is the amount placed in escrow that, together with interest earnings, is necessary to pay interest and principal on the old debt and any call premium.

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.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

Elimination of Internal Activity (Continued)

OISF reports on activities of five funds: City Tower Fund, Purchasing Fund, Equipment Renewal and Replacement Fund, Building Maintenance Fund, and Fleet Services Fund. The City Tower Fund generates revenues through parking operations for the on-site garage, facility, rental, and efficiency and rental savings from departments moved into the City Tower. 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 generate their revenues through fixed assessments charged to the various funds each year. The Employee Benefits Fund, a component of the Self-Insurance Funds, additionally charges prorated user fees to active employees on the City's healthcare plans; and earns rebates for prescription purchases. 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.

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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 interlocal agreement with the Bexar County Tax Assessor/Collector's Office. The City recognizes assets for property taxes when an enforceable legal claim to the assets arises (lien date) and recognizes revenues in the period for which the taxes are levied (when available for governmental funds).

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, 2023, was $0.54161 per $100 taxable valuation, which means that the City has a tax margin of $1.95839 per $100 taxable valuation (tax rate amounts are not reflected in thousands). This could raise an additional $2,774,333 per year based on the net taxable valuation of $141,663,960 before the limit is reached. In fiscal year 2023, the City has forgone property tax revenues as a result of abatement agreements 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, 2023, there were 24 existing TIRZ with a total taxable captured value of $6,766,227. For fiscal year 2023, this total taxable captured value produced $34,919 in tax increment revenues for use by the City to fund capital costs of certain public infrastructure improvements, tax rebates for public arts, historic building restoration and remediation, economic development projects, COVID-19 relief, affordable housing, and operating and administrative expenses in the TIRZ. The existing TIRZ have initial terms ranging from 19 years to 38 years which are anticipated to expire by fiscal year 2054. It is estimated that the City will contribute approximately $1,214,580 in tax increment revenues in aggregate over the life of these TIRZ projects.

TIRZ	Start Date	End Date	Taxable Captured Value
Mission Del Lago	8/19/1999	9/30/2032	$ 377,441
Houston Street	12/9/1999	9/30/2034	1,022,823
Stablewood Farms	12/14/2000	9/30/2025	72,418
Inner City	12/14/2000	9/30/2035	1,530,721
Plaza Fortuna	12/13/2001	9/30/2025	8,846
Lackland Hills	12/13/2001	9/30/2026	27,287
Northeast Crossing	6/13/2002	9/30/2028	322,535
Brooks City Base	12/9/2004	9/30/2039	583,705
Mission Creek	12/9/2004	9/30/2029	68,943
Hallie Heights	12/9/2004	9/30/2024	27,948
Heather Cove	12/16/2004	9/30/2024	26,149
Hunters Pond	6/1/2006	9/30/2031	53,093
Verano	12/6/2007	9/30/2045	5,834
Westside	12/11/2008	9/30/2032	532,945
Midtown	12/11/2008	9/30/2041	1,611,364
Mission Drive In	12/11/2008	9/30/2027	168,338
North East Corridor	12/4/2014	9/30/2034	235,461
Hemisfair	2/2/2017	9/30/2037	48,361
Tarasco[1]	12/13/2018	9/30/2044	
Thea Meadows	12/5/2019	9/30/2054	17,361
Nabors	5/13/2021	9/30/2046	15,587
Somerset Grove	6/10/2021	9/30/2046	6,900
Valley Sol	6/10/2021	9/30/2046	2,167
Lone Oak[2]	1/12/2023	9/30/2048	
			$ 6,766,227

[1] Tarasco TIRZ was initiated using a single parcel, which has since claimed an exemption resulting in a negative captured value in fiscal year 2023.

[2] Fiscal year 2024 will be the first year of tax increment collections for the 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 governments 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 into 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*** – The City assesses the agreed upon reduction of the property's assessed value or the credit to the amount of taxes owed. Bexar County Appraisal District processes the reduction of the property's assessed value.
- ***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 by 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.

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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. The City coordinates with Bexar County Appraisal District to process the reduction of the property's assessed value.
- ***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*** – The City assesses the agreed upon reduction of the property's assessed value or the credit to the amount of taxes owed. Bexar County Appraisal District processes the reduction of the property's assessed value.
- ***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 by 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.

Tax Increment Financing Program – Center City Housing Incentive Policy

- ***Purpose of program*** – Provides financial incentives for multi-family housing projects and focuses on housing redevelopment within the Greater Downtown Area.
- ***Taxes being reimbursed*** – 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 reimburse taxes*** – Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.

Note 3 Tax Abatements (Continued)

Tax Increment Financing Program – Center City Housing Incentive Policy (Continued)

- ***How the dollar amount of the reimbursement was determined*** – The amount of the tax reimbursement 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 by 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, City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans. The program ended in December 2020 and does not enter into new agreements. The program does have rebate obligations through existing agreements.

Tax Increment Financing Program – Non-Center City Housing Incentive Policy

- ***Purpose of program*** – This program is to promote local economic development and to stimulate business and commercial activity.
- ***Taxes being reimbursement***– 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*** – Chapters 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 reimburse taxes*** – Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.
- ***How the dollar amount of the reimbursement was determined*** – The amount of the tax reimbursement 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 by 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, City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans.

Note 3 Tax Abatements (Continued)

Summary

A summary of these taxes forgone on the City's abatement programs for the year-ended September 30, 2023 follows:

Tax Abatement Program	Number of Agreements (Not in thousands)	Amount of Taxes Abated during the fiscal year
City Tax Abatement Program	12	$ 4,367
Economic Development Incentive Fund Program	4	1,064
Center City Housing Incentive Policy	34	3,404
Non-Center City Housing Incentive Policy	4	680
	54	$ 9,515

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments

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]	Retiree Health & Wellness SA Fire and Police Fund (Health Fund) [2, 4]	CPS Energy [3]	SAWS [4]
Unrestricted:					
Cash and Cash Equivalents	$ 249,946	$ 62,307	$ 5,242	$ 480,957	$ 222,058
Security Lending Collateral		111,817			
Investments	718,015	3,531,412	499,402		394,966
Total Unrestricted	$ 967,961	$ 3,705,536	$ 504,644	$ 480,957	$ 617,024
Restricted:					
Cash and Cash Equivalents	670,358			452,476	140,990
Investments	1,315,854			1,136,832	694,758
Total Restricted	$ 1,986,212	$ -	$ -	$ 1,589,308	$ 835,748
Total Cash and Cash Equivalents, Securities Lending Collateral and Investments	$ 2,954,173	$ 3,705,536	$ 504,644	$ 2,070,265	$ 1,452,772

[1] Custodial and City Retiree Health Care Fund cash and 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 Custodial assets are presented above as Restricted Cash and Cash Equivalents of $4,259 and Investments of $2,146. The City Retiree Health Care Fund assets are presented above as Restricted Cash and Cash Equivalents of $1,607 and Investments of $5,144.

[2] The Fire and Police Pension Fund and the Health 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, 2023.

[4] For the fiscal year-ended December 31, 2022.

A summary of cash and cash equivalents, securities lending and investments for the 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 Cash and Cash Equivalents	City	Fire and Police Pension Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	CPS Energy	SAWS
Deposits with Financial Institutions	$ 43,775	$ 288	$ 357	$ 339,728	$ 17,691
Investments with Original Maturities of Less than Ninety Days	706,006	62,019	4,885	593,662	345,339
Cash with Other Financial Agents	170,392				
Petty Cash Funds	108			43	
Cash on Hand	23				18
Total Cash and Cash Equivalents	$ 920,304	$ 62,307	$ 5,242	$ 933,433	$ 363,048

Year-Ended September 30, 2023 - 65 - Amounts are expressed in thousands

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

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

Summary of Investments	City	Fire and Police Pension Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	CPS Energy	SAWS
U.S. Treasuries, Government Agencies, Money Market Mutual Funds, and Government Investment Pool	$ 2,736,249	$ 201,657	$ 4,885	$ 1,370,665	$ 1,435,063
Repurchase Agreements	2,926				
Convertible Bonds		710			
Corporate Bonds		585,410		121,259	
Foreign Bonds		95,987		12,311	
Common Stock		975,704		168,740	
Mutual Funds			91,969		
Real Estate		352,379	27,524	56,746	
Preferred Stock	700			773	
Hedge Funds		21,530			
International Equities - Common Stock		575,662			
Alternative Investment		784,392	379,909		
Total Investments	$ 2,739,875	$ 3,593,431	$ 504,287	$ 1,730,494	$ 1,435,063
Less: Investments with Original Maturities of Less than Ninety Days included in Cash and Cash Equivalents	(706,006)	(62,019)	(4,885)	(593,662)	(345,339)
Total	$ 2,033,869	$ 3,531,412	$ 499,402	$ 1,136,832	$ 1,089,724

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, 2023.

Year-Ended September 30, 2023 - 66 - Amounts are expressed in thousands

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 $26,310 for the year-ended September 30, 2023.

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 U.S. government securities, its agencies or instrumentalities, repurchase agreements collateralized by U.S. 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 Disclosures - an amendment of GASB Statement No. 3*, 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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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

City Investments	Carrying [1] Amount	Fair [1] Value	Allocation [2]	Rating [3]	WAM
U.S. Government Agency Securities	$ 1,731,286	$ 1,711,018	62.4%	AA+/A-1+	1.50 Years
U.S. Treasuries	328,193	322,151	11.7%	N/A	0.90 Years
Money Market Mutual Funds	90,690	90,690	3.3%	AAAm	1 day
Government Investment Pool	612,390	612,390	22.4%	AAAm	1 day
Preferred Stock	700	700	0.1%	N/A	N/A
Repurchase Agreement	2,926	2,926	0.1%	N/A	1 day
Total City Investments	$ 2,766,185	$ 2,739,875	100.0%		

[1] The Carrying Amount and Fair Value include blended component units for SIDC, TMFC, and TPFC, which total $67,746.

[2] The allocation is based on fair value.

[3] Standard & Poor's Rating

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 fair 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, and City-managed component units, 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, CitiBank, 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.

Year-Ended September 30, 2023 - 68 - Amounts are expressed in thousands

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

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, 2023, 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 was 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, 2023, the U.S. government agency's 62.4% securities allocation was as follows: Federal National Mortgage Association 1.6%, Federal Home Loan Mortgage Corporation 9.6%, Federal Home Loan Bank 27.1%, Farm Federal Credit Bank 9.6%, and Federal Agricultural Mortgage Corporation 15.0%.

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).

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

Primary Government (City) (Continued)

	9/30/2023	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Agency Securities	$ 1,711,018	$ -	$ 1,711,018	$ -
Treasuries	322,151		322,151	
Total Debt Securities	$ 2,033,169	$ -	$ 2,033,169	$ -
Equity				
Preferred Stock	$ 700	$ -	$ 700	$ -
Total Equity	$ 700	$ -	$ 700	$ -
Total Investments by Fair Value Level	$ 2,033,869	$ -	$ 2,033,869	$ -

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 Fire and Police 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 ex-dividend 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 market investments, 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 Fund investments that are not traded on a national exchange are valued on a Net Asset Value Basis by the commingled investment manager. The Pension Fund performs due diligence reviews of the investment pricing, process, and infrastructure of private market investments, commingled fund investments, 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 costs 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 $3,705,536.

Year-Ended September 30, 2023 - 70 - Amounts are expressed in thousands

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

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 July 22, 2020 and compared to actual allocations at December 31, 2022.

Investment Type	Target Allocation	2022 Actual Allocation
Large Cap U.S. Equities	22.0%	21.4%
Small Cap U.S. Equities	5.0%	4.8%
Developed International Equities	13.0%	12.9%
Emerging International Equities	6.0%	4.1%
Private Equity	7.0%	8.7%
Subtotal Equity	53.0%	51.9%
Core Fixed Income	5.0%	4.9%
Treasury Inflation-Protected Securities (TIPS)	3.0%	2.6%
High Yield	5.0%	4.4%
Bank Loans	5.0%	4.9%
Unconstrained Fixed Income	3.0%	3.4%
Emerging Market Debt	5.0%	2.7%
Private Debt	9.0%	8.1%
Real Estate	7.0%	9.0%
Hedge Funds	0.0%	0.6%
Real Assets	5.0%	5.8%
Cash	0.0%	1.7%
Subtotal Fixed Income	47.0%	48.1%
Total Investments	100.0%	100.0%

Rate of Return – The money weighted rate of return for the year-ended December 31, 2022 was (10.6%). The return is net of investment costs 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.

Year-Ended September 30, 2023 - 71 - Amounts are expressed in thousands

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, 2022, the Pension Fund had cash deposits in the amount of $40 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, 2022, 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, 2022, 2.0% of the Pension Fund's bonds were rated 'AAA', 3.0% were rated 'AA', 7.0% were rated 'A', 13.0% were rated 'BBB', 16.0% were rated 'BB', 27.0% were rated 'B', 3.0% were rated 'CCC', 6.0% were rated 'CC', and 3.0% were unrated or not rated. 20.0% 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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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Securities that are subject to interest rate risk as of December 31, 2022 are shown in the table below.

Investment Type	Fair Value	Weighted-Average Maturity (WAM) (Years)
Corporate Bonds	$ 111,694	5.9
Corporate Convertible Bonds	710	2.2
Government Bonds	56,303	15.4
Government Mortgage Backed Securities	83,335	24.7
Bank loans	179,667	4.5
Treasury Inflation-Protected Securities (TIPS)	92,577	7.4
Payden and Rygel[1]	120,422	4.0
GoldenTree[2]	81,050	
Wellington emerging market debt[3]	95,987	
Total Interest Rate Sensitive Securities	$ 821,745	
Portfolio WAM		8.6

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

[2] GoldenTree is a commingled fund invested in high-yield corporate bonds. They report their portfolio duration as 4.1 as of December 31, 2022.

[3] 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 6.9 as of December 31, 2022.

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Year-Ended September 30, 2023 - 73 - Amounts are expressed in thousands

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

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, 2022 is shown in the table below.

Country	Equities	Bonds	Cash	Total
Argentinian Peso	$ 3,376	$ -	$ -	$ 3,376
Australian Dollar	17,185			17,185
Bermuda Dollar	1,370			1,370
Brazilian Real	11,630			11,630
British Pound	83,304			83,304
Cayman Islands	8,913			8,913
Canadian Dollar	34,169			34,169
Chilean Peso	979			979
Chinese Yuan	42,161	19		42,180
Colombian Peso	269	192		461
Danish Krone	11,607			11,607
European Union Euro	112,913	11,684	2	124,599
Hong Kong Dollar	26,440			26,440
Hungarian Forint	950			950
Indian Rupee	33,871			33,871
Indonesian Rupiah	4,132			4,132
Israeli New Shekel	2,286			2,286
Japanese Yen	73,519			73,519
Malaysian Ringgit	381			381
Mexican Peso	9,774			9,774
New Taiwan Dollar	22,409			22,409
New Zealand Dollar	516			516
Norwegian Krone	5,146			5,146
Peruvian Nuevo Sol	161	125		286
Philippine Peso	127			127
Polish Zloty	1,514			1,514
Russian Ruble	4,520			4,520
Saudi Riyal	36			36
Singapore Dollar	5,349			5,349
South African Rand	5,263			5,263
South Korean Won	20,097			20,097
Swedish Krona	18,256			18,256
Swiss Franc	25,024			25,024
Thai Baht	4,469			4,469
Turkish New Lira	2,073			2,073
	$ 594,189	$ 12,020	$ 2	$ 606,211

Year-Ended September 30, 2023 - 74 - Amounts are expressed in thousands

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

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 custodian 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 15 days at December 31, 2022.

As of December 31, 2022, the Pension Fund had lending arrangements outstanding with a total fair value of $148,443 which were fully collateralized with cash and securities. Cash collateral of $111,817 is recorded in the accompanying Statement of Fiduciary Net Position. Net income for the year-ended December 31, 2022, under the securities lending arrangement was $311.

Cash Collateral Pool	
Repo Agreements	$ 43,475
Variable Rate Certificates of Deposit	26,400
Commercial Paper	16,359
Certificates of Deposit	13,418
Time Deposit	6,228
ABS Commercial Paper	5,177
Sweep Vehicle	760
Total	$ 111,817

Derivative Instruments and Other Structured Financial Instruments – The Pension Fund has only limited involvement with derivative instruments and other structured financial instruments. The Pension Fund's investment philosophy regarding the use of derivative instruments and other structured financial instruments is to use derivative instruments to replicate exposures to equity or fixed income securities. The Pension Fund held government mortgage-backed securities amounting to $83,335 as of December 31, 2022. These are included with investments in the Statement of Fiduciary Net Position. The Pension Fund made $1,451 in interest on these securities and lost $2,002 in capital transactions related to these securities in the year ended December 31, 2022. As of December 31, 2022, the Pension Fund retained an investment in one hedge fund on the amount of $17,943 which may employ the use of derivative instruments to reduce volatility.

Year-Ended September 30, 2023 - 75 - Amounts are expressed in thousands

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

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

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.

		Fair Value Measurement Using		
	12/31/2022	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Bonds	$ 56,303	$ -	$ 56,303	$ -
Government Mortgage-backed Securities	83,335		83,335	
Convertible Bonds	710		710	
Corporate Bonds	111,694		111,694	
Bank Loans	179,667		179,667	
Total Debt Securities	$ 431,709	$ -	$ 431,709	$ -
Equity Securities				
Domestic	$ 538,706	$ 536,808	$ 1,898	$ -
International	28	28		
Total Equity Securities	$ 538,734	$ 536,836	$ 1,898	$ -
Private Equity				
Venture	$ 84,925	$ -	$ -	$ 84,925
Buyout	159,917			159,917
Fund-of-funds - Diversified	67,590			67,590
Real Assets	163,005			163,005
Total Private Equity	$ 475,437	$ -	$ -	$ 475,437
Private Debt				
Mezzanine	$ 37,315	$ -	$ -	$ 37,315
Distressed	85,569			85,569
Asset-Based	32,140			32,140
Opportunistic	16,404			16,404
Senior Debt	137,527			137,527
Total Private Debt	$ 308,955	$ -	$ -	$ 308,955
Total Investments by Fair Value Level	$ 1,754,835	$ 536,836	$ 433,607	$ 784,392
Investments Measured at the Net Asset Value (NAV)				
Structured Credit Hedge Fund	$ 17,943			
Held in reserve from closed funds	3,587			
Commingled Funds:				
Domestic Debt	294,049			
Global Debt	95,987			
Domestic Equity	436,970			
Global Equity	575,662			
Real Assets	25,275			
Real Estate	327,104			
Total Investments Measured at the NAV	1,776,577			
Total Investments Measured at Fair Value	$ 3,531,412			

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 2 of the fair value hierarchy are thinly traded securities such as preferred stock held by fixed income managers and are valued similarly to debt securities.

Year-Ended September 30, 2023 - 76 - Amounts are expressed in thousands

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

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Private Equity – The Pension Fund is invested in 58 private equity funds that are diversified across four main types of strategies. There are 12 venture capital funds, 16 buyout funds, 17 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 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 $10,000 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, 2022, it is estimated that the unfunded commitments were approximately $195,486 of which $140,253 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 33 private debt funds, which include five 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, 17 funds focused on loans that are senior in the borrowers’ capital structure, eight funds that concentrate on distressed debt where debt is purchased at a cost that is less than the value of the collateral, one opportunistic fund which makes investments in companies based on the managers evaluation of the company and the market environment, and two asset based lenders that make loans for asset purchases using the assets as 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 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 $10,000 to $40,000. 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, 2022, it is estimated that unfunded commitments were approximately $185,117 of which $102,412 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.

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

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, index funds, commingled funds, and real estate funds.

Hedge Funds – In 2020, the Pension Fund's board elected to eliminate the allocation to hedge funds except for one structured credit fund. The structured credit hedge fund 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. The process of fully redeeming the investment from hedge funds was expected to take two to three years, beginning in late 2020. As of December 31, 2022, the Pension Fund's investments in hedge funds have been reallocated to other parts of the investment portfolio, with the exception of the investment mentioned above. Hedge funds like the investment mentioned above, typically 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. As of December 31, 2022, the Pension Fund had $3,586 held by four hedge fund managers that represented amounts held in reserve for charges related to the redemption of the assets. The carrying value of these investments is based on the hedge fund of funds' estimate of value and would be similar to Level 3 type investments.

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 $118,248 were open-ended funds that allow redemptions. 28 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 $57,505 of which approximately $41,191 is expected to be called. Fair value for this asset class is determined by appraisals of the underlying properties.

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

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

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.

Retiree Health & Wellness SA Fire and Police Fund

The Retiree Health & Wellness SA Fire and Police Fund (Health 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 a national or international exchange 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 partnership interests, private real estate investment trusts, 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.

The Health Fund's assets are invested as authorized by the Investment Policy, as set by the Board. 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 National 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 Health Fund's custodian bank.

The fair value of the Health Fund's cash and investments at December 31, 2022 is $504,644.

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

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

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, 2022, the money market fund weighted average to maturity is 20 days. The Health Fund places no limit on maturities of Mutual Funds – Fixed Income.

The Health Fund's investments in Mutual Funds – Fixed Income had the following weighted average maturities as of December 31, 2022:

	December 31, 2022	
Investment	**Fair Value**	**WAM (Years)**
Loomis	$ 12,770	5.3
Baird	13,141	8.1
Payden	8,379	11.6
Vanguard	14,011	2.4
	$ 48,301	

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, 2022, 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 that, 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, 2022, the Health Fund's common stock investments are held at Frost National 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.

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Year-Ended September 30, 2023 - 80 - Amounts are expressed in thousands

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

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

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, 2022, the Health Fund held the following investments which exceeded 5.0% of total investments:

Investment	Balance at December 31 , 2022	% of Total
Catalyst Fund Limited Partnership II	$ 34,107	6.8%
SSgA Russell 1000 Index Fund	67,980	13.6%
Portfolio Advisers Secondary Fund IV	36,877	7.4%
Portfolio Advisers Credit Strategies Fund	44,918	9.0%
Pacific Asset Management Bank Loan Fund	25,529	5.1%

Although the index funds exceed 5.0% of total investments, these investment portfolios are comprised of many investments.

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, 2022, one of the Health Fund's investments (an amount of $2,078 or 0.4% of total investments) is exposed to foreign currency risk. The primary currency for this risk is the Euro.

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Year-Ended September 30, 2023 - 81 - Amounts are expressed in thousands

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

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

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, 2022, the Health Fund's fair value measurements for its investments were as follows:

		Fair Value Measurement Using		
	12/31/2022	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Equity Securities				
U.S. Equity - Common Stock	$ -	$ -	$ -	$ -
Mutual Fund - Fixed Income	48,302	48,302		
Mutual Fund - International Equity	11,153	11,153		
Mutual Fund - Common Stock	32,514	32,514		
Total Investments by Fair Value Level	$ 91,969	$ 91,969	$ -	$ -
Investments Measured at the Net Asset Value (NAV)				
Real Estate Funds	$ 27,524			
Natural Resource Funds	32,801			
Hedge Funds - Open-Ended Funds	13,487			
Private Equity Funds	132,516			
Private Debt Funds	66,581			
Global & Domestic Equity Funds	44,577			
Index Funds	89,947			
Total Investments Measured at the NAV	$ 407,433			
Total Investments	$ 499,402			

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds	$ 27,524	$ 33,094		
Natural Resource Funds	32,801	5,017	Annually	90-120 Days
Hedge Funds - Open-Ended Funds	13,487		Annually	90-120 Days
Private Equity Funds	132,516	77,905		
Private Debt Funds	66,581	22,741	Quarterly	30 Days
Global & Domestic Equity Funds	44,577		Monthly	15-30 Days
Index Funds	89,947		Monthly	3 Days
	$ 407,433	$ 138,757		

Year-Ended September 30, 2023 - 82 - Amounts are expressed in thousands

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

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Real Estate Funds – The Health Fund is invested in seven 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 5.5% 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 two investments (representing $1,844 or 6.7% of real estate funds) will liquidate within three years; two investments (representing $5,522 or 20.1% of real estate funds) will liquidate within five years; and, three investments (representing $20,158 or 73.2% of real estate funds) will liquidate within nine years.

Natural Resources Funds – The Health Fund is invested in ten 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 6.5% 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 $3,325 or 10.1% of natural resources funds) is redeemable on an annual basis with a 90-120 day formal notice. Management estimates that four investments (representing $3,891 or 11.9% of natural resources funds) will liquidate within three years; two investments (representing $4,052 or 12.4% of natural resources funds) will liquidate within five years; and, three investments (representing $21,533 or 65.6% of natural resources funds) will liquidate within nine years.

Hedge Funds - Open-Ended Funds – The Health Fund is authorized to invest in hedge funds. Portfolios for these funds include investments in common stock, preferred stock, U.S. 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 2.7% of the Health Fund’s portfolio and management estimates the funds will liquidate within nine years as of December 31, 2022.

Private Equity Funds – The Health Fund is invested in 13 private equity investment funds. Strategies for these funds include seven diverse fund-to-funds, two private debt funds, two secondary funds, one venture capital fund, and one co-investment fund. 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 26.3% 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 one investment (representing $807 or 0.6% of private equity funds) will liquidate within three years; one investment (representing $13,608 or 10.3% of private equity funds) will liquidate within two to five years ; three investments (representing $39,583 or 29.9% of private equity funds) will liquidate within five years; one investment (representing $8,921 or 6.7% of private equity funds) will liquidate within five to seven years; four investments (representing $26,813 or 20.2%) will liquidate within nine years; one investment (representing $685 or 0.5%) will liquidate within three to nine years; and, two investments (representing $42,099 or 31.8%) will liquidate within 15 years.

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

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Private Debt Funds – The Health Fund is invested in three private debt investment funds. Strategies for these funds include making junior debt investments with equity participation in several private equity sponsored transactions, including leveraged buyouts, growth financings, refinancing, and recapitalizations. Fair values have been determined using NAV per share of investments. These private debt funds represent 13.2% of the Fund's portfolio. One investment fund (representing $44,918 or 67.5% of private debt funds) is eligible for redemption on a quarterly basis with a 30-day formal notice. Management estimates the other funds (representing $21,663 or 32.5% of private debt 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 8.8% of the Health Fund's portfolio, and are eligible for redemption on a monthly basis with a 15-30 day formal redemption notice.

Index Funds – The Health Fund is invested in four nonpublic index funds consisting of fixed income, domestic equities, international equities including emerging markets and developing markets, and treasury inflation protected securities. 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 17.8% of the Health Fund's portfolio, and are eligible for redemption with a three day notice.

Subscribed Capital Commitments – As of December 31, 2022, 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 $138,757. As of December 31, 2022, $13,341 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 (FRRN) 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.

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

CPS Energy (Continued)

CPS Energy's cash deposits at January 31, 2023 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.

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 brokers/dealers and investment managers.

Investments of CPS Energy – CPS Energy's allowable investments are defined by CPS Energy Board Resolution, CPS Energy Investment Policy, the Investment Committee, bond ordinances, commercial paper ordinances, a revolving financial program ordinance 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.

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. To further reduce the overall risk of the portfolio, the target allocations for both Decommissioning Trusts are 64.0% fixed-income, 27.0% equities and 9.0% U.S. real estate investment trusts.

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

CPS Energy (Continued)

Permissible Investments

Investment Description	CPS Energy Direct Investments	Decommissioning Trusts Investments
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	✓	✓
Direct repurchase agreements	✓	✓
Reverse repurchase agreements	✓	✓
Defined bankers' acceptances and commercial paper	✓	✓
No-load money market mutual funds	✓	✓
Investment pools	✓	Not Permitted
Equities	Not Permitted	✓
Investment quality obligations	✓	✓
Corporate bonds	Not Permitted	✓
International securities	Not Permitted	✓
No-load commingled funds	Not Permitted	✓
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 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. 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.

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

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 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 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 and investment pools that have maturities of one year or less.

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.

Investment Type	Carrying Value	Fair Value	Allocation	Weighted-Average Maturity (Years)[1]
U.S. Treasuries	$ 18,157	$ 18,157	1.7%	2.9
U.S. Agencies:				
Federal Agriculture Mortgage Corp.	11,482	11,482	1.1%	1.4
Federal Farm Credit Bank	109,109	109,109	10.1%	4.1
Federal Home Loan Bank	118,531	118,531	10.9%	2.5
Federal Home Loan Mortgage Corp.	30,608	30,608	2.8%	3.1
Federal National Mortgage Assn.	68,922	68,922	6.3%	2.8
Small Business Administration	5,364	5,364	0.5%	5.1
Municipal Bonds	155,636	155,636	14.3%	2.8
Investment Pools	534,151	534,151	49.1%	
Money Market Mutual Funds	35,222	35,222	3.2%	
Total Fixed-Income Portfolio	$ 1,087,182	$ 1,087,182	100.0%	1.5

[1] CPS Energy invests in money market mutual funds and investment pools that are assumed to have maturities of one year or less.

Year-Ended September 30, 2023 - 87 - Amounts are expressed in thousands

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

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, 2023, 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’.

Credit Rating	Carrying Value	Fair Value	Allocation
U.S. Treasuries (AA+)	$ 18,157	$ 18,157	1.7%
AAA / Aaa	633,945	633,945	58.3%
AA+ / Aa1	368,797	368,797	33.9%
AA / Aa2	37,972	37,972	3.5%
AA- / Aa3	8,069	8,069	0.7%
Not rated[1]	20,242	20,242	1.9%
Total Fixed-Income Portfolio	$ 1,087,182	$ 1,087,182	100.0%

[1] Interest bearing deposit accounts which still 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, information related to the Trusts is as of December 31, 2022. The tables in this section 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 interest rate risk, a limitation is placed on the weighted-average duration (WAD) 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 WAD 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 6.2 years for the period ending December 31, 2022.

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, 2022, total other debt securities (corporate and foreign issuers) amounted to 32.7% of the fixed-income portfolio for the 28.0% Decommissioning Trust and 30.3% for the 12% Decommissioning Trust.

Year-Ended September 30, 2023 - 88 - Amounts are expressed in thousands

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

CPS Energy (Continued)

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

Investment Type	28% Trust Fair Value	28% Trust Allocation	28% Trust Weighted-Average Duration (Years)[1]	12% Trust Fair Value	12% Trust Allocation	12% Trust Weighted-Average Duration (Years)[1]
U.S. Treasuries	$ 69,296	22.9%	5.3	$ 29,794	26.0%	5.6
U.S. Agencies:						
Federal Home Loan Mortgage Corp.	45,375	15.0%	3.1	13,906	12.1%	2.7
Federal National Mortgage Assn.	53,287	17.6%	4.4	21,565	18.8%	3.4
Government National Mortgage Assn.	6,846	2.3%	2.5	1,630	1.4%	4.6
Small Business Administration	4,698	1.6%	4.1	2,539	2.2%	4.3
Municipal Bonds - Texas	575	0.2%	8.9	270	0.3%	8.9
Municipal Bonds - Other States	6,767	2.2%	8.4	2,646	2.3%	8.2
Corporate Bonds	88,231	29.2%	5.0	33,028	28.8%	4.5
Foreign Bonds	10,602	3.5%	4.7	1,709	1.5%	6.0
Money Market Mutual Funds	16,758	5.5%	N/A	7,531	6.6%	N/A
Total Fixed-income Portfolio	$ 302,435	100.0%	4.7	$ 114,618	100.0%	4.5
Combined Decommissioning Trust Funds Total	$ 417,053					

[1] The aggregate portfolio of debt securities of the trusts are limited to +/- 1.5 years of the effective durations of the specified debt security index.

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-/Baa3' did not exceed 5.0% of the total fixed-income portfolio for the 28% Trust or the 12% Trust at December 31, 2022.

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Year-Ended September 30, 2023 - 89 - Amounts are expressed in thousands

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

CPS Energy (Continued)

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

	28% Trust			12% Trust		
Credit Rating	Fair Value		Allocation	Fair Value		Allocation
U.S. Treasuries (AA+)	$	69,296	22.9%	$	29,796	26.0%
AAA / Aaa		22,213	7.3%		9,856	8.6%
AA+ / Aa1		113,087	37.4%		41,076	35.9%
AA / Aa2		2,101	0.7%		1,150	1.0%
AA- / Aa3		2,100	0.7%		328	0.3%
A+ / A1		2,492	0.8%		566	0.5%
A / A2		4,108	1.4%		1,662	1.5%
A- / A3		22,236	7.4%		10,661	9.3%
BBB+ / Baa1		24,847	8.2%		7,496	6.5%
BBB / Baa2		21,330	7.1%		5,981	5.2%
BBB- / Baa3		8,813	2.9%		1,844	1.6%
BB+ / Ba1		2,023	0.7%		28	0.0%
B+ / B1		125	0.0%		-	0.0%
Not Rated [1]		7,664	2.5%		4,174	3.6%
Total Fixed-income Portfolio	$	302,435	100.0%	$	114,618	100.0%
Combined Decommissioning Trust Funds Total	$	417,053				

[1] The Nuclear Decommissioning Trust (NDT) 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 NDT Investment Policy.

Foreign Currency Risk –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 $12,310 as of December 31, 2022. 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, 2022, total foreign equity securities amounted to 13.4% of the 28% Trust's total portfolio and 12.1% of the 12% Trust's total portfolio.

Year-Ended September 30, 2023 - 90 - Amounts are expressed in thousands

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 derivative instruments, 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 derivative instruments, 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 derivative instruments. 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, 2023, and the Decommissioning Trust investment balances as of December 31, 2022. 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 16 Risk Financing.

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

CPS Energy (Continued)

		Fair Value Measurement Using		
	1/31/2023	Level 1	Level 2	Level 3
Assets				
Fair Value Investments				
CPS Energy				
Debt Securities				
US Treasuries	$ 18,157	$ -	$ 18,157	$ -
US Agencies				
Federal Agricultural Mortgage Corp.	11,482		11,482	
Federal Farm Credit Bank	109,109		109,109	
Federal Home Loan Bank	118,531		118,531	
Federal Home Loan Mortgage Corp.	30,608		30,608	
Federal National Mortgage Assn.	68,922		68,922	
Small Business Administration	5,364		5,364	
Municipal Bonds	155,636		155,636	
Total CPS Energy Fair Value of Investments	$ 517,809	$ -	$ 517,809	$ -
Decommissioning Trust Investments				
28% Trust	12/31/2022	Level 1	Level 2	Level 3
Debt Securities				
US Treasuries	$ 69,296	$ -	$ 69,296	$ -
US Agencies				
Federal Home Loan Mortgage Corp.	45,375		45,375	
Federal National Mortgage Assn.	53,287		53,287	
Government National Mortgage Assn.	6,846		6,846	
Small Business Administration	4,698		4,698	
Municipal Bonds - Texas	575		575	
Municipal Bonds - Other States	6,767		6,767	
Corporate Bonds	88,231		88,231	
Foreign Bonds	10,602		10,602	
Total 28% Trust Fair Value Fixed-Income Income Portfolio	$ 285,677	$ -	$ 285,677	$ -
Equity Securities				
Common Stock	$ 125,270	$ 125,270	$ -	$ -
Real Estate Investment Trusts	41,872	41,872		
Preferred Stock	773		773	
Total 28% Trust Fair Value Investments	$ 453,592	$ 167,142	$ 286,450	$ -
12% Trust	12/31/2022	Level 1	Level 2	Level 3
Debt Securities				
US Treasuries	$ 29,794	$ -	$ 29,794	$ -
US Agencies				
Federal Home Loan Mortgage Corp.	13,906		13,906	
Federal National Mortgage Assn.	21,565		21,565	
Government National Mortgage Assn.	1,630		1,630	
Small Business Administration	2,539		2,539	
Municipal Bonds - Texas	270		270	
Municipal Bonds - Other States	2,646		2,646	
Corporate Bonds	33,028		33,028	
Foreign Bonds	1,709		1,709	
Total 12% Trust Fair Value Fixed-Income Income Portfolio	$ 107,087	$ -	$ 107,087	$ -
Equity Securities				
Common Stock	$ 43,470	$ 43,470	$ -	$ -
Real Estate Investment Trusts	14,874	14,874		
Total 12% Trust Fair Value Investments	$ 165,431	$ 58,344	$ 107,087	$ -
Total Trust Fair Value Investments	$ 619,023	$ 225,486	$ 393,537	$ -
Total Fair Value Investments	$ 1,136,832	$ 225,486	$ 911,346	$ -

Year-Ended September 30, 2023 - 92 - Amounts are expressed in thousands

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

CPS Energy (Continued)

CPS Energy Fiduciary Funds

The CPS Financial Report includes the CPS Energy Pension Plan and the CPS Energy Group Health Plan, CPS Energy Group Life Insurance Plan and the CPS Energy Long-Term Disability Income Plan. Please refer to the CPS Financial Report for information about fiduciary cash and investments.

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. All other investments are reported at fair value.

As of December 31, 2022, SAWS' funds are deposited in demand accounts at JP Morgan Chase, 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, 2022, the collateral pledged was a letter of credit issued by the Federal Home Loan Bank of Cincinnati, under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2022, the bank balance of SAWS' demand accounts was $1,938 and the reported amount was $17,709 which included $18 of cash on hand.

Custodial Credit Risk (Investment) – Investments include securities issued by the U. S. government and its agencies and instrumentalities, municipal securities, money market funds, and investment pools. As of December 31, 2022, securities purchased are held in custody by Bank of New York Mellon and registered as securities of SAWS. Money Market Funds are managed by Fidelity and Morgan Stanley 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, Texas Class, Texas Fixed Income Trust and Texas TERM. Investment pools 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.

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

San Antonio Water System (SAWS) (Continued)

The following table provides information related to investments at December 31, 2022.

Investment Type	Reported Value	Fair Value	Allocation [1]	Rating [2]	WAM (Days)
U.S. Treasury Securities	$ 274,821	$ 274,821	19.1%	Aaa	493
U.S. Agency Notes	583,469	583,469	40.7%	AA+	626
Municipal Bonds	231,434	231,434	16.1%	AAA to AA-	602
Money Market Funds					
Fidelity Institutional MMF	28,080	28,080	2.0%	AAAm	1
Morgan Stanley	17,652	17,652	1.2%	AAAm	1
Texas Class Investment Pool	98,602	98,602	6.9%	AAAm	1
TexPool Prime Local Government Pool	131,414	131,414	9.2%	AAAm	1
Texas FIT Cash Pool	69,591	69,591	4.8%	AAAf	1
Total Investments	$ 1,435,063	$ 1,435,063	100.0%		451

[1] The allocation is based on fair value.

[2] Standard & Poor's or Moody's Rating.

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, 2022, the longest remaining maturity for any investment was approximately four years and approximately 56.0% 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. As of December 31, 2022, the lowest rated municipal security held was 'AA-'. Additionally, any short-term investments require a rating of at least 'A-1' or 'P-1'.

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, excluding investment pools and money market funds.

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 letters of credit issued by the Federal Home Loan Bank of Cincinnati over the FDIC limit. Texas public fund accounts are collateralized at 100.0%. As of December 31, 2022, the percentage of SAWS' investment portfolio for government-sponsored issuers was 31.8% in Federal Home Loan Bank.

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.

Year-Ended September 30, 2023 - 94 - Amounts are expressed in thousands

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

San Antonio Water System (SAWS) (Continued)

Pricing for Level 1 inputs is provided by a pricing service as of the measurement date using pricing from exchanges. 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 Using		
	12/31/2022	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	$ 274,821	$ 274,821	$ -	$ -
U.S. Agency Notes	583,469		583,469	
Municipal Bonds	231,434		231,434	
Total Investments measured at fair value	$ 1,089,724	$ 274,821	$ 814,903	$ -

Restricted Cash and Investments – Cash and investments are restricted for a variety of purposes based on the requirement set forth in City Ordinance No. 75686, state law or SAWS policy. The following table summarizes both current and noncurrent restricted cash and investments by purpose at December 31, 2022.

	12/31/2022
Restricted for:	
Operations	$ 78,553
Debt Service	81,106
Debt Service Reserve	13,072
Construction - accrued liabilities	55,967
Construction - capital recovery fees	192,883
Construction - bond proceeds	414,167
Total Restricted Cash & Investments	$ 835,748

The requirements of City Ordinance No. 75686 stipulate that SAWS must accumulate and maintain a reserve equal to 100.0% of the maximum annual debt service requirements for senior lien obligations. Additional City ordinances require SAWS to maintain a debt service reserve equal to the average annual debt service on all junior lien obligations secured by a reserve fund. Not all SAWS junior lien 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 No. 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.

Year-Ended September 30, 2023 - 95 - Amounts are expressed in thousands

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

San Antonio Water System (SAWS) (Continued)

The following table summarizes the cash and investments restricted for Debt Service Reserve at December 31, 2022, based on the allocation of the funds between junior lien and senior lien bond requirements.

	December 31, 2022
Restricted for Junior Lien Bonds	$ 13,072
Restricted for Senior Lien Bonds	-
Total Cash & Investments - Debt Service Reserve	$ 13,072

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 Fiduciary Funds

The SAWS Financial Report includes 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). Please refer to the SAWS Financial Report for information about fiduciary cash and investments.

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Note 5 Capital Assets

Primary Government (City)

Capital assets were reduced by $246 for impairment losses in fiscal year 2023 for governmental activities. Of this amount, $223 is allocated in miscellaneous revenue as a component of the gain/loss on capital assets on the Statement of Activities, and $23 is allocated to operating expenses. Additionally, depreciation expense was increased by $279 for impaired vehicles which have not been retired.

Capital asset activity for governmental activities, to include internal service funds, for the year-ended September 30, 2023 is as follows:

Capital Assets - Governmental Activities

	Beginning Balance (Restated)[1]	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	$ 1,441,604	$ 7,850	$ (45)	$ -	$ 1,449,409
Construction in Progress	515,671	363,525	(41,287)	(433,642)	404,267
Non-Depreciable Intangible Assets	246,423	10,383	(71)		256,735
Total Non-Depreciable Assets	$ 2,203,698	$ 381,758	$ (41,403)	$ (433,642)	$ 2,110,411
Depreciable Assets:					
Intangible Assets	4,341				4,341
Buildings	1,572,952	181		64,228	1,637,361
Improvements	1,162,002	632	(5)	73,623	1,236,252
Infrastructure	4,002,482			252,307	4,254,789
Machinery and Equipment	760,386	50,335	(22,527)	43,484	831,678
Total Depreciable Assets	$ 7,502,163	$ 51,148	$ (22,532)	$ 433,642	$ 7,964,421
Accumulated Depreciation:					
Intangible Assets	(4,042)	(88)			(4,130)
Buildings	(589,605)	(45,292)			(634,897)
Improvements	(561,683)	(54,925)	5		(616,603)
Infrastructure	(2,468,081)	(113,747)			(2,581,828)
Machinery and Equipment	(528,165)	(62,563)	20,990		(569,738)
Total Accumulated Depreciation	$ (4,151,576)	$ (276,615)	$ 20,995	$ -	$ (4,407,196)
Total Depreciable Assets, net	$ 3,350,587	$ (225,467)	$ (1,537)	$ 433,642	$ 3,557,225
Total Capital Assets, net	$ 5,554,285	$ 156,291	$ (42,940)	$ -	$ 5,667,636

Depreciation expense was charged to governmental functions as follows:

General Government	$ 23,488
Public Safety	9,830
Public Works	162,331
Health Services	571
Sanitation	7
Welfare	1,157
Culture and Recreation	27,930
Convention and Tourism	14,891
Urban Redevelopment and Housing	119
Economic Development and Opportunity	343
Education	930
Depreciation on Capital Assets Held by City's Internal Service Funds are Charged to Various Functions Based on Asset Usage	35,018
Total Depreciation Expense for Governmental Activities	$ 276,615

[1] Beginning balance is restated by $975 to include the balances added for Prosper West San Antonio. See Note 21, Restatements, for more information.

The capital assets of internal service funds are included in governmental activities. In fiscal year 2023, internal service funds capital assets increased by $33,113, and decreased by $8,807, of which $700 was for impairments, resulting in an ending balance of $348,677. Depreciation expense of $35,018, of which $264 was for impairments, less the $8,089 in previously depreciated assets disposed of during the current year, of which $477 was for impairments, resulted in an ending accumulated depreciation balance of $226,509. Net book value is $122,168.

Year-Ended September 30, 2023 - 97 - Amounts are expressed in thousands

Note 5 Capital Assets (Continued)

Primary Government (City) (Continued)

The City identified and reduced $1,254 of impairment losses in fiscal year 2023 for the Airport System. No impairments were identified for Solid Waste Management and nonmajor enterprise funds.

Capital asset activity for business-type activities for the year-ended September 30, 2023, is as follows:

Capital Assets - Business-Type Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
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	35,390	51,268	(2,538)	(48,076)	36,044
Solid Waste Management	96	69		(165)	-
Nonmajor Enterprise Funds	186	1,028			1,214
Total Construction in Progress	$ 35,672	$ 52,365	$ (2,538)	$ (48,241)	$ 37,258
Total Non-Depreciable Assets	$ 51,468	$ 52,365	$ (2,538)	$ (48,241)	$ 53,054
Depreciable Assets:					
Intangible Assets:					
Airport System	352				352
Non-Major Enterprise Fund	14,404				14,404
Total Intangible Assets	$ 14,756	$ -	$ -	$ -	$ 14,756
Buildings:					
Airport System	542,468	171			542,639
Solid Waste Management	11,147				11,147
Nonmajor Enterprise Funds	27,136		(8)		27,128
Total Buildings	$ 580,751	$ 171	$ (8)	$ -	$ 580,914
Improvements:					
Airport System	626,562			47,455	674,017
Solid Waste Management	15,058			165	15,223
Nonmajor Enterprise Funds	14,276				14,276
Total Improvements	$ 655,896	$ -	$ -	$ 47,620	$ 703,516
Machinery and Equipment:					
Airport System	38,984	1,570	(328)	621	40,847
Solid Waste Management	40,817	440	(5,175)		36,082
Nonmajor Enterprise Funds	14,101	300	(148)		14,253
Total Machinery and Equipment	$ 93,902	$ 2,310	$ (5,651)	$ 621	$ 91,182
Total Depreciable Assets	$ 1,345,305	$ 2,481	$ (5,659)	$ 48,241	$ 1,390,368
Accumulated Depreciation:					
Intangible Assets:					
Airport System	(312)	(40)			(352)
Nonmajor Enterprise Funds	(5,128)	(2,881)			(8,009)
Total Intangible Assets	$ (5,440)	$ (2,921)	$ -	$ -	$ (8,361)
Buildings:					
Airport System	(207,757)	(15,182)			(222,939)
Solid Waste Management	(3,432)	(386)			(3,818)
Nonmajor Enterprise Funds	(18,141)	(737)	5		(18,873)
Total Buildings	$ (229,330)	$ (16,305)	$ 5	$ -	$ (245,630)
Improvements:					
Airport System	(316,218)	(22,639)			(338,857)
Solid Waste Management	(6,255)	(643)			(6,898)
Nonmajor Enterprise Funds	(8,615)	(626)			(9,241)
Total Improvements	$ (331,088)	$ (23,908)	$ -	$ -	$ (354,996)
Machinery and Equipment:					
Airport System	(28,534)	(3,087)	67		(31,554)
Solid Waste Management	(33,769)	(2,786)	5,167		(31,388)
Nonmajor Enterprise Funds	(11,732)	(1,845)	105		(13,472)
Total Machinery and Equipment	$ (74,035)	$ (7,718)	$ 5,339	$ -	$ (76,414)
Total Accumulated Depreciation	$ (639,893)	$ (50,852)	$ 5,344	$ -	$ (685,401)
Total Depreciable Assets, net	$ 705,412	$ (48,371)	$ (315)	$ 48,241	$ 704,967
Total Capital Assets, net	$ 756,880	$ 3,994	$ (2,853)	$ -	$ 758,021

Year-Ended September 30, 2023 - 98 - Amounts are expressed in thousands

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Note 5 Capital Assets (Continued)

CPS Energy

CPS Energy's plant-in-service includes four power stations that are solely owned and operated by CPS Energy. In total, there are 17 generating units at these four power stations—two of which are coal-fired and 15 of which are gas-fired (units not in thousands). Although the plant-in-service generation portfolio did not change for fiscal year 2023, CPS Energy has publicly committed to transitioning away from coal generation by calendar year 2028. CPS Energy also has two solar generating units, one of which also includes battery storage. Excluding STP (nuclear units), the following is a list of power stations and respective generating units in service at January 31, 2023:

Power Station	Generating Units	Type
Calaveras	4	Coal (2)/Gas (2)
Braunig	8	Gas
Leon Creek	4	Gas
Rio Nogales	1	Gas
Commerce	1	Solar/Battery Storage
Community	1	Solar

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 McCullough headquarters campus; the construction and customer service centers; 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. At January 31, 2023, the net book value was $16,262.

As part of normal operations, CPS Energy evaluates whether surplus property exists within the capital asset portfolio and whether such property should be sold or reported as held for sale.

In January 2023, CPS Energy sold the Jones Avenue facility for $29,500. Total remaining properties that were classified as held for sale had a balance of $190 at January 31, 2023.

Asset Impairments – There were no capital asset impairments identified for fiscal year 2023.

Note 5 Capital Assets (Continued)

CPS Energy (Continued)

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	January 31, 2023
STP Capital Assets, net	
Land	$ 5,701
Construction in progress, STP Units 1 and 2	11,594
Electrical and general plant	813,192
Intangibles	9,879
Nuclear Fuel	151,314
Total STP Capital Assets, net	$ 991,680
Total CPS Energy Capital Assets, net	$ 9,272,283
STP Capital Investments as a percentage of total CPS Energy Capital Assets, net	10.7%

Joint Base San Antonio (JBSA) Electric and Gas Systems – 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 JBSA installations: JBSA Randolph, JBSA Lackland and JBSA Lackland Training Annex. In addition to the fixed assets acquired, $84,297 in deferred inflows for the unrealized future recoveries associated with the JBSA agreement was recorded at the time of the purchase. This amount is being amortized over the 50-year Utilities Privatization Contract that covers the JBSA systems.

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Year-Ended September 30, 2023 - 100 - Amounts are expressed in thousands

Note 5 Capital Assets (Continued)

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 2023:

Capital Assets - CPS Energy	Beginning Balance (Restated) [1]	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	$ 112,823	$ 116	$ 1,748	$ (738)	$ 113,949
Land Easements	106,765		752		107,517
Construction in Progress	719,988	686,197	(380,873)		1,025,312
Total Non-Depreciable Assets	$ 939,576	$ 686,313	$ (378,373)	$ (738)	$ 1,246,778
Depreciable Assets:					
Utility Plant in Service:					
Electric Plant	12,220,150	65,120	307,005	(14,569)	12,577,706
Gas Plant	1,212,376	18,766	42,266	(730)	1,272,678
General Plant	833,371	9,901	26,477	(59,303)	810,446
Intangibles:					
Software	255,796	117	2,625	(36,545)	221,993
Other	38,572				38,572
Leases	5,131			(1,106)	4,025
Subscription based assets	30,373	4,974		(97)	35,250
Nuclear Fuel	1,151,055	86,444			1,237,499
Total Depreciable Assets	$ 15,746,824	$ 185,322	$ 378,373	$ (112,350)	$ 16,198,169
Accumulated Depreciation and Amortization:					
Utility Plant in Service:					
Electric Plant	(5,895,318)	(383,684)		(14,159)	(6,293,161)
Gas Plant	(463,950)	(28,265)		2,354	(489,861)
General Plant	(238,268)	(42,337)		100,025	(180,580)
Intangibles:					
Software	(100,838)	(31,557)		36,545	(95,850)
Other	(10,429)	(1,020)			(11,449)
Leases	(1,618)	(817)		20	(2,415)
Subscription based assets	(4,135)	(9,125)		97	(13,163)
Nuclear Fuel	(1,036,745)	(49,440)			(1,086,185)
Total Accumulated Depreciation, Depletion and Amortization	$ (7,751,301)	$ (546,245)	$ -	$ 124,882	$ (8,172,664)
Total Capital Assets, net	$ 8,935,099	$ 325,390	$ -	$ 11,794	$ 9,272,283

1 The beginning balance is restated to include $30,373 subscription based assets, and $(4,135) accumulated depreciation on subscription based assets.

Cash flow information – Cash paid for additions and net removal costs totaled $822,063. This amount includes $772,963 in additions to construction-in-progress and electric, gas and general plant, partially offset by net salvage and removal costs of $54,984 and $5,883 in donated assets.

Other – Depreciation and amortization expense for the period totaled $496,805, while amortization of nuclear fuel of $49,440 was included in fuel expense on CPS Energy's Statement of Revenues, Expenses and Changes in Net Position, in CPS Energy's separately issued financial statements.

Year-Ended September 30, 2023 - 101 - Amounts are expressed in thousands

Note 5 Capital Assets (Continued)

San Antonio Water System (SAWS)

Capital asset activity for SAWS is as follows:

Capital Assets - San Antonio Water System	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	$ 169,022	$ 168	$ 4,480	$ (1)	$ 173,669
Intangible Assets:					
Water Rights	248,881				248,881
Other	370				370
Construction in Progress	603,821	570,949	(396,577)	(2,887)	775,306
Total Non-Depreciable Assets	$ 1,022,094	$ 571,117	$ (392,097)	$ (2,888)	$ 1,198,226
Depreciable Assets:					
Utility Plant in Service:					
Structures and Improvements	1,059,502	161	24,714	(9,836)	1,074,541
Pumping and Purification	281,030		6,658	(96)	287,592
Distribution and Transmission System	3,740,045		61,730	(11,220)	3,790,555
Treatment Facilities	2,952,191		269,452	(19,990)	3,201,653
Total Utility Plant in Service	$ 8,032,768	$ 161	$ 362,554	$ (41,142)	$ 8,354,341
Machinery and Equipment:					
Machinery and Equipment	488,533	7,136	25,710	(6,226)	515,153
Furniture and Fixtures	6,591				6,591
Computer Equipment	30,512	1,959		(983)	31,488
Software	55,566	51	3,833		59,450
Total Machinery and Equipment	$ 581,202	$ 9,146	$ 29,543	$ (7,209)	$ 612,682
Intangible Assets	1,354				1,354
Total Depreciable Assets	$ 8,615,324	$ 9,307	$ 392,097	$ (48,351)	$ 8,968,377
Accumulated Depreciation:					
Utility Plant in Service:					
Structures and Improvements	(304,117)	(28,263)		3,239	(329,141)
Pumping and Purification	(103,872)	(9,579)		96	(113,355)
Distribution and Transmission System	(934,576)	(73,547)		11,220	(996,903)
Treatment Facilities	(909,189)	(60,105)		19,989	(949,305)
Machinery and Equipment:					
Machinery and Equipment	(193,957)	(29,258)		5,473	(217,742)
Furniture and Fixtures	(6,360)	(68)			(6,428)
Computer Equipment	(22,956)	(2,152)		880	(24,228)
Software	(44,556)	(4,520)			(49,076)
Intangible Assets	(787)	(68)			(855)
Total Accumulated Depreciation	$ (2,520,370)	$ (207,560)	$ -	$ 40,897	$ (2,687,033)
Total Depreciable Assets, net	$ 6,094,954	$ (198,253)	$ 392,097	$ (7,454)	$ 6,281,344
Total Capital Assets, net	$ 7,117,048	$ 372,864	$ -	$ (10,342)	$ 7,479,570

Year-Ended September 30, 2023 - 102 - Amounts are expressed in thousands

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 $2,887 in 2022.

SAWS owns a water treatment plant in southwest Bexar County to treat water supplied from Medina Lake and the Medina River. During the height of the 2011-2014 drought, Medina Lake water levels were greatly diminished leading to poor water quality. As a result, the treatment plant was idled from April 2013 through August 2015. Due to heavy rainfall during the summer of 2015, lake levels increased to a peak of nearly 80.0% of capacity. SAWS restarted the treatment plant on September 1, 2015 and treated approximately 500 acre-feet of Medina River water (acre-feet not reported in thousands). Water quality concerns persisted and SAWS elected to idle the treatment plant again in October 2015. During the planning efforts to develop the 2022-2023 Water Management Plan, it was determined that current available water supplies were expected to be sufficient to meet customers' demand in the foreseeable future without utilizing the Medina supplies during the drought of record. The restoration costs were evaluated and deemed significant in relation to the service utility of the plant. As a result, the plant was deemed permanently impaired as of December 31, 2022. The $7,200 remaining book value of the plant was written off and the loss was recorded as a special item in the Statement of Activities.

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Note 6 Receivables and Payables

Disaggregation of Receivables and Payables

Primary Government (City)

Net receivables at September 30, 2023 are as follows:

	Customer Accounts	Taxes	Notes and Loans	Accrued Interest	Other	Total Net Receivables	Lease Receivables
Governmental Activities	$ 136,447	$ 38,936	$ 106,460	$ 8,810	$ 75,395	$ 366,048	$ 92,300
Business-Type Activities	14,928			1,654		16,582	98,453
Total	$ 151,375	$ 38,936	$ 106,460	$ 10,464	$ 75,395	$ 382,630	$ 190,753

The receivable balances for Governmental Activities have been reduced by estimated allowances for doubtful accounts in the amount of $170,345, $85,078 against customer accounts, $3,809 against taxes, $43,320 against notes and loans and $38,138 against other receivables. The receivable balances for Business-Type Activities have been reduced by estimated allowances for doubtful accounts of $267 against customer accounts.

Of the $106,460 recorded in notes and loans, only $3,486 is expected to be collected within one year. The remaining $102,974 note and loans receivables not expected to be collected within one year are related to General Fund, CDBG, HOME, Community Services, Prosper West San Antonio, and San Antonio Economic Development Corporation (SAEDC), net of allowance for doubtful accounts of $43,320. The $43,320 allowance is comprised of forgivable non-interest-bearing notes and loans and aged loans greater than 90 days that are collectible. The notes and loans not collectible within 60 days have a corresponding deferred inflows of resources balance recorded within the governmental funds.

Payables at September 30, 2023 are as follows:

	Accounts	Accrued Payroll	Total Payables	Lease Payable	Subscription Payable
Governmental Activities	$ 175,836	$ 13,587	$ 189,423	$ 88,496	$ 15,889
Business-Type Activities	34,170	2,263	36,433	194	3,060
Total	$ 210,006	$ 15,850	$ 225,856	$ 88,690	$ 18,949

CPS Energy

Disaggregation of Receivables – Net customer accounts receivable as of January 31, 2023, included $50,677 for unbilled revenue receivables and $308,588 for billed utility services. Interest and other receivables included $24,965 for regulatory-related receivables and $82,949 for other miscellaneous receivables.

Disaggregation of Payables – At January 31, 2023, accounts payable and accrued liabilities included $384,621 related to standard operating supplier and vendor accounts payables, including fuels payable; $37,544 for employee-related payables; $108,477 for customer related payables; $59,244 for STP-related payables; and $244,144 for other miscellaneous payables and accrued liabilities.

Year-Ended September 30, 2023 - 104 - Amounts are expressed in thousands

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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, 2022, included $89,260 from customers; $28,120 in unbilled revenue; $1,355 receivable from other governmental agencies, and $4,251 for interest receivable, less an allowance of $32,673.

Disaggregation of Payables – At December 31, 2022, accounts payable and other current liabilities included $41,204 in accounts payable; $7,024 in vacation payable; $2,508 in accrued payroll and benefits; $73,000 in construction contracts; $17,197 in customer deposits; and $9,905 in other miscellaneous payables.

Interfund Receivable and Payable Balances

Primary Government (City)

The following is a summary of interfund receivables and payables for the City as of September 30, 2023:

	Due From Other Funds	Due To Other Funds
General Fund:		
Debt Service Fund	$ 81	$ 439
COVID-19 Funds	19,614	10,337
Nonmajor Governmental Funds	26,184	
Total General Fund	$ 45,879	$ 10,776
Debt Service Fund:		
General Fund	439	81
Total Debt Service Fund	$ 439	$ 81
COVID-19 Funds:		
General Fund	10,337	19,614
Total COVID-19 Funds	$ 10,337	$ 19,614
Nonmajor Governmental Funds:		
General Fund		26,184
Nonmajor Governmental Funds	13,578	19,854
Nonmajor Enterprise Funds		35
Total Nonmajor Governmental Funds	$ 13,578	$ 46,073
Nonmajor Enterprise Funds:		
Nonmajor Governmental Funds	35	
Total Nonmajor Enterprise Funds	$ 35	$ -
Total	$ 70,268	$ 76,544

As of September 30, 2023, 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. Of the $45,879 due from other funds reported in General Fund, $45,798 is timing differences due to providing services and reimbursements not yet received. All interfund balances are expected to be paid within one year.

Year-Ended September 30, 2023 - 105 - Amounts are expressed in thousands

Note 6 Receivables and Payables (Continued)

Interfund Receivable and Payable Balances (Continued)

Primary Government (City) (Continued)

Different fiscal year-ends exist between the City and San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) component unit, (September 30th and June 30th, respectively); therefore, interfund receivables and payables do not eliminate by $6,276. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to ECEMDC represents its obligation to provide the 1/8 cents sales tax, for each program Pre-K 4 SA and SA: Ready to Work, collected 60 days after September 30; however, ECEMDC's due from other funds illustrates the City's 1/8 cents sales tax, for each program Pre-K 4 SA and SA: Ready to Work, collected 60 days after June 30, 2023. These transactions are in accordance with legislative and contractual requirements.

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Note 7 Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets 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 assets 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:

	Primary Government		
Deferred Outflows of Resources:	**Governmental Activities**	**Business-Type Activities**	**Total**
Deferred Outflows of Resources related to Pensions	$ 634,361	$ 32,797	$ 667,158
Contributions Subsequent to Measurement Date related to Pensions	107,848	10,015	117,863
Deferred Outflows of Resources related to OPEB	194,543	20,570	215,113
Contributions Subsequent to Measurement Date related to OPEB	36,174	281	36,455
Deferred Outflows of Resources related to ARO	1,013	526	1,539
Unamortized Debt Reacquisition Costs	38,902	2,275	41,177
Total Deferred Outflows of Resources	$ 1,012,841	$ 66,464	$ 1,079,305
Deferred Inflows of Resources:			
Deferred Inflows of Resources related to Pensions	$ 62,855	$ 1,953	$ 64,808
Deferred Inflows of Resources related to OPEB	442,344	54,447	496,791
Deferred Inflows of Resources related to Leases	89,317	100,350	189,667
Total Deferred Inflows of Resources	$ 594,516	$ 156,750	$ 751,266

Additional information concerning deferred outflows of resources and deferred inflows of resources related to pensions and OPEB can be found in Note 10 Pension and Retirement Plans and Note 11 Other Postemployment Benefits, respectively. Additional information concerning deferred inflows of resources related to leases can be found in Note 14 Leases and Subscription-Based Information Technology Arrangements.

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

Deferred Inflows of Resources:	**Governmental Funds**
Revenues associated with:	
Loan receivables	$ 106,002
Accrued interest on loan receivables	68
Grants	34,837
Leases	87,289
Property Tax Collections	34,522
EMS Collections	17,388
Municipal Court Fines	721
Library Fines	162
Alarm Fees	1,622
Magistrate/Detention Fees	399
Other entities	6,012
Total Deferred Inflows of Resources in the Balance Sheet - Governmental Funds Statement	$ 289,022

Year-Ended September 30, 2023 - 107 - Amounts are expressed in thousands

Note 7 Deferred Outflows and Inflows of Resources (Continued)

CPS Energy

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

Deferred Outflows of Resources:	**CPS Energy**
Unrealized pension contributions	$ 58,986
Losses relating to pension	44,568
Unrealized contributions to the OPEB Plan	1,484
Losses related to OPEB	36,149
Unrealized losses on fuel hedges	35,783
Unamortized debt reacquisition costs	43,054
Unamortized costs for asset retirement obligations	515,375
Total Deferred Outflows of Resources	$ 735,399
Deferred Inflows of Resources:	
Unrealized gains related to pension	$ 137,429
Unrealized gains related to OPEB	49,061
Unrealized gains on fuel hedges	20,083
Leases	11,878
Sale of future revenues	74,016
Total Deferred Inflows of Resources	$ 292,467

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	$ 21,332
Decrease of fair value of hedging derivatives	1,553
Deferred outflow related to asset retirement obligation	35,462
Unrealized pension contributions	11,648
Losses related to pension	3,280
Unrealized OPEB contributions	9,300
Losses related to OPEB	1,254
Total Deferred Outflows of Resources	$ 83,829
Deferred Inflows of Resources:	
Differences between expected and actual experience and changes of assumptions related to pension	$ 47,121
Differences between expected and actual experience and changes of assumptions related to OPEB	21,292
Net Difference between projected and actual earnings on OPEB plan investments	11,601
Gain on bond refunding	8,555
Leases	4,264
Total Deferred Inflows of Resources	$ 92,833

Year-Ended September 30, 2023 - 108 - Amounts are expressed in thousands

Note 8 Long-Term Obligations

Primary Government (City)

Governmental Activities Long-Term Obligations

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 2023.

On May 7, 2022, voters approved a $1,200,000 bond program, the largest bond program in the City's history. On August 22, 2023, the City issued $163,665 in General Improvement Bonds, Series 2023 and $23,020 in General Improvement Bonds, Taxable Series 2023. The General Improvement Bonds, Series 2023 included a premium of $7,483, and were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks and recreation; library and cultural facilities; and public safety facilities. The Bonds have maturities ranging from 2024 to 2043, with interest rates ranging from 4.0% to 5.0%. The General Improvement Bonds, Taxable Series 2023 proceeds were issued to finance affordable housing. They mature in 2024, with an interest rate of 5.5%. These bonds represent the second installment of the Bond Program approved by voters.

Additionally, on August 22, 2023, the City issued $46,990 in Combination Tax and Revenue Certificates of Obligation, Series 2023; and $30,450 in Tax Notes, Series 2023. The Combination Tax and Revenue Certificates of Obligation, Series 2023 included a premium of $3,993, and were issued to finance improvements to public safety; streets; information technology; and parks and recreation. The Certificates have maturities ranging from 2024 to 2033, with an interest rate of 5.0%. The Tax Notes, Series 2023 proceeds included a premium of $438, and were issued to finance improvements for information technology, municipal facilities, parks and recreation, street maintenance projects, and police. The Tax Notes have maturities ranging from 2024 to 2025, with an interest rate of 5.0%.

On September 17, 2020, City Council approved an alternative funding source for the Edwards Aquifer Protection Program (EAPP), which was previously funded by 1/8-cent sales and use tax. Funding for the next iteration of the EAPP will be primarily funded from the issuance of debt through the City's existing Texas Municipal Facilities Corporation with debt service paid from the General Fund. The EAPP provides funding for the land easement acquisition program in environmentally sensitive areas over the contributing recharge zones of the Edwards Aquifer. On August 24, 2023, the Texas Municipal Facilities Corporation issued $30,000 in Contract Revenue Notes, Series 2023 to provide funding for the next two years of the program. The Contract Revenue Notes mature in 2027, with an interest rate of 4.0%.

Pledges and Significant Terms

The City's General Obligation Bonds, Certificates of Obligation, Tax Notes, and Public Property Finance Contractual Obligations 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 allocated to government-type activities is $2,317,910. 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.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

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.

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.

The Texas Municipal Facilities Corporation (MFC) has secured bonds and loans. The 2011 MFC Bonds financed the construction of a new Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) and are paid semi-annually by the General Fund. The payments from the General Fund are supported by appropriated lease payments which equal the annual debt service on the bonds. The 2019 MFC Contract Revenue Notes financed the redevelopment of two buildings at Brooks City Base for the City and are paid by annually appropriated Brooks City-Base Tax Increment Reinvestment Zone revenues. The 2021 MFC Bonds financed a portion of the acquisition and funded the renovation of the City Tower building for a consolidated City administrative office building. These Lease Revenue Bonds are paid semi-annually by the City Tower Fund and are supported by City department budget assessments, parking revenues, and external lease revenue held in the City Tower Lease Payment Fund. The 2023 MFC Contract Revenue Notes financed the Edwards Aquifer Protection Program. The Contract Revenue Notes are secured by a portion of the City's revenue payment from SAWS and paid for from the General Fund . Payment of debt service on the bonds and notes 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 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

For the Texas Municipal Facilities Corporation, City Tower Renovation Project, upon the occurrence of an Event of Default, the Master Trustee shall have the right to take one or any combination of the following remedial steps to the extent permitted by law (i) declare the principal of all outstanding parity bonds and all unpaid accrued interest thereon to be due and payable immediately, (ii) terminate the Sublease upon giving 30 days written notice to the City and the Corporation at the expiration of which period of time the City shall immediately surrender possession and control of the City Tower to the Master Trustee and the Master Trustee shall have the right, thereafter, to sublease the City Tower to any third party for a period up to but not exceeding the remaining Term of the Primary Lease, and (iii) exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect, and shall have the power to proceed with any available right or remedy granted by the financing documents, as it may deem best, including any suit, action, mandamus, or special proceeding in equity or at law or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Financing Documents, for specific performance of any covenant or agreement contained herein or therein, or for the enforcement of any legal or equitable remedy as the Master Trustee shall deem most effective to protect the rights aforesaid, insofar as such may be authorized by law.

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Convention Center Facilities, 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 based upon the utilization of hotel occupancy taxes and no other sources are anticipated 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 25.0% 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.

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, 2023, $125,590 of previously defeased bonds are outstanding.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

The following table is a summary of changes for the year-ended September 30, 2023 for governmental activities:

Governmental Activities Long-Term Debt	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2022	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2023
Tax-Exempt General Obligation Bonds:							
Series 2014	$ 227,030	2034	2.000-5.000	$ 43,650	$ -	$ (13,630)	$ 30,020
Series 2014 Refunding	51,955	2025	0.500-5.000	5,860		(1,830)	4,030
Series 2015 Refunding	233,220	2035	4.000-5.000	95,660		(6,915)	88,745
Series 2016 Refunding	193,875	2036	3.000-5.000	108,805		(13,850)	94,955
Series 2017	88,070	2037	4.000-5.000	64,405		(3,420)	60,985
Series 2018	154,850	2038	3.000-5.000	119,235		(5,050)	114,185
Series 2019 Refunding (HUD)	24,570	2025	2.000-5.000	11,175		(3,660)	7,515
Series 2019 Refunding	383,940	2040	3.000-5.000	353,615		(13,535)	340,080
Series 2020 Refunding	27,770	2023	4.000-5.000	4,975		(4,975)	
Series 2020	145,565	2040	3.000-5.000	127,250		(4,615)	122,635
Series 2021	128,295	2041	4.000-5.000	114,705		(3,870)	110,835
Series 2022	57,680	2042	4.000-5.000	57,680		(1,905)	55,775
Series 2023	163,665	2043	4.000-5.000		163,665		163,665
Total Tax-Exempt General Obligation Bonds	$ 1,880,485			$ 1,107,015	$ 163,665	$ (77,255)	$ 1,193,425
Taxable General Obligation Bonds:							
Series 2020 Refunding	$ 437,420	2034	0.314-2.013	$ 408,420	$ -	$ (36,020)	$ 372,400
Series 2022	100,520	2042	3.274-4.531	100,520		(25,425)	75,095
Series 2023	23,020	2024	5.485		23,020		23,020
Total Taxable General Obligation Bonds	$ 560,960			$ 508,940	$ 23,020	$ (61,445)	$ 470,515
Tax-Exempt Certificates of Obligation:							
Series 2015	$ 36,360	2035	1.500-5.000	$ 17,925	$ -	$ (1,535)	$ 16,390
Series 2016	78,270	2036	2.000-5.000	61,390		(3,275)	58,115
Series 2017	67,295	2037	3.000-5.000	46,950		(2,590)	44,360
Series 2018	109,235	2038	4.000-5.000	94,625		(4,020)	90,605
Series 2019	30,235	2039	4.000-5.000	25,290		(1,770)	23,520
Series 2020	40,500	2040	3.000-5.000	37,170		(1,695)	35,475
Series 2021	41,425	2041	3.000-5.000	40,015		(1,365)	38,650
Series 2022	79,830	2042	4.000-5.000	79,830		(2,635)	77,195
Series 2023	46,990	2033	5.000		46,990		46,990
Total Tax-Exempt Certificates of Obligation	$ 530,140			$ 403,195	$ 46,990	$ (18,885)	$ 431,300
Taxable Certificates of Obligation:							
Series 2015	$ 43,820	2035	0.880-4.162	$ 31,290	$ -	$ (1,940)	$ 29,350
Series 2016	24,830	2036	0.921-3.278	18,595		(1,675)	16,920
Series 2018	8,600	2038	2.580-4.050	7,325		(345)	6,980
Series 2020	15,440	2040	0.300-2.400	14,025		(695)	13,330
Series 2016 (Fixed Conversion)	47,000	2046	0.793-2.933	47,000			47,000
Series 2021A	22,890	2041	0.220-2.670	21,850		(1,010)	20,840
Total Taxable Certificates of Obligation	$ 162,580			$ 140,085	$ -	$ (5,665)	$ 134,420
Tax Notes:							
Series 2020	$ 43,795	2023	5.000	$ 15,240	$ -	$ (15,240)	$ -
Series 2021	36,530	2024	5.000	24,860		(12,125)	12,735
Series 2022	47,910	2024	5.000	47,910		(23,435)	24,475
Series 2023	30,450	2025	5.000		30,450		30,450
Total Tax Notes	$ 158,685			$ 88,010	$ 30,450	$ (50,800)	$ 67,660
Revenue Bonds:							
Series 2013 Municipal Drainage	$ 70,685	2030	3.000-5.000	$ 39,765	$ -	$ (4,840)	$ 34,925
Series 2013 Starbright Industrial Dev Corp	20,890	2033	1.078-4.750	14,185		(1,065)	13,120
Series 2011 Municipal Facilities Corp	27,925	2041	2.000-5.000	21,635		(745)	20,890
Series 2021 Municipal Facilities Corp	59,760	2048	3.000-5.000	59,760			59,760
Series 2021 Taxable Municipal Facilities Corp	30,550	2050	0.894	30,550			30,550
Series 2012 Public Facilities Corp	550,374	2042	3.000-5.100	256,300			256,300
Series 2022 Public Facilities Corp and Refunding	292,880	2042	5.000	292,880		(2,560)	290,320
Total Revenue Bonds	$ 1,053,064			$ 715,075	$ -	$ (9,210)	$ 705,865
Notes from Direct Placements							
Series 2023 Municipal Facility Corp - Contractual Obligations	$ 30,000	2027	3.950	$ -	$ 30,000	$ -	$ 30,000
Total Notes from Direct Placements	$ 30,000			$ -	$ 30,000	$ -	$ 30,000
Bonds from Direct Placements:							
Series 2019 Municipal Facilities Corp	$ 6,065	2034	2.390	$ 5,075	$ -	$ (370)	$ 4,705
Series 2020 Public Facilities Corp - Contractual Obligations	11,300	2025	1.701	6,895		(2,260)	4,635
Series 2021 Taxable Certificates of Obligation	15,955	2035	2.010	15,955			15,955
Total Bonds from Direct Placements	$ 33,320			$ 27,925	$ -	$ (2,630)	$ 25,295
Total	$ 4,409,234			$ 2,990,245	$ 294,125	$ (225,890)	$ 3,058,480

Year-Ended September 30, 2023 - 113 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Annual Requirements

The annual requirements to amortize all General Obligation Bonds, Certificates of Obligation, Tax Notes, Revenue Bonds, Notes from Direct Placements, and Bonds from Direct Placements outstanding as of September 30, 2023 are as follows:

	Principal and Interest Requirements					
	General Obligation Bonds[1]		Certificates of Obligation[2]		Tax Notes	
Year-Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 143,690	$ 59,800	$ 29,060	$ 22,869	$ 52,115	$ 2,276
2025	140,670	54,818	31,280	21,767	15,545	389
2026	131,495	49,164	32,715	20,394		
2027	112,685	44,409	32,790	18,946		
2028	107,860	40,339	35,115	17,424		
2029-2033	503,780	148,001	181,705	63,902		
2034-2038	369,945	67,676	151,720	27,561		
2039-2043	153,815	11,185	58,325	6,011		
2044-2048			13,010	586		
Total	$ 1,663,940	$ 475,392	$ 565,720	$ 199,460	$ 67,660	$ 2,665

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

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

	Principal and Interest Requirements					
	Revenue Bonds		Notes from Direct Placements		Bonds from Direct Placements	
Year-Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 11,275	$ 30,342	$ -	$ 1,155	$ 3,615	$ 512
2025	14,005	30,162		1,185	3,660	445
2026	17,020	29,506		1,185	1,335	377
2027	19,630	28,669	30,000	1,185	1,340	349
2028	23,130	27,701			1,350	320
2029-2033	129,685	122,629			9,755	1,108
2034-2038	198,430	86,157			4,240	125
2039-2043	242,015	34,051				
2044-2048	20,125	7,044				
2049-2053	30,550	1,382				
Total	$ 705,865	$ 397,643	$ 30,000	$ 4,710	$ 25,295	$ 3,236

Year-Ended September 30, 2023 - 114 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

In May 2022, the citizens authorized the City to sell $1,200,000 in debt for the 2022-2027 Bond Program. The program includes 183 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 affordable housing. The Bonds are pledged with and will be repaid from ad valorem tax revenue the City collects on an annual basis.

Authorization Date	Purpose	Amount Authorized	Bonds Previously Issued	Bonds Authorized but Unissued
5/7/2022	Streets, Bridges, and Sidewalks[1]	$ 471,557	$ 97,941	$ 373,616
5/7/2022	Drainage and Flood Control[1]	169,873	32,230	137,643
5/7/2022	Parks, Recreation, and Open Space[1]	271,915	76,548	195,367
5/7/2022	Library, Museum, and Cultural Facilities[1]	58,375	13,670	44,705
5/7/2022	Public Safety Facilities[1]	78,280	13,823	64,457
5/7/2022	Affordable Housing[2]	150,000	123,540	26,460
Total		$ 1,200,000	$ 357,752	$ 842,248

[1] The amount issued of $234,212 includes the par value of the bonds in the amount of $221,345, the premium of the bonds in the amount of $14,273, and less the cost of issuance of $1,406.

[2] The taxable amount issued of $123,540 is the par value of the bonds, which include project funding of $122,770 and cost of issuance of $770.

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 2023 was $184,444,678 which provides a debt ceiling of $18,444,468. The total outstanding debt that is secured by an ad valorem tax pledge is $2,685,210 including $367,300 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 2023 Debt Service rate was 21.150 cents per $100 of taxable valuation. (Amounts in this paragraph are not in thousands).

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Interfund Borrowings

In 2016, the City authorized proceeds of $18,100 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 agreed to fund all regularly scheduled debt service on this debt. Until this debt has been fully repaid and retired, revenues from the NW Quadrant P3 development would be paid directly to the City, on behalf of HPARC, to fund the annual debt service requirements. To the extent that those revenues are not sufficient, HPARC would repay the debt service using other rental revenues. As a result of the COVID-19 pandemic and resulting delays in the development of the NW Quadrant P3, HPARC requested a five-year deferral with debt payments to the City resuming in fiscal year 2028. HPARC began accruing interest on the deferred amount in fiscal year 2023 at a rate of 4.0%. The total deferred amounts of $8,809, of which $7,821 is deferred debt service payments and $988 interest, will be paid in full on or before September 30, 2029. HPARC will pay the remaining balance beginning February 1, 2028 and annually thereafter through fiscal year 2036.

The following is HPARC's restructured debt schedule for fiscal year-ended September 30, 2023:

Year-Ending September 30,	Principal and Interest Requirements Principal	Interest	Total
2024-2028	$ 1,264	$ 303	$ 1,567
2029-2033	12,747	2,921	15,668
2034-2038	4,523	192	4,715
Total	$ 18,534	$ 3,416	$ 21,950

The City has authorized proceeds from various Certificates of Obligation issuances 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 table is a summary of changes for the year-ended September 30, 2023:

	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2022	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2023
Series 2010	$ 1,185	2025	3.676	$ 290	$ -	$ (95)	$ 195
Series 2015	4,000	2025	1.500-5.000	1,400		(445)	955
Series 2016	3,275	2031	2.000-5.000	2,225		(205)	2,020
Series 2018	1,315	2033	4.000-5.000	1,055		(75)	980
Series 2021	1,655	2031	5.000	1,525		(140)	1,385
Series 2023	3,710	2033	5.000		3,710		3,710
Total	$ 15,140			$ 6,495	$ 3,710	$ (960)	$ 9,245

Year-Ended September 30, 2023 - 116 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations

Business-Type Activities long-term obligations 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 22, 2023, the City issued $269,635 in Tax Notes, Taxable Series 2023. Proceeds from this issuance are to be utilized to provide interim financing to finance improvements to San Antonio International Airport for the Terminal Development Program. The Tax Notes mature in 2026, with an interest rate of 5.6%.

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 PFC revenues and a 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, 2021, and 2023 are payable from Airport System Revenues and secured by an ad valorem tax pledge.

The 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 ad valorem 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.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

The total outstanding debt that is secured by an ad valorem tax pledge allocated to business-type activities is $367,300. 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.

Prior Years' Defeased Debt

As of September 30, 2023, business-type activities do not have previously defeased debt outstanding.

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

The following table is a summary of changes for the year-ended September 30, 2023 for business-type activities:

Business-Type Long-Term Debt							
	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2022	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2023
Airport System:							
Revenue Bonds:							
Series 2012 Refunding	$ 70,135	2027	2.000-5.000	$ 28,750	$ -	$ (5,185)	$ 23,565
Series 2012 PFC Refunding	25,790	2027	2.000-5.000	10,840		(1,960)	8,880
Series 2015	38,805	2045	5.000	36,415		(880)	35,535
Series 2015 CFC	123,900	2045	2.910-5.871	119,650		(1,735)	117,915
Series 2019A Refunding	47,255	2032	5.000	40,080		(3,190)	36,890
Series 2019B Refunding	36,280	2040	2.020-3.527	33,785		(1,290)	32,495
Series 2019A PFC Refunding	63,405	2032	5.000	52,695		(4,630)	48,065
Series 2019B PFC Refunding	31,535	2040	2.120-3.707	29,130		(1,245)	27,885
Taxable Tax Notes:							
Series 2023	269,635	2026	5.635		269,635		269,635
Subtotal	$ 706,740			$ 351,345	$ 269,635	$ (20,115)	$ 600,865
Bonds from Direct Placements:							
Taxable Tax Notes, Series 2017	$ 36,000	2024	3.080	$ 36,000	$ -	$ -	$ 36,000
Taxable Tax Notes, Series 2021	26,000	2024	2.180	26,000			26,000
Subtotal	$ 62,000			$ 62,000	$ -	$ -	$ 62,000
Solid Waste Management:							
Tax-Exempt General Obligation Bonds:							
Series 2014 Refunding	$ 245	2023	5.000	$ 50	$ -	$ (50)	$ -
Series 2015 Refunding	1,290	2028	4.000-5.000	1,150		(140)	1,010
Series 2016 Refunding	300	2026	3.000-5.000	125		(30)	95
Tax-Exempt Certificates of Obligation:							
Series 2016	6,585	2036	2.000-5.000	5,245		(265)	4,980
Series 2017	6,065	2037	3.000-5.000	4,240		(235)	4,005
Series 2018	22,375	2038	4.000-5.000	19,450		(825)	18,625
Subtotal	$ 36,860			$ 30,260	$ -	$ (1,545)	$ 28,715
Development Services:							
Tax-Exempt Certificates of Obligation:							
Series 2019	$ 6,190	2040	4.000-5.000	$ 5,590	$ -	$ (220)	$ 5,370
Subtotal	$ 6,190			$ 5,590	$ -	$ (220)	$ 5,370
Parking System:							
Taxable General Obligation Bonds:							
Series 2020 Refunding	$ 6,275	2024	0.314-0.613	$ 3,150	$ -	$ (1,570)	$ 1,580
Subtotal	$ 6,275			$ 3,150	$ -	$ (1,570)	$ 1,580
Total	$ 818,065			$ 452,345	$ 269,635	$ (23,450)	$ 698,530

Year-Ended September 30, 2023 - 119 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (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, 2023 are as follows:

	Principal and Interest Requirements								
	Airport System			Airport System Bonds from Direct Placements			Solid Waste Management		
Year-Ending September 30,	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$ 21,260	$ 30,160	$ 51,420	$ 62,000	$ 1,676	$ 63,676	$ 1,625	$ 1,335	$ 2,960
2025	22,505	30,407	52,912				1,700	1,254	2,954
2026	293,595	21,768	315,363				1,795	1,170	2,965
2027	25,315	13,075	38,390				1,785	1,082	2,867
2028	17,575	11,909	29,484				1,855	992	2,847
2029-2033	84,595	46,709	131,304				9,715	3,674	13,389
2034-2038	56,930	29,943	86,873				10,240	1,336	11,576
2039-2043	56,135	15,348	71,483						
2044-2045	22,955	1,974	24,929						
Total	$ 600,865	$ 201,293	$ 802,158	$ 62,000	$ 1,676	$ 63,676	$ 28,715	$ 10,843	$ 39,558

	Principal and Interest Requirements					
	Development Services			Parking System		
Year-Ending September 30,	Principal	Interest	Total	Principal	Interest	Total
2024	$ 230	$ 244	$ 474	$ 1,580	$ 5	$ 1,585
2025	240	232	472			
2026	255	220	475			
2027	265	208	473			
2028	280	194	474			
2029-2033	1,620	747	2,367			
2034-2038	2,025	340	2,365			
2039-2040	455	18	473			
Total	$ 5,370	$ 2,203	$ 7,573	$ 1,580	$ 5	$ 1,585

Year-Ended September 30, 2023 - 120 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Government and Business-Type Activities Long-Term Obligations

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	$ 1,107,015	$ 163,665	$ (77,255)	$ 1,193,425	$ 83,235
Taxable General Obligation Bonds	508,940	23,020	(61,445)	470,515	60,455
Tax-Exempt Certificates of Obligation	403,195	46,990	(18,885)	431,300	23,075
Taxable Certificates of Obligation	140,085		(5,665)	134,420	5,985
Tax Notes	88,010	30,450	(50,800)	67,660	52,115
Revenue Bonds	715,075		(9,210)	705,865	11,275
Notes from Direct Placements		30,000		30,000	
Bonds from Direct Placements	27,925		(2,630)	25,295	3,615
Gross Bonds Payable	$ 2,990,245	$ 294,125	$ (225,890)	$ 3,058,480	$ 239,755
Unamortized (Discount) / Premium	$ 204,124	$ 11,914	$ (31,112)	$ 184,926	$ 27,118
Net Bonds Payable	$ 3,194,369	$ 306,039	$ (257,002)	$ 3,243,406	$ 266,873
Other Payables:					
Leases Liability [4]	$ 92,547	$ 8,868	$ (12,919)	$ 88,496	$ 9,821
Subscription Liability [4]	22,141	5,382	(11,634)	15,889	5,582
Financed Purchases [4]	3,754	3,459	(1,527)	5,686	1,488
Notes Payable	516	703	(15)	1,204	629
Accrued Leave Payable	246,721	91,889	(84,213)	254,397	94,879
Net Pension Liability [1]	376,189	1,965,710	(887,913)	1,453,986	
Net OPEB Liability [2]	758,154	177,329	(173,534)	761,949	
Claims Payable Liability	68,146	168,518	(153,511)	83,153	29,236
Arbitrage Rebate Payable[3]	-	2,151		2,151	
Pollution Remediation Liability [5]	2,765	5,089	(1,279)	6,575	6,575
Asset Retirement Obligations [5]	878	1,264	(54)	2,088	263
Other Payable	23			23	
Total Other Payables	$ 1,571,834	$ 2,430,362	$ (1,326,599)	$ 2,675,597	$ 148,473
Total Governmental Activities	$ 4,766,203	$ 2,736,401	$ (1,583,601)	$ 5,919,003	$ 415,346
Business-Type Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	$ 1,325	$ -	$ (220)	$ 1,105	$ 240
Taxable General Obligation Bonds	3,150		(1,570)	1,580	1,580
Tax-Exempt Certificates of Obligation	34,525		(1,545)	32,980	1,615
Taxable Tax Notes		269,635		269,635	
Revenue Bonds	351,345		(20,115)	331,230	21,260
Bonds from Direct Placements	62,000			62,000	62,000
Gross Bonds Payable	$ 452,345	$ 269,635	$ (23,450)	$ 698,530	$ 86,695
Unamortized (Discount) / Premium	$ 16,912	$ -	$ (3,194)	$ 13,718	$ 2,713
Net Bonds Payable	$ 469,257	$ 269,635	$ (26,644)	$ 712,248	$ 89,408
Other Payables:					
Leases Liability [4]	$ 126	$ 125	$ (57)	194	$ 51
Subscription Liability [4]	4,712	509	$ (2,161)	3,060	1,509
Financed Purchases [4]	943	4,424	(488)	4,879	791
Accrued Leave Payable	7,156	6,015	(5,322)	7,849	5,861
Net Pension Liability [1]	78,144	117,620	(54,634)	141,130	
Net OPEB Liability [2]	53,815	6,124	(10,618)	49,321	
Accrued Landfill Postclosure Costs [3]	438	190	(388)	240	240
Pollution Remediation Liability [5]	1,274			1,274	
Asset Retirement Obligations [5]	587	151		738	
Total Other Payables	$ 147,195	$ 135,158	$ (73,668)	$ 208,685	$ 8,452
Total Business-Type Activities	$ 616,452	$ 404,793	$ (100,312)	$ 920,933	$ 97,860

1 See Note 10 Pension and Retirement Plans for a description of the pension program.
2 See Note 11 Other Postemployment Benefits for a description of the postemployment program.
3 See Note 13 Commitments and Contingencies for a description of Arbitrage costs and Landfill Postclosure Care costs.
4 See Note 14 Leases & SBITA for a description of Lease Liability, SBITA Liability, and Financed Purchases reporting.
5 See Note 15 Other Obligations for a description of the Pollution Remediation Liability and Asset Retirement Obligations.

Year-Ended September 30, 2023 - 121 - Amounts are expressed in thousands

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Government and Business-Type Activities Long-Term Obligations (Continued)

Accrued Leave

The following is a summary of accrued leave payable for the fiscal year-ended September 30, 2023.

Governmental Activities					
Fund Type	Short-Term Available	Short-Term Remaining	Total Short-Term	Long-Term	Total
Governmental Funds	$ 8,155	$ 82,306	$ 90,461	$ 157,554	$ 248,015
Internal Service Funds		4,418	4,418	1,964	6,382
Total Governmental Activities	$ 8,155	$ 86,724	$ 94,879	$ 159,518	$ 254,397

The General Fund accounts for approximately 66.1% 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	Short-Term	Long-Term	Total
Airport System	$ 2,231	$ 1,234	$ 3,465
Solid Waste Management	2,169	681	2,850
Nonmajor Enterprise Funds	1,461	73	1,534
Total Business-Type Activities	$ 5,861	$ 1,988	$ 7,849

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Year-Ended September 30, 2023 - 122 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

CPS Energy

To support its long-term capital financing needs, CPS Energy uses several types of debt instruments. As of January 31, 2023, 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.

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

CPS Energy's outstanding debt agreements specify certain events of default or breach of a financial covenant or failure to make debt service. Such an event would trigger a covenant requiring the City to charge rates sufficient to make debt service payments and satisfy debt service coverage. During the year-ended January 31, 2023, CPS Energy did not default on any terms of its debt agreements.

As of January 31, 2023, the bond ordinances for senior lien 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 revenues 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.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

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 as noted below:

The City agrees that it will 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.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds

On February 15, 2022, CPS Energy issued $234,460 of Series 2022 Junior Lien Revenue Refunding Bonds. Proceeds, including the $52,066 premium associated with the bonds, were used to refund $230,000 and $55,000 par value of the Tax-Exempt Commercial Paper Series A and Tax-Exempt Commercial Paper Series B, respectively. The true interest cost for this issue, which has maturities in 2026 through 2044, is 2.8%.

Also on February 15, 2022, CPS Energy issued $125,005 of Series 2022 Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds, including the $681 premium associated with the bonds, were used to refund $105,000 and $20,000 par value of the Tax-Exempt Commercial Paper Series B and Tax-Exempt 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 2045 through 2049, is 5.2%. The bonds were issued as multi-modal variable- rate instruments with initial term rates of 2.0% and a stepped rate of 7.0%, which is only applicable if the bonds are not remarketed before their expiration date.

On April 13, 2022, CPS Energy issued $413,720 of New Series 2022 Junior Lien Revenue Refunding Bonds. Proceeds associated with the bonds were used to refund $210,927, $100,000, and $100,000 par value of the Taxable Commercial Paper Series A, Taxable Commercial Paper Series C, and Taxable Flexible Rate Revolving Note, respectively; which had been used to fund Winter Storm costs. The true interest cost for this issue, which has maturities in 2023 through 2047, is 4.3%.

On May 4, 2022, CPS Energy issued $109,620 of New Series 2022 Senior Lien Revenue Refunding Bonds. Bond proceeds, including the $5,174 premium associated with the bonds and $15,779 funded through the debt service fund, were used to refund $128,625 par value of the New Series 2012 Revenue Refunding Bonds. The refunding transaction resulted in net present value debt service savings of $3,454, or 2.7%, of the par amount of the bonds being refunded. The true interest cost for this issue, which has maturities in 2023 through 2025, is 2.3%.

On December 1, 2022, CPS Energy remarketed $134,870 of Series 2018 Variable-Rate Junior Lien Revenue Refunding Bonds. The bonds were issued as multi-modal variable-rate instruments issued initially in a Securities Industry and Financial Markets Association (SIFMA) Index Mode with an applicable spread of 0.9%, with a three-year term rate period expiring in 2025, and at a stepped rate of 8.0% thereafter through the applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed before the expiration date.

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Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

Long-Term Debt Activity

Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding February 1, 2022	Additions During Year	Decreases During Year	Balance Outstanding January 31, 2023
Revenue and Refunding Bonds:							
2009C Taxable New Series [1]	$ 375,000	2039	6.051	$ 375,000	$ -	$ -	$ 375,000
2010A Taxable New Series [1]	380,000	2041	3.834	280,000			280,000
2010A Taxable Junior Lien [1]	300,000	2041	3.399	300,000			300,000
2012 Taxable New Series	521,000	2042	4.382	404,225			404,225
2012 Tax Exempt New Series	655,370	2025	2.552	444,310		(128,625)	315,685
2014 Tax Exempt Junior Lien	200,000	2044	4.142	200,000			200,000
2015A Tax Exempt Junior Lien	125,000	2033	Variable	124,205			124,205
2015B Tax Exempt Junior Lien	125,000	2033	1.427	104,150			104,150
2015 Tax Exempt Senior Lien	320,530	2032	2.992	237,700			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	99,740			99,740
2015D Tax Exempt Junior Lien	100,000	2046	Variable	99,450			99,450
2016 Tax Exempt Senior Lien	544,260	2034	2.144	343,375			343,375
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	122,425			122,425
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	(134,870)	134,870
2019 Tax Exempt Senior Lien	114,685	2030	1.462	114,685			114,685
2019 Tax Exempt Junior Lien	252,640	2041	2.885	252,640			252,640
2020 Tax Exempt Senior Lien	134,580	2049	3.132	134,580			134,580
2020 Tax Exempt Junior Lien	127,770	2049	Variable	127,770			127,770
2020 Taxable New Series	418,255	2048	2.864	418,255			418,255
2021A Tax Exempt Junior Lien	330,700	2049	3.139	330,700			330,700
2022 Tax Exempt Junio Lien	125,005	2049	Variable		125,005		125,005
2022 Tax Exempt Junio Lien	234,460	2044	2.782		234,460		234,460
2022 Taxable Senior Lien	413,720	2047	4.315		413,720		413,720
2022 Tax Exempt Senior Lien	109,620	2025	2.264		109,620		109,620
Bonds Outstanding				$ 5,475,600	$ 1,017,675	$ (263,495)	$ 6,229,780
Bond Current Maturities				(169,790)		8,015	(161,775)
Bond (Discount)/Premium				401,467	57,921	(52,138)	407,250
Revenue Bonds, Net				$ 5,707,277	$ 1,075,596	$ (307,618)	$ 6,475,255
Taxable and Tax Exempt Commercial Paper			Variable	660,000	636,927	(841,427)	455,500
Long-term debt, Net				$ 6,367,277	$ 1,712,523	$ (1,149,045)	$ 6,930,755

[1] Direct Subsidy Build America Bonds

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Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

Build America Bonds Direct Subsidy - The American Recovery and Reinvestment Act of 2009 (ARRA) provided authority for the issuance of Build America Bonds (BABs), which were issuable in calendar years 2009 and 2010 as taxable bonds. The ARRA permitted the issuer or the issuer's paying agent to receive a subsidy payment equal to 35.0% of the bond's interest directly from the U.S. Department of Treasury. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the federal government has reduced the BABs subsidy through sequestration reduction. For the year-ended January 31, 2023, the total subsidy recorded for the 2009C and 2010A Senior Lien BABs and the 2010A Junior Lien BABs was $18,423, which included a reduction totaling $1,115.

As of January 31, 2023, 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

Year	Principal	Interest	Direct Subsidy	Total
2024	$ 161,775	$ 271,548	$ (18,443)	$ 414,880
2025	178,650	267,419	(18,443)	427,626
2026	186,900	267,021	(18,443)	435,478
2027	168,070	264,144	(18,443)	413,771
2028	196,185	265,194	(18,443)	442,936
2029-2033	1,041,220	1,214,415	(94,442)	2,161,193
2034-2038	1,414,584	928,248	(81,393)	2,261,439
2039-2043	1,646,236	534,565	(22,828)	2,157,973
2044-2048	1,013,320	201,404		1,214,724
2049-2050	222,840	11,799		234,639
Totals	$ 6,229,780	$ 4,225,757	$ (290,878)	$ 10,164,659

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 2015A Junior Lien Bonds were issued as multi-modal variable-rate bonds. The bonds were remarketed in fiscal year 2020 and utilize an interest rate of 1.8% through their term rate period's expiration in fiscal year 2025. A stepped rate of 7.0% is assumed in the previous table for this series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2015C and Series 2015D Junior Lien Bonds were issued as multi-modal variable-rate bonds. The Series 2015C Junior Lien Bonds were remarketed in fiscal year 2020 and utilize an interest rate of 1.8% through their term rate period's expiration in fiscal year 2025. A stepped rate of 7.0% is assumed in the above table for this series thereafter through applicable final maturity. The Series 2015D Junior Lien Bonds were remarketed in fiscal year 2021 and utilize an interest rate of 1.1% through their term rate period's expiration in fiscal year 2027. A stepped rate of 7.0% is assumed in the previous table 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.

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Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

The Series 2018 Junior Lien Bonds were issued as multi-modal variable-rate bonds. The bonds were remarketed in fiscal year 2023 as multi-modal variable-rate bonds issued in a SIFMA Index Mode with an applicable spread of 0.9% through their term rate periods of 2025 and at a stepped rate of 8.0% thereafter through applicable final maturity. In the table on previous page, interest on these variable-rate bonds is calculated at an assumed rate of 3.5% for the applicable initial interest period and at an assumed stepped rate of 8.0% thereafter through stated maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2020 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 1.8% through their term rate period's expiration in fiscal year 2026. A stepped rate of 7.0% is assumed in the table on previous page 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.

The Series 2022 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 1.8% through their term rate period's expiration in 2027. A stepped rate of 7.0% is assumed in the in the table on the previous page 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 2023 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $(2,475). Debt reacquisition costs reported as deferred outflows of resources totaled $43,054 at January 31, 2023. 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 Statement of Net Position, totaled $39,663 at January 31, 2023.

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Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Flexible Rate Revolving Notes

In fiscal year 2010, the San Antonio City Council adopted an ordinance authorizing the establishment of the Flexible Rate Revolving Note (FRRN) Private Placement Program (Series A Flex Notes), under which CPS Energy may issue taxable or tax-exempt notes, bearing interest at fixed or variable rates. 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 the electric and gas systems, 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. The note purchase agreement that was entered into in fiscal year 2019, under the program, was not renewed and terminated in calendar year 2019. On May 27, 2020, the Board authorized for CPS Energy to enter into a new FRRN note purchase agreement not to exceed $100,000.

Additionally, on March 18, 2021, the City Council and the Board approved a second FRRN program (Series B Flex Notes) with an additional $500,000 in capacity to provide assurance of sufficient liquidity to address the costs incurred related to Winter Storm Uri.

On February 26, 2021, CPS Energy issued a $100,000 taxable Series A Flex Rate Note, with JPMorgan Chase Bank, National Association, as the note purchaser under this program, by contractual agreement effective through February 26, 2022. On February 26, 2021, proceeds from the note were used to pay purchased power costs and conceded natural gas costs. The taxable Note Purchase Agreement with JPMorgan Chase Bank expired on February 25, 2022; however, on February 25, 2022, CPS Energy issued a $100,000 taxable Series A Flex Rate Note, with Wells Fargo Bank, National Association, as the note purchaser under this program, by contractual agreement in effect through February 24, 2023. On April 14, 2022, proceeds from the Taxable New Series 2022 bonds were used to pay the $100,000 taxable Series A Flex Rate Note, with Wells Fargo Bank, National Association. Through an annual renewal process the Series A Flex Note may be extended through November 1, 2028. As of January 31, 2023, there were no Series A Flex Notes outstanding.

The Series A Flex Note has been classified as current in accordance with the financing terms under the taxable Note Purchase Agreement and is reported on the Statements of Net Position under Current Portion of Bonds and Certificates.

On April 27, 2021, the City entered into a Note Purchase Agreement under the Series B Flex Notes program, with JPMorgan Chase Bank, National Association, Wells Fargo Bank, National Association, and Frost Bank as the note purchasers by contractual agreement in effect through April 26, 2023, with the approval of $500,000 in additional capacity.

When issued, Series B Flex Notes will be classified as long-term in accordance with the financing terms under the Note Purchase Agreement. Any outstanding notes under Series B Flex Note will be secured by a lien on and pledge of the net revenues of CPS Energy and the proceeds of sale. There are no Series B Flex Notes outstanding at January 31, 2023. The current taxable Note Purchase Agreement will expire on April 26, 2023, but through a renewal process may be extended through April 1, 2031.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Accrued Leave

Employees earn vacation benefits based upon their employment status and years of service. At January 31, 2023, the accruals for employee vested benefits were $25,953, which were reported under Accounts Payable and Other Current Liabilities on the Statement of Net Position. CPS Energy does not accrue a liability for sick leave since there is no cash payment made for sick leave when an employee terminates or retires.

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 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. SAWS payment to the City in fiscal year 2022 was 4.0%. 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. The Ordinance does not allow for the provision of free services except for municipal fire-fighting purposes.

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.

Net revenues of SAWS have been pledged to the payment and security of its debt obligations. Net revenues are defined by the City Ordinance No. 75686 as SAWS' gross revenues after deducting operating expenses before depreciation.

Revenue Bonds

SAWS issues revenue bonds to finance capital improvement projects, refund outstanding bonds to reduce future debt service payments, and pay the cost of issuance. All SAWS' revenue bonds are secured by a lien on and pledge of net revenues of the system. Additionally, certain SAWS' bonds are further secured by the maintenance of a reserve fund established for the benefit of the bondholders.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

On February 15, 2022, SAWS issued $77,785 City of San Antonio, Texas Water System Junior Lien Revenue Refunding Bonds, Series 2022A (No Reserve Fund). The proceeds from the sale of the bonds were used (i) refund $105,280 City of San Antonio, Texas Water System Revenue and Refunding Bonds, Series 2012A (Series 2012A) and (ii) pay the cost of issuance. The refunding of the series 2012A bonds reduced the future debt service by $41,437 and resulted in an economic gain of $30,275. 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 May 15, 2022, SAWS deposited $66,165 from available cash on hand to the paying agent for the redemption of $56,065 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2012 and $10,100 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2012A. The redemption of these bonds reduced future debt service by $78,366 between 2022 and 2028.

On October 18 2022, SAWS issued $258,235 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2022B (No Reserve Fund). The proceeds from the sale of the bonds were used for (i) finance capital improvement projects, 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 November 1, 2022, SAWS remarketed $99,590 City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue and Refunding Bonds, Series 2014B (No Reserve Fund) into a SIFMA Index Mode for a period of three years, ending October 31, 2025. The interest rate on the bonds is reset weekly at a spread of 0.7% over the Securities Industry and Financial Markets Association (SIFMA) Swap Index. The proceeds from the sale of the bonds were used to pay the $99,590 principal of the maturing bonds. There was no economic gain or loss on this transaction. 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 Liens Obligations.

Senior lien water system revenue bonds outstanding as of December 31, 2022, consists of the Series 2009B and Series 2010B, outstanding in the amount of $101,835 and as of December 31,2021, consists of the Series 2009B, Series 2010B, Series 2012, and Series 2012A, outstanding in the amount of $280,565. 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 operations and maintenance and SAWS maintaining, a two-month operating reverse for such expenses. Interest rates on Senior Lien bonds range from 5.5% to 5.9%, 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. An additional component of the fixed rate junior lien debt is direct placement debt with the Texas Water Development Board (TWDB). Direct placement debt with TWDB is offered at subsidized interest rates for qualified water, wastewater, and water supply projects. All the junior lien 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.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

As of December 31, 2022, direct placement bonds with TWDB consist of Junior Lien Series 2012, Series 2013A, Series 2013C, Series 2013D, Series 2014C, Series 2014D, Series 2015A, Series 2016D, Series 2016E, Series 2018B, Series 2019B, Series 2020B, and Series 2020D in an outstanding amount of $301,960. Interest rates on the TWDB junior lien fixed rate bonds range from 0.0% to 3.4%.

As of December 31, 2022, the remaining junior lien fixed rate revenue bonds consist of Series 2013B (No Reserve Fund), Series 2013E (No Reserve Fund), Series 2014A (No Reserve Fund), Series 2015B (No Reserve Fund), Series 2016A (No Reserve Fund), Taxable Series 2016B, Series 2016C (No Reserve Fund), Series 2017A (No Reserve Fund), Series 2018A (No Reserve Fund), Series 2019C (No Reserve Fund), Series 2020A (No Reserve Fund), Series 2020C (No Reserve Fund), Series 2021A (No Reserve Fund), Series 2022A (No Reserve Fund), and Series 2022B (No Reserve Fund) is outstanding in the amount of $2,223,240. Interest rates on the junior lien fixed rate bonds range from 2.0% to 5.3%.

The junior lien variable rate bonds, comprised of the Series 2013F (No Reserve Fund) (Series 2013F Bonds), the Series 2014B (No Reserve Fund) (Series 2014B Bonds) and the Series 2019A (No Reserve Fund) (Series 2019A Bonds), are outstanding in the amount of $364,490 at December 31, 2022. The Series 2013F Bonds are tax- exempt variable rate notes currently in a Term Mode through October 31, 2026, at an interest rate of 1.0% with a yield of 0.8%. The Series 2014B Bonds are tax-exempt variable rate notes currently in a SIFMA Index Mode with interest reset weekly at a spread of 0.7% over the SIFMA Swap Index through October 31, 2025. The Series 2019A Bonds are tax-exempt variable rate notes currently in the term mode through April 30, 2024, at an interest rate of 2.6% with a yield of 2.5%.

Upon conclusion of the initial 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 The Bonds are subject to a mandatory tender without right of retention at the conclusion of the 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 7.0% for the Series 2013F Bonds and Series 2014B Bonds, and 8.0% for the Series 2019A Bonds.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

The following summarizes transactions of the Revenue Bonds for the year-ended December 31, 2022:

	Beginning Balance January 1, 2022	Additions	Reductions	Ending Balance December 31, 2022	Due Within One Year
Revenue Bonds	$ 2,592,305	$ 435,610	$ (338,350)	$ 2,689,565	$ 60,035
Direct Placement Bonds	315,555		(13,595)	301,960	13,710
Unamortized Premium	299,888	36,189	(34,773)	301,304	
Unamortized Discount	(747)		498	(249)	
Total Bonds Payable, Net	$ 3,207,001	$ 471,799	$ (386,220)	$ 3,292,580	$ 73,745

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 Rate						Variable Rate	
	Revenue Bonds				Direct Placement Bonds		Revenue Bonds	
Year-Ended December 31,	Principal	Interest Expense	Direct Subsidy[1]	Net Interest	Principal	Interest Expense	Principal	Interest Expense*
2023	$ 60,035	$ 111,550	$ (1,908)	$ 109,642	$ 13,710	$ 4,681	$ -	$ 8,342
2024	65,405	107,422	(1,908)	105,514	13,835	4,554		8,654
2025	70,270	104,178	(1,875)	102,303	13,980	4,408		8,966
2026	76,285	100,646	(1,797)	98,849	14,155	4,242		8,966
2027	68,240	97,009	(1,716)	95,293	14,315	4,062		10,934
2028-2032	434,165	425,233	(7,487)	417,746	74,815	17,106	59,275	51,371
2033-2037	575,240	302,182	(4,864)	297,318	59,320	11,130	100,105	38,443
2038-2042	466,550	168,214	(691)	167,523	57,615	5,861	115,530	22,301
2043-2047	301,100	85,132		85,132	33,685	1,057	69,510	7,075
2048-2052	207,785	19,714		19,714	6,530	56	20,070	607
Total	$ 2,325,075	$ 1,521,280	$ (22,246)	$ 1,499,034	$ 301,960	$ 57,157	$ 364,490	$ 165,659

[1] Federal interest rate subsidy on Build America Bonds (BABs) is utilized to pay interest on those bonds but is reported as nonoperating revenue. The Balanced Budget and Emergency Deficit Control Act of 1985, as amended, reduced the BAB subsidy paid during fiscal years 2021-2030 by 5.7%. The BAB subsidy to be received by SAWS is reduced by this amount for all future payments.

* The variable rate bonds are currently in a fixed rate Term Mode and SIFMA Index Mode. Interest listed above is based on fixed rate through the interest period for the Term Mode and a budgeted rate of 3.0% thereafter and at 3.0% for the SIFMA Index Mode.

In fiscal year 2022, SAWS received a total of $1,921 in BABs subsidy.

SAWS is required to comply with various 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 1.3 times the annual debt service requirements on Senior Lien debt obligations (senior lien debt coverage ratio) and at least 1.0 times the current year annual debt service on outstanding Junior Lien debt. SAWS senior lien debt coverage ratio was 30.2 at December 31, 2022. The current annual combined debt coverage ratio was 2.2 at December 31, 2022.

Year-Ended September 30, 2023 - 133 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

In prior years, SAWS either legally defeased revenue bonds by placing revenues or proceeds of new bond issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in SAWS' financial statements. At December 31, 2022, there were $2,241 of the former Bexar Metropolitan Water District's bonds outstanding considered legally defeased.

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, in the Statement of Net Position.

Year-Ended	Liability Beginning Balance	Current-Year Accruals	Payments	Liability Ending Balance	Estimated Due Within One Year
December 31, 2022	$ 13,534	$ 9,122	$ (7,024)	$ 15,632	$ 7,024

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Year-Ended September 30, 2023 - 134 - Amounts are expressed in thousands

Note 9 Commercial Paper Programs

Primary Government (City)

The City had no commercial paper debt during fiscal year 2023.

CPS Energy

As of January 31, 2023, the commercial paper ordinances contain, among others, the following provisions:

- Authorized capacity of $700,000;
- Allow flexibility to issue tax-exempt or taxable commercial paper;
- Allow the issuance of multiple series notes;
- Final maturity on April 11, 2049; and

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. Such 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 April 11, 2049.

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.

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, that serve as liquidity facility support for the commercial paper program. Each revolving credit agreement relates to a particular series of notes and provides liquidity facility support in the amount specified. The Series A agreement provides $400,000 in liquidity facility support for the Series A Notes and is effective through June 19, 2026. The Series B agreement provides $200,000 in liquidity facility support for the Series B Notes and was effective through June 21, 2023. The Series C agreement provides $100,000 in liquidity facility support for Series C Notes and is effective through June 21, 2025. Under the terms of these revolving credit agreements, CPS Energy may borrow up to an aggregate amount not to exceed $700,000 for the purpose of paying principal due under the commercial paper program. At January 31, 2023, and since inception of the program, there have been no back-stop options exercised under the revolving credit agreements.

During fiscal year 2023, CPS Energy issued a total of $636,927 in commercial paper. As of January 31, 2023, the outstanding commercial paper balance was $455,500, of which $420,500 was issued as tax-exempt and $35,000 was issued as taxable.

	January 31, 2023
Commercial Paper Outstanding	$ 455,500
New Commercial Paper Issues	$ 636,927
Weighted Average Interest Rate of Outstanding	3.3%
Average Life Outstanding (Number of Days)	159

Year-Ended September 30, 2023 - 135 - Amounts are expressed in thousands

Note 9 Commercial Paper Programs (Continued)

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 City of San Antonio, Texas Water System Commercial Paper Notes, Series C (Series C 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 Note Ordinance also authorizes the ability to designate and issue 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 and note purchase 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 and Series C Notes expiring January 5, 2024.

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 $229,585 are outstanding as of December 31, 2022 with $227,585 outstanding under the subseries A-1 Notes, and $2,000 outstanding under Subseries A-2 Notes. Interest rates on the Subseries A-1 Notes outstanding at December 31, 2022 range from 2.3% to 3.8% and maturities range from 31 to 124 days. The interest rate on the Subseries A-2 Notes outstanding at December 31, 2022 is 4.6% with a maturity of 33 days. All outstanding notes combined had an average rate of 2.6% and average 61 days to maturity.

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 $4,640 of commercial paper in 2023. Therefore, this portion of outstanding commercial paper is classified as a current liability.

The commercial paper notes contain events of default and/or termination provisions with possible finance-related consequences and in the opinion of SAWS, the likelihood is remote that these provisions will have a significant effect on SAWS' financial position or results of operations.

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Note 9 Commercial Paper Programs (Continued)

San Antonio Water System (SAWS) (Continued)

The following table summarizes transactions of the program for the year-ended December 31, 2022.

	Balance as of January 1, 2022	Additions during year	Deletions during year	Balance as of December 31, 2022	Due Within One Year
Tax Exempt Commercial Paper Notes					
Subseries A-1 Notes	$ 132,020	$ 100,000	$ (4,435)	$ 227,585	$ 4,640
Subseries A-2 Notes (Direct Placement)	2,000			2,000	
Series C Notes (Direct Placement)	100,000		(100,000)		
Total Tax Exempt Commercial Paper Notes	$ 234,020	$ 100,000	$ (104,435)	$ 229,585	$ 4,640

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Year-Ended September 30, 2023 - 137 - Amounts are expressed in thousands

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Note 10 Pension and Retirement Plans

Summary of Pension and Retirement Plans

Pension and Retirement Plans provides information relating to various City and component unit pension plans. These pension and retirement plans include the City's TMRS Plan, the San Antonio Fire and Police Pension Plan, CPS Energy All Employee Plan, the SAWS TMRS Plan, the SAWS Retirement Plan, and the SAWS District Special Project Retirement Income Plan.

	City - TMRS	Fire and Police Pension Plan	Total City Pension Plans	CPS Energy All Employee Plan	SAWS-TMRS	SAWS Retirement Plan	SAWS District Special Project Retirement Income Plan
Total Pension Liability	$ 2,459,682	$ 4,478,782	$ 6,938,464	$ 2,234,500	$ 255,314	$ 286,217	$ 6,955
Plan Fiduciary Net Position	1,756,864	3,586,484	5,343,348	2,122,445	252,643	307,118	8,475
Net Pension Liability (Asset)	$ 702,818	$ 892,298	$ 1,595,116	$ 112,055	$ 2,671	$ (20,901)	$ (1,520)
Total Deferred Inflows of Resources	$ (6,654)	$ (58,154)	$ (64,808)	$ (137,429)	$ (15,201)	$ (30,153)	$ (1,767)
Deferred Outflows of Resources	150,846	516,312	667,158	44,568	1,214	1,515	551
Contributions Subsequent to Measurement Date	49,490	68,373	117,863	58,986	4,510	7,000	138
Total Deferred Outflows of Resources	$ 200,336	$ 584,685	$ 785,021	$ 103,554	$ 5,724	$ 8,515	$ 689
Pension Expenses	$ 105,030	$ 158,400	$ 263,430	$ 15,915	$ (1,037)	$ (4,516)	$ (253)

Primary Government (City)

Texas Municipal Retirement System (TMRS)

Plan Description — TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with Texas Government Code, Title 8, Subtitle G (TMRS Act) for the benefit of the employees of Texas participating cities. The TMRS Act places the administration and management of TMRS with a six-member Board of Trustees appointed by the Governor with the advice and consent of the Texas Senate. TMRS does not receive any funding from the State of Texas.

TMRS administers a defined benefit cash-balance plan for the eligible employees of 919 participating cities. Under GASB, TMRS is an agent multiple-employer public employee retirement system.

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, the City-financed monetary credits with interest, their age at retirement, and other actuarial factors. 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.

Year-Ended September 30, 2023 - 138 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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 (12.00%). 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, retiree life with 100.00% survivor benefit payments, retiree life with 75.00% survivor benefit payments, retiree life with 50.00% survivor benefit payments, retiree life with five years guaranteed balance payout to survivor, retiree life with ten years guaranteed balance payout to survivor, and retiree life with 15 years guaranteed balance payout to survivor. 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 COLA 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.

The following table presents information about TMRS Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the measurement date of December 31, 2022, for the fiscal year-ended September 30, 2023, were:

Number of:	
Active Members	7,605
Retirees and Beneficiaries	5,518
Inactive Members [1]	3,724
Total	16,847

[1] Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefit.
Amounts not in thousands.

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Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Contributions — The City must pay its required contribution rate, which is determined annually by TMRS' external actuary using the Entry Age Normal actuarial cost method based on the liabilities (assets) created from the benefit plan options selected by the City and any changes in benefits or actual experience over time. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for the City is the percentage of total gross payroll which, if applied to all employees' compensation throughout their period of anticipated employment with the City, would be sufficient to pay the expected benefits. The prior service contribution rate amortizes any unfunded (overfunded) actuarial accrued liability (asset) over the amortization period for the City. Both the normal cost and prior service contribution rates include the projected costs of annually repeating benefits adopted by the City, such as updated service credits and cost of living adjustments.

In the fiscal year 2023 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 – 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 increased from 12.40% to 13.08%, effective January 1, 2023.

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 13.08% for calendar year 2023, both as adopted by City Council. The City's contribution to TMRS for fiscal year 2023 was $93,715, with $29,720 contributed by City employees and $63,995 contributed by the City. These amounts were equal to required contributions.

As of September 30, 2023, the City reported a payable to TMRS in the amount of $10,986 for the outstanding amounts of contributions from the City and active civilian employees.

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Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Actuarial Assumptions — The total pension liability calculated in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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's plan of benefits.
Cost-of-living Adjustments	Granted 70.00% ad hoc COLA
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Salary increases were based on a service-based scale. The Retirement Age was last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018. Mortality rates for active members, retirees, and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females.

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 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.

Year-Ended September 30, 2023 - 141 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

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 total pension liability as of December 31, 2022. 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 total pension liability 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 23 years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals.

The long-term expected rate of return on pension plan investments is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of arithmetic rates of return for each major asset class are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.55%
Core Fixed Income	6.00%	2.00%
Non-Core Fixed Income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real Estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private Equity	10.00%	10.00%
Total	100.00%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the City's net pension liability, calculated using the discount rate of 6.75%, as well as what the City's 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% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability	$ 1,032,767	$ 702,818	$ 430,589

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.

Year-Ended September 30, 2023 - 142 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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 for the year-ended September 30, 2023, based on the measurement date and actuarial valuation date of December 31, 2022.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 67,906
Interest Cost	154,986
Difference Between Expected and Actual Experience	26,867
Benefit Payments, including Refunds of Employee Contributions	(104,420)
Net Change in Total Pension Liability	$ 145,339
Total Pension Liability - Beginning	2,314,343
Total Pension Liability - Ending	$ 2,459,682
Plan Fiduciary Net Position	
Contributions - Employer	$ 56,128
Contributions - Employee	27,162
Net Investment (Loss)	(139,796)
Benefit Payments, including Refunds of Employee Contributions	(104,420)
Administrative Expense	(1,211)
Other	1,445
Net Change in Plan Fiduciary Net Position	$ (160,692)
Plan Fiduciary Net Position - Beginning	1,917,556
Plan Fiduciary Net Position - Ending	$ 1,756,864
Net Pension Liability	$ 702,818
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.43%

Year-Ended September 30, 2023 - 143 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Pension Expense — For the year-ended September 30, 2023, based on the actuarial valuation of December 31, 2022, the City recognized pension expense of $105,030.

Schedule of Pension Expense	
Total Service Cost	$ 67,906
Interest Cost	154,986
Employee Contributions (Reduction of Expense)	(27,162)
Projected Earnings on Plan Investments (Reduction of Expense)	(129,435)
Administrative Expense	1,211
Other Changes in Fiduciary Net Position	(1,445)
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	6,569
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	53,846
Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	(1,388)
Amortization of Prior Year Outflows (Inflows) of Resources - Assets	(20,058)
Total Pension Expense	$ 105,030

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2023, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 29,598	$ (6,654)
Changes of Assumptions	920	
Net Difference in Projected and Actual Earnings on Pension Plan Investments	120,328	
Contributions Subsequent to the Measurement Date	49,490	
Total	$ 200,336	$ (6,654)

$49,490 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ending September 30, 2024.

Year-Ended September 30, 2023 - 144 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources	
2024	$	11,093
2025		39,013
2026		39,648
2027		54,438
Total	$	144,192

City Deferred Compensation

The City has a deferred compensation program for its employees, created in accordance with Internal Revenue Code Section 457(b). The program, available to all full-time civilian and uniform employees, permits them to defer a portion of their salary on a pre-tax basis. The compensation deferred under this program is not available to employees until termination, retirement, death, loan, or qualifying unforeseeable emergency. Participation in the program 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 program. In fiscal year 2015, the City increased its matching contribution for executives up to 2.00% of base salary. There has been no change to the matching contribution rate since 2015. In fiscal years 2018, 2019, and 2020, executives in the third and fourth quartile of their salary ranges received 1.00% of their prior year performance pay as a deferred compensation contribution, and this annual contribution will continue for these executives until their employment ends with the City. Performance pay contributions do not count towards the employer match program. The City has no liability for losses under this plan and it does not meet the criteria of a fiduciary activity as defined in GASB Statement No. 84, Fiduciary Activities.

Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit pension 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 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 2022 separately issued financial statements.

Year-Ended September 30, 2023 - 145 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The following table presents information about Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability, as of the measurement date, for the fiscal year-ended December 31, 2022, were:

Number of:	
Active Members	4,188
Retirees and Beneficiaries	3,271
Inactive Members [1]	19
Total	7,478

[1] Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefit. Amounts not in thousands. Includes terminated members due a refund of contributions.

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. The retirement annuity computation for employees retiring during the period covered by the financial statements and following, is 2.25% of such average for each of the first 20 years served, plus 5.00% of the participant's average total salary for each of the next seven years, plus 2.00% of the participant's average total salary for each of the next three years of service, plus 0.50% of the participant's average total salary for each of the next three years of service, with fractional years of service prorated based on full months served as a contributing participant. In making the computation for a year, the year is considered to begin on the first day a contribution is made. 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 and 14th checks for the year-ended December 31, 2022.

Note 10 Pension and Retirement Plans (Continued)

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 deducted from their City paycheck. 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.

Note 10 Pension and Retirement Plans (Continued)

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 2023, the City was required to contribute 24.64% of salary, or $88,561, excluding overtime pay, and the employee contribution rate was 12.32%, or $44,281. 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.

On September 30, 2023, the City paid the Pension Fund $5,390 for contributions from the City and active uniform employees. There was not an outstanding payable as of year-end.

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

The Net Pension Liability for the plan was measured as of December 31, 2022. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date and Total Pension Liability was determined from actuarial valuations as of January 1, 2022:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases
Remaining Amortization Period	13.57 years remaining as of January 1, 2022
Asset Valuation Method	Five-year smoothed market value based on expected return of 7.25%.
Inflation	3.00%
Salary Increases	3.00% (plus merit scale of 0.00% - 11.00%)
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	Fire: Rates based on years of service ranging from 20 to 43 years, with 100.00% retirement at the earlier of age 65 or 43 years of service. Police: Rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at the earlier of age 65 or 40 years of service.
Mortality:	
Pre-retirement	Sex-distinct PUBS-2010 Safety Employee Amount-Weighted Table.
Healthy Annuitant	Sex-distinct PUBS-2010 Safety Healthy Retiree Amount-Weighted Table.
Disabled Annuitant	Sex-distinct PUBS-2010 Safety Disabled Retiree Amount-Weighted Table.
Beneficiaries	Sex-distinct PUBS-2010 Safety Contingent Survivor Amount-Weighted Table.
Future Improvement	Generational Projection using Scale SSA2019-2D improvement scale.

Year-Ended September 30, 2023 - 148 - Amounts are expressed in thousands.

Note 10 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 expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table as of December 31, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)[1]
Large Cap U.S. Equities	22.00%	6.71%
Small Cap U.S. Equities	5.00%	7.61%
International Equities	10.00%	7.21%
International Small Cap Equities	3.00%	8.41%
Emerging Markets Equities	6.00%	8.71%
Private Equity	8.00%	9.96%
Core Bonds	7.00%	1.61%
High Yield	5.00%	3.71%
Bank Loans	5.00%	3.21%
TIPS	3.00%	1.51%
Private Debt	9.00%	6.31%
Unconstrained Fixed Income	3.00%	2.67%
Real Estate	9.00%	3.61%
Real Assets	5.00%	6.58%
Total	100.00%	

[1] Arithmetic real rates of return are net of assumed inflation of 3.00%

The 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.

Year-Ended September 30, 2023 - 149 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, for the year-ended September 30, 2023, 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 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
Net Pension Liability	$ 1,518,593	$ 892,298	$ 379,906

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.

Schedule of Changes in Net Pension Liability and Related Ratios — The following table presents the changes in the net pension liability for the year-ended September 30, 2023, based on the measurement date of December 31, 2022 and actuarial valuation date of January 1, 2022.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 80,097
Interest Cost	302,041
Difference Between Expected and Actual Experience	133,147
Benefit Payments, including Refunds of Employee Contributions	(244,979)
Net Change in Total Pension Liability	$ 270,306
Total Pension Liability - Beginning	4,208,476
Total Pension Liability - Ending	$ 4,478,782
Plan Fiduciary Net Position	
Contributions - Employer	$ 88,371
Contributions - Employee	44,303
Net Investment (Loss)	(448,808)
Benefit Payments, including Refunds of Employee Contributions	(244,979)
Administrative Expense	(3,333)
Net change in Plan Fiduciary Net Position	$ (564,446)
Plan Fiduciary Net Position - Beginning	4,150,930
Plan Fiduciary Net Position - Ending	$ 3,586,484
Net Pension Liability	$ 892,298
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.08%

Year-Ended September 30, 2023 - 150 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

For the fiscal year-ended September 30, 2023, based on December 31, 2022 measurement date, the City recognized pension expense of $158,400. Amounts recognized in the fiscal year represent changes between current and prior measurement dates:

Schedule of Pension Expense	
Service Cost	$ 80,097
Interest Cost	302,041
Employee Contributions	(44,303)
Administrative Expenses	3,333
Expected Return on Assets	(296,750)
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	14,794
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	149,111
Current Year Recognition of Deferred Outflows Established in Prior Years	92,656
Current Year Recognition of Deferred Inflows Established in Prior Years	(142,579)
Total Expense	$ 158,400

At September 30, 2023, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 140,600	$ (58,154)
Changes of Assumptions	36,751	
Net Difference in Projected and Actual Earnings on Pension Plan Investments	338,961	
Contributions Subsequent to the Measurement Date	68,373	
Total	$ 584,685	$ (58,154)

$68,373 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ending September 30, 2024.

Year-Ended September 30, 2023 - 151 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

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

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ 43,519
2025	86,825
2026	111,619
2027	165,657
2028	10,983
Thereafter	39,555
Total	$ 458,158

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 (asset). That report may be obtained by writing to the Fire and Police Pension Fund of San Antonio, 11603 W. Coker Loop, Suite 210, San Antonio, Texas 78216 or by calling (210) 534-3262. You may also access the financial report at www.safppf.org.

CPS Energy

All Employee Plan

Plan Description — The CPS Energy Pension Plan (the Pension 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 Pension 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 & Finance Committee of CPS Energy's board. Pension 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 Pension 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 Pension 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 Pension Plan and CPS Energy are not aligned, the Pension Plan's disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

In addition to the defined-benefit Pension Plan, CPS Energy has two Restoration Plans that were effective as of January 1, 1998, which supplement benefits paid from the Pension 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.

Year-Ended September 30, 2023 - 152 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Benefits Provided — Participants become fully vested in the benefits of the Pension 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 Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability, as of the January 31, 2022 measurement date, for the fiscal year-ended January 31, 2023, were:

Number of:	
Active Members	2,900
Retirees and Beneficiaries	2,600
Inactive Members [1]	235
Total	5,735

[1] Inactive members are Pension Plan participants that are entitled to deferred benefits.
Amount not in thousands.

Contributions — The current policy of CPS Energy is to use an actuarial valuation as the basis for determining employer contributions to the Pension 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 Pension Plan, plus the vested portion of accumulated interest. Beginning January 1, 2018, the employee contribution interest crediting rate was 5.25%.

The balance of Pension 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 2023, the amount to be funded was established using a general target near the 30-year layered amortization funding contribution level as determined by the Pension Plan's actuary using the entry-age normal cost method.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Actuarial Assumptions — Significant actuarial assumptions used in the January 1, 2021, valuation include:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent; Layered Periods
Remaining Amortization Period	26 Years
Asset Valuation Method	Market value gains/losses recognized over five years.
Discount Rate	7.00%
Inflation	2.20%, compounded annually.
Salary Increases	5.54%, average including inflation
Investment Rate of Return	7.00% per year, compounded annually
Cost-of-living Increases	1.25% per year
Mortality	Mortality rates were based on the Pri-2012 Employee/Retiree Mortality Table (fully generational) with mortality Improvement Scale MP-2020. Separate tables are used for disabled participants and contingent annuitants.

The actuarial assumptions used in the January 1, 2021 valuation for amounts reported in fiscal year 2023 were based on the results of an actuarial experience study completed in 2020 covering experience for the period January 1, 2017, through December 31, 2019.

The long-term expected rate of return on Pension 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 Pension 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.

Year-Ended September 30, 2023 - 154 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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:

Asset Class	Assumed Asset Allocation	Expected Real Rate of Return
Equities	54.50%	3.83%
Debt securities	23.50%	2.06%
Alternative Investments	22.00%	3.85%
Total Investments	100.00%	

Discount Rate — The discount rate used to measure the total pension liability for fiscal year 2023 was 7.00%, 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 Pension 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 Pension 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 (asset) 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 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net Pension Liability (asset)	$ 388,871	$ 112,055	$ (119,920)

Pension Plan Fiduciary Net Position — The financial results of the Pension Plan are included, in combination with the Employee Benefits Plans, in CPS Energy's Statement of Fiduciary Net Position. Detailed information about the Pension Plan's fiduciary net position is available in separately issued Pension Plan financial statements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position for the Pension Plan, and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension 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 Pension Plan.

Year-Ended September 30, 2023 - 155 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — CPS Energy's net pension liability as of January 31, 2023 was measured as of January 31, 2022. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2021 and rolled forward using generally accepted actuarial procedures to the January 31, 2022 measurement date.

Changes in Net Pension Liability		
Total Pension Liability		
Service Cost	$	41,129
Interest Cost		150,633
Difference Between Expected and Actual Experience		2,174
Changes of Assumptions		(9,825)
Benefit Payments		(114,484)
Net Change in Total Pension Liability	$	69,627
Total Pension Liability - Beginning		2,164,873
Total Pension Liability - Ending	$	2,234,500
Plan Fiduciary Net Position		
Contributions - Employer	$	62,100
Contributions - Employee		14,054
Net Investment Earnings		244,563
Benefit Payments		(114,484)
Administrative Expense		(487)
Net Change in Plan Fiduciary Net Position	$	205,746
Plan Fiduciary Net Position - Beginning		1,916,699
Plan Fiduciary Net Position - Ending	$	2,122,445
Net Pension Liability - Ending	$	112,055
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		94.99%

CPS Energy recorded $15,915 in pension expense for the year-ended January 31, 2023.

Year-Ended September 30, 2023 - 156 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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 as of January 31, 2023:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 3,514	$ (10,641)
Changes of Assumptions	41,054	(13,718)
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(113,070)
Contributions Subsequent to the Measurement Date	58,986	
Total	$ 103,554	$ (137,429)

$58,986 reported as deferred outflows of resources related to pension resulting from CPS contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year-ending January 31, 2024.

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 Pension 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.

Year-Ended January 31,	Net Deferred Outflows (Inflows) of Resources
2024	$ (4,736)
2025	(35,159)
2026	(32,198)
2027	(19,828)
2028	(940)
Total	$ (92,861)

Year-Ended September 30, 2023 - 157 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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. All eligible employees of SAWS are required to participate in TMRS. 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.

The following table presents information about SAWS TMRS participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the December 31, 2021 measurement date, for the fiscal year-ended December 31, 2022, were:

Number of:	
Active Members	1,680
Retirees and Beneficiaries	1,377
Inactive Members [1]	823
Total	3,880

[1] Inactive members are vested employees no longer employed by SAWS, but are eligible for a deferred retirement benefit. Amounts not in thousands.

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 3.74% in calendar year 2021. SAWS' contribution to TMRS totaled $8,019 for the year-ended December 31, 2021, with $3,569 contributed by SAWS' employees, and $4,450 contributed by SAWS. The total contribution equaled the required contributions.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Actuarial Assumptions — The total pension liability calculated in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	24 years
Asset Valuation Method	Ten-year smoothed market value; 12.00% soft corridor.
Inflation Rate	2.50%
Salary Increases	3.50% to 11.50%, 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.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the mortality study performed in 2013, with factors based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females.

Year-Ended September 30, 2023 - 159 - Amounts are expressed in thousands.

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Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

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 funding needs of TMRS. 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. The long-term expected real rate of return amounts do not include inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Non-Core Fixed Income	20.00%	4.14%
Core Fixed Income	10.00%	1.25%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

The discount rate of 6.75% was used to measure the total pension liability in the December 31, 2021 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 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate — The following presents the net pension liability (asset) as of December 31, 2022, 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 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability (Asset) - TMRS	$ 35,408	$ 2,671	$ (24,559)

Year-Ended September 30, 2023 - 160 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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 net pension liability for fiscal year-ended December 31, 2022, based on the measurement date of December 31, 2021.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 6,068
Interest Cost	16,200
Difference Between Expected and Actual Experience	1,214
Benefit Payments	(10,261)
Net Change in Total Pension Liability	$ 13,221
Total Pension Liability - Beginning	242,093
Total Pension Liability - Ending	$ 255,314
Plan Fiduciary Net Position	
Contributions - Employer	$ 4,450
Contributions - Employee	3,569
Net Investment Income	29,401
Benefits Payments, including Refunds of Employee Contributions	(10,261)
Administrative Expense	(136)
Other	1
Net change in Plan Fiduciary Net Position	$ 27,024
Plan Fiduciary Net Position - Beginning	225,619
Plan Fiduciary Net Position - Ending	$ 252,643
Net Pension Liability	$ 2,671
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.95%

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.

The financial information for SAWSRP is reported in the SAWS Fiduciary Funds financial statements. SAWSRP does not issue stand-alone financial statements.

Year-Ended September 30, 2023 - 161 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

The following table presents information about SAWSRP Pension Plan participants covered by the benefits terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the January 1, 2022 measurement date, for the fiscal year-ended December 31, 2022, were:

Number of:	
Active Members	895
Retirees and Beneficiaries	1,198
Inactive Members [1]	563
Total	2,656

[1] Inactive members are vested employees no longer employed by SAWS, but are eligible for a deferred retirement benefit. Amounts not in thousands.

Benefits Provided — 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.

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 eight 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.

Note 10 Pension and Retirement Plans (Continued)

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 2022 was determined using Entry Age Normal cost method. The actuarially determined 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, 2022, SAWS made contributions to participants' individual retirement accounts totaling $2,049, net of forfeitures of $38, and employees contributed $1,745.

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Note 10 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	Unfunded liability at December 31, 2013 of $40,551 is being amortized over a 15 fixed year period. The annual impact of experience gains/losses, plan amendments and changes in plan assumptions are amortized over ten years.
Asset Valuation Method	Four-year smoothed market value
Inflation	2.25%
Salary Increases	In 2021, changed to a new table based on management philosophies and more recent experience of plan participants. Previously, scale based on 2011-2013 SAWS experience.
Retirement Age	Active: In 2020, changed to a table of rates starting at age 45 and ending at age 70. Inactive: In 2020, changed from 100.00% at age 62 to a table of rates starting at age 60 and ending at age 65.
Investment Rate of Return	6.25%, net of pension expense, including inflation.
Mortality Table	In 2022, the mortality assumptions were based on PubG-2010 General base rate mortality table projected to future years with historical and assumed Mortality Improvement (MI) rates that were issued by the Society of Actuaries (SOA). PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The January 1, 2022 valuation was based on MP-2021, the most recent MI scale published in October 2021.

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) May 2020. The capital market assumptions were developed with a primary focus on forward-looking valuation models, interest rates, risk-premium, and long-term performance patterns of the applicable asset classes. Due to the long-term nature of pension obligations, the investment horizon for the CMA 2020 is 20 years. Some of the economic assumptions rely on the Long-Term CMA May 2021, which was an interim update to the CMA 2020 to help ensure that the results are consistent with the current economic situation and outlook.

Year-Ended September 30, 2023 - 164 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Total Return	34.00%	2.90%
US Equity - Large Cap	19.00%	5.10%
International Equity	10.00%	3.90%
US Mid Cap Equity	10.00%	7.40%
International Small/Mid Equity	7.00%	6.40%
US Small Cap Equity	7.00%	5.80%
Real Estate	7.00%	6.80%
High Yield Bond	6.00%	4.70%
Total	100.00%	

The discount rate used to measure the total pension liability was 6.25% at December 31, 2022. 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.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate — The following presents the net pension liability (asset), calculated using the discount rate of 6.25%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate of 1.00% lower, 5.25%, or 1.00% higher, 7.25%, than the current rate:

	1.00% Decrease 5.25%	Current Discount 6.25%	1.00% Increase 7.25%
Net Pension Liability (Asset) - SAWSRP	$ 15,602	$ (20,901)	$ (51,259)

Year-Ended September 30, 2023 - 165 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

Schedule of Changes in Net Pension (Asset) and Related Ratios — The following table summarizes changes in the SAWSRP net pension (asset) for the fiscal year-ended December 31, 2022, based on the measurement date and actuarial valuation date of January 1, 2022.

Changes in the Net Pension (Asset)	
Total Pension Liability	
Service Cost	$ 5,036
Interest Cost	17,026
Difference Between Expected and Actual Experience	2,224
Changes of Assumptions	413
Benefit Payments	(10,669)
Net Change in Total Pension Liability	$ 14,030
Total Pension Liability - Beginning	272,187
Total Pension Liability - Ending	$ 286,217
Plan Fiduciary Net Position	
Contributions - Employer	$ 6,136
Contributions - Employee	2,219
Net Investment Income	34,840
Benefit Payments	(10,669)
Administrative Expense	(293)
Net Change in Plan Fiduciary Net Position	$ 32,233
Plan Fiduciary Net Position - Beginning	274,885
Plan Fiduciary Net Position - Ending	$ 307,118
Net Pension (Asset)	$ (20,901)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.30%

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, BexarMet was dissolved and all its assets and liabilities were transferred to the San Antonio Water System District Special Project (DSP). The plan was renamed District Special Project Retirement Income Plan (DSPRP). In 2016, DSP was merged into SAWS and DSPRP is now 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.

Year-Ended September 30, 2023 - 166 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

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.

The following table presents information about DSPRP Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the January 1, 2022 measurement date, for the fiscal year-ended December 31, 2022, were:

Number of:	
Active Members	84
Retirees and Beneficiaries	13
Inactive Members [1]	40
Total	137

[1] Inactive members are vested employees no longer employed by DSP, but are entitled to a deferred retirement benefit.
Amounts not in thousands.

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. Participating employees accrued benefits if they worked at least one hour per plan year (hours are reported in thousands). 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 their normal retirement date.

The normal retirement benefit is a percentage of average monthly earnings. Prior to March 1, 1996, the monthly benefit was 60.00% of average monthly earnings reduced proportionately for less than 15 years of service. Effective March 1, 1996, the monthly benefit is 40.00% of average monthly earnings reduced proportionately for less than 20 years of service. Prior to March 1, 1996, average monthly earnings were based on the monthly earnings during the five consecutive and complete calendar years that produced the highest average. After March 1, 1996, 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 SAWS Board. The unit credit method was used to calculate the actuarial determined contribution for 2022. 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.

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Note 10 Pension and Retirement Plans (Continued)

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 (asset) was determined by an actuarial valuation as of that date performed as of the measurement date:

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level amortization over a declining period.
Remaining Amortization Period	Five-years
Asset Valuation Method	Fair Value with smoothing
Inflation	2.25%
Salary Increase	Earned benefits frozen in 2008.
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation.
Retirement Age	Normal retirement age - the earlier of (a) age 65 or (b) the "rule of 90" where the participant's age and years of service added together equal 90 or greater.
Mortality	In 2022, the improvement scale was updated to MP-2020. Rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale MP-2018. 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 target allocation and best estimates of arithmetic real rates of return for each major asset class for the January 1, 2022 valuation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	36.00%	4.85%
Fixed Income	40.00%	1.40%
International Equity	17.00%	5.05%
Real Estate	7.00%	4.05%
Total	100.00%	

The discount rate used to measure the total pension liability was 6.25%. 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 pension liability.

Year-Ended September 30, 2023 - 168 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

Sensitivity of the Net Pension (Asset) — The following table presents the net pension (asset), calculated at December 31, 2022 using the discount rate of 6.25%, as well as what the net pension (asset) would be if it were calculated using a discount rate that is 1.00% lower, 5.25%, or 1.00% higher, 7.25%, than the current rate.

	1.00% Decrease 5.25%	Current Discount 6.25%	1.00% Increase 7.25%
Net Pension (Asset) - DSPRP	$ (1,046)	$ (1,520)	$ (1,927)

Schedule of Changes in Net Pension (Asset) and Related Ratios — The following table summarizes the changes in the DSPRP net pension (asset) for the fiscal year-ended December 31, 2022 based on the measurement date of January 1, 2022.

Changes in the Net Pension (Asset)	
Total Pension Liability	
Service Cost	$ 209
Interest Cost	420
Difference Between Expected and Actual Experience	(62)
Benefit Payments	(378)
Net Change in Total Pension Liability	$ 189
Total Pension Liability - Beginning	6,766
Total Pension Liability - Ending	$ 6,955
Plan Fiduciary Net Position	
Contributions - Employer	$ 175
Net Investment Income	1,049
Benefit Payments, Including Refunds of Employee Contributions	(378)
Administrative Expense	(7)
Net change in Plan Fiduciary Net Position	$ 839
Plan Fiduciary Net Position - Beginning	7,636
Plan Fiduciary Net Position - Ending	$ 8,475
Net Pension (Asset)	$ (1,520)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	121.85%

Year-Ended September 30, 2023 - 169 - Amounts are expressed in thousands.

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Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures

Deferred Compensation Plans — In November 2019, SAWS consolidated its prior deferred compensation plans into one plan with Empower Retirement, who acts as an independent administrator of the plan. The plan complies with Section 457(b) of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments) and is classified as an other employee benefit plan for accounting and financial reporting basis. Employee participation is voluntary, and SAWS makes no contributions to the plan. Empower Retirement issues a publicly available financial report that includes financial information relating to participating entities. The report may be obtained at: http://www.empower-retirement.com/about/financial-strength.

Pension Expense — For the year-ended December 31, 2022, SAWS recognized pension expense under the TMRS, SAWSRP, and DSPRP plans as follows:

Schedule of Pension Expense		
TMRS	$	(1,037)
SAWSRP - Defined Benefit		(6,565)
SAWSRP - Defined Contribution		2,049
DSPRP		(253)
Total Pension Expense	$	(5,806)

Amounts payable to the pension plans by SAWS for contributions totaled $209 at December 31, 2022.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At December 31, 2022, Deferred Outflows of Resources and Deferred Inflows of Resources associated with SAWS plans related to the following sources:

	TMRS		SAWSRP		DSPRP		ALL PLANS	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 1,144	$ (106)	$ 1,278	$ (15)	$ 339	$ (768)	$ 2,761	$ (889)
Changes of Assumptions	70		237	(232)	212		519	(232)
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(15,095)		(29,906)		(999)		(46,000)
Contributions Subsequent to the Measurement Date	4,510		7,000		138		11,648	
Total	$ 5,724	$ (15,201)	$ 8,515	$ (30,153)	$ 689	$ (1,767)	$ 14,928	$ (47,121)

$11,648 reported as deferred outflows of resources related to pension resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year-ending December 31, 2023.

Year-Ended September 30, 2023 - 170 - Amounts are expressed in thousands.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures (Continued)

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
2023	$ (2,246)	$ (6,769)	$ (332)	$ (9,347)
2024	(6,114)	(11,525)	(423)	(18,062)
2025	(2,947)	(6,810)	(299)	(10,056)
2026	(2,680)	(3,534)	(172)	(6,386)
2027			13	13
Thereafter			(3)	(3)
Total	$(13,987)	$ (28,638)	$ (1,216)	$ (43,841)

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Year-Ended September 30, 2023 - 171 - Amounts are expressed in thousands.

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Note 11 Other Postemployment Benefits

Summary of Other Postemployment Benefits

The other postemployment benefits are provided at the City and component unit levels. The City's and component units' other postemployment benefits include the City's Retiree Health Care Fund, the Retiree Health & Wellness San Antonio Fire and Police Fund, CPS Energy Health, Life, and Disability, and SAWS Retiree Health Trust.

	Retiree Health Care Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	Total City OPEB Plans	CPS Energy: Health, Life, and Disability	SAWS Retiree Health Trust
Total OPEB Liability	$ 240,754	$ 1,117,541	$ 1,358,295	$ 341,495	$ 82,481
Plan Fiduciary Net Position	6,386	540,639	547,025	391,887	121,520
Net OPEB Liability (Asset)	$ 234,368	$ 576,902	$ 811,270	$ (50,392)	$ (39,039)
Total Deferred Inflows of Resources	$ (269,760)	$ (227,031)	$ (496,791)	$ (49,061)	$ (32,893)
Deferred Outflows of Resources	100,639	114,474	215,113	36,149	1,254
Contributions Subsequent to Measurement Date		36,455	36,455	1,484	9,300
Total Deferred Outflows of Resources	$ 100,639	$ 150,929	$ 251,568	$ 37,633	$ 10,554
Total OPEB Expense	$ 5,634	$ 41,477	$ 47,111	$ (2,488)	$ (44,318)

Primary Government (City)

Plan Description — In addition to the pension benefits discussed in Note 10 Pension and Retirement Plans, the City provides a single-employer defined benefit postemployment benefit plan for Medicare eligible civilian retirees, pre-Medicare eligible civilian retirees, and uniform employees who retired prior to October 1, 1989. Activity related to the postemployment benefits is reported in the Fiduciary Component Unit Retiree Health Care Fund. 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 this plan. The City administers the plan and continues to actively review and have actuarial valuations performed for all programs as required. This plan is administered through an equivalent arrangement.

Medicare eligible retirees and surviving spouses, who have reached age 65 or have otherwise become eligible for Medicare may participate in one of three plans, Medicare Advantage Standard PPO, Medicare Advantage Enhanced PPO, or a fully insured 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 any of the three programs previously listed. Of the current 1,174 participating Medicare retirees, 182 participate in Medicare Advantage Enhanced PPO plan, 990 participate in a Medicare Advantage Standard PPO plan, and two participate in the Medicare Part D Drug Plan (participants not in thousands).

Pre-Medicare retirees and surviving spouses are covered under a program comprised of three self-funded medical plans administered by Blue Cross Blue Shield of Texas; Blue Essential HMO, Consumer Choice PPO, and New Value PPO. These plans may be amended at any time with approval from the City Council. As of September 30, 2023, there were 465 retirees, who have not reached age 65 and are not eligible for Medicare, participating in the pre-Medicare eligible program (participants not in thousands).

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.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

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.

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.

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 program requires employees to meet the retirement eligibility criteria set forth by TMRS and accrued actual years of service with the City.

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.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the total OPEB liability, as of the measurement date, for the fiscal year-ended September 30, 2023, were:

Number of:	
Active Members	7,902
Retirees and Beneficiaries	1,626
Inactive Members [1]	1,379
Total	10,907

[1] Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefits.
Amounts not in thousands.

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 2023 to prefund benefits. Total contributions by the City and Retirees for fiscal year-ended September 30, 2023 were $6,320 and $1,534 respectively. The plan's fiduciary net position is a result of the accumulation of prescription rebates earned and savings from claim payments being lower than anticipated.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Actuarial 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 12.2 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service)
Asset Valuation Method	Fair Market Value
Inflation	2.00%
Remaining Amortization Period	11.2 years
Salary Increase Rate	3.50% per annum
Discount Rate	4.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 6.75% and Ultimate 4.00%; Post-65 Select 5.75% and Ultimate 4.00%; Stop Loss Fees Select 6.75% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

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, 2022. 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 recurring cost-of-living adjustment.

The rate of withdrawal for reasons other than death and retirement has been developed from the TMRS Actuarial Valuation as of December 31, 2022. 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.

Year-Ended September 30, 2023 - 174 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

The target allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation
U.S. Government Agency Securities	63.00%
U.S. Treasuries	12.00%
Money Market Mutual Funds	3.30%
Government Investment Pool	21.60%
Repurchase Agreement	0.10%
Total	100.00%

The long-term investment return is 4.00% per annum, which includes inflation of 2.00%.

Discount Rate — The discount rate used to measure the total OPEB Liability was 4.00%, based on the Expected Return on Assets assumption. The City's OPEB Trust is assumed fully funded to cover all future expected benefit payments based on the current OPEB Trust Funding Policy. As of the current valuation, the Policy is to fund, annually, an amount equal to the benefit payments required each year.

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 4.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (3.00%) or 1.00% higher (5.00%) than the current rate:

	1.00% Decrease 3.00%	Current Discount 4.00%	1.00% Increase 5.00%
Net OPEB Liability	$ 269,987	$ 234,368	$ 216,393

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 (5.75% decreasing to 3.00%) or 1.00% higher (7.75% decreasing to 5.00%) than the assumed health benefit costs trend rates:

	1.00% Decrease (5.75% decreasing to 3.00%)	Assumed Rates (6.75% decreasing to 4.00%)	1.00% Increase (7.75% increasing to 5.00%)
Net OPEB Liability	$ 212,292	$ 234,368	$ 275,616

Year-Ended September 30, 2023 - 175 - Amounts are expressed in thousands

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Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability as of the fiscal year-ended September 30, 2023.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	$ 8,203
Interest Cost	10,696
Difference Between Expected and Actual Experience	(35,635)
Benefit Payments	(7,593)
Net Change in Total OPEB Liability	$ (24,329)
Total OPEB Liability - Beginning	265,083
Total OPEB Liability - Ending	$ 240,754
Plan Fiduciary Net Position	
Contributions - Employer	$ 6,320
Contributions - Employee	1,534
Net investment income	241
Benefit Payments, including Refunds of Employee Contributions	(7,593)
Administrative Expense	(22)
Net change in Plan Fiduciary Net Position	$ 480
Plan Fiduciary Net Position - Beginning	5,906
Plan Fiduciary Net Position - Ending	$ 6,386
Net OPEB Liability	$ 234,368
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.65%

Year-Ended September 30, 2023 - 176 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

OPEB Expense — For the year-ended September 30, 2023, the City recognized OPEB expense of $5,634.

Schedule of OPEB Expense		
Service Cost	$	8,203
Interest Cost		10,696
Expected return on assets		152
Employee Contributions		(1,534)
Administrative expenses		22
Current Recognized Deferred Outflows/(Inflows):		
Differences Between Expected and Actual Experience		(28,382)
Changes in Assumptions or Other Inputs		16,531
Projected Investment earnings difference		(54)
Total OPEB Expense	$	5,634

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2023, 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
Net difference in projected and actual earnings on OPEB plan investments	$ -	$ (242)
Changes of Assumptions	100,639	(53,320)
Difference in Expected and Actual Experience		(216,198)
Total	$ 100,639	$ (269,760)

Year-Ended September 30, 2023 - 177 - Amounts are expressed in thousands

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Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

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

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources	
2024	$	(11,906)
2025		(9,721)
2026		(10,085)
2027		(20,560)
2028		(22,411)
Thereafter		(94,438)
Total	$	(169,121)

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 P.O. Box 839966, San Antonio, Texas, 78283-3966. The City's Retiree Health Care Fund's financials are reported as a fiduciary fund in the City's Annual Comprehensive Financial Report (ACFR). The City's ACFR is available for viewing at www.sanantonio.gov.

Retiree Health & Wellness SA Fire and Police Fund

Plan Description — The Retiree Health & Wellness San Antonio Fire and Police Fund (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 October 1, 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 meet 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. The plan is operated on an advance-funded basis and has established the Health Fund as the trust for accumulating assets.

WEB-TPA Employer Services, LLC and WellDyncRx serve as the medical and prescription third party administrators for the Health Fund.

Year-Ended September 30, 2023 - 178 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

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. After age 65, the benefits are coordinated with Medicare. The maximum deductible and out-of-pocket payments are indexed 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, 2023 valuation date, the contributions required by the City were 14.30% of average covered pay of the combined fire and police departments for the City's fiscal year 2023. For the active fire and police employees, the contributions required were 7.15% of the average covered pay for the City's fiscal year 2023.

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Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Total contributions by the City and active members for fiscal year-ended September 30, 2023 were $47,419 and $23,707 respectively.

Going forward, the total statutorily determined contribution rates effective October 1, 2023 through October 1, 2024 are presented in the table below.

Contribution Rates			
Effective Date	**City**	**Member**	**Total**
10/1/2023	14.30%	7.15%	21.45%
10/1/2024[1]	14.30%	7.15%	21.45%

[1] The January 1, 2024 actuarial valuation will determine the actual increase beginning October 1, 2024, where necessary.

Ultimately, the contribution policy also depends upon the total return of the Health 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, 2022, the money-weighted rate of return on plan investments was -7.80%. 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.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement date of December 31, 2022, were:

Number of:	
Active Members	4,151
Retirees and Beneficiaries	4,597
Total	8,748

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Actuarial Assumptions — The net OPEB liability (asset) in the January 1, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Period	15 years
Asset Valuation Method	Adjusted market value gains/losses spread over a five-year period
Inflation	2.75%
Salary Increases	Varies with service
Discount Rate	7.00%
Initial Trend Rate	6.25%
Ultimate Trend Rate	4.25%
Years to Ultimate	Five
Mortality	Based on the PUB-2010 Mortality Tables projected generationally with scale MP-2021.

The long-term expected rate of return on OPEB 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 OPEB 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.

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Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

The target allocation and long-term expected rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Domestic Equity	20.0%	10.30%
International Developed Market Equity	6.0%	5.50%
International Emerging Market Equity	8.0%	2.40%
Private Equity	20.0%	7.00%
Real Estate	10.0%	7.90%
High Yield Bonds	4.0%	4.20%
Bank Loans	5.0%	3.80%
Investment Grade Bonds	5.0%	1.60%
TIPS	4.0%	1.70%
Emerging Markets Debt	3.0%	2.20%
Private Debt	14.0%	9.10%
Cash	1.0%	0.00%
Total	100.00%	
Weighted Average		6.62%

Discount Rate — The discount rate used to measure the net OPEB liability was 7.00%. The 7.00% discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with GASB statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

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 7.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate:

	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net OPEB Liability	$ 749,835	$ 576,902	$ 437,225

Year-Ended September 30, 2023 - 182 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police 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 (5.25% decreasing to 3.25%) or 1.00% higher (7.25% decreasing to 5.25%) than the assumed health benefit costs trend rates:

	1.00% Decrease (5.25% decreasing to 3.25%)	Assumed Rates (6.25% decreasing to 4.25%)	1.00% Increase (7.25% decreasing to 5.25%)
Net OPEB Liability	$ 423,630	$ 576,902	$ 771,005

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability for the year ended September 30, 2023 based on the measurement period ended December 31, 2022.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	$ 29,107
Interest Cost	78,680
Difference Between Expected and Actual Experience	26,011
Changes of Assumptions	(88,239)
Benefit Payments	(45,070)
Net Change in Total OPEB Liability	$ 489
Total OPEB Liability - Beginning	1,117,052
Total OPEB Liability - Ending	$ 1,117,541
Plan Fiduciary Net Position	
Contributions - Employer	$ 45,073
Contributions - Employee	22,533
Net Investment (Loss)	(43,970)
Benefit Payments, including Refunds of Employee Contributions	(45,070)
Administrative Expense	(4,095)
Other	1,920
Net change in Plan Fiduciary Net Position	$ (23,609)
Plan Fiduciary Net Position - Beginning, Restated	564,248
Plan Fiduciary Net Position - Ending	$ 540,639
Net OPEB Liability	$ 576,902
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	48.38%

Year-Ended September 30, 2023 - 183 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

OPEB Expense — For the year-ended September 30, 2023, based on the actuarial valuation of December 31, 2022, the recognized OPEB expense was $41,477. Amounts recognized in the fiscal year represent changes between current and prior measurement dates.

Schedule of OPEB Expense	
Service Cost	$ 29,107
Interest Cost	78,680
Projected Earnings on OPEB Plan Investments	(40,210)
Amortization of Differences Between Projected and Actual Earnings on Plan Investments	17,897
Amortization of Changes of Assumptions	(30,757)
Amortization of Differences Between Expected and Actual Experience	7,118
OPEB plan administrative expenses	4,095
Employee Contributions	(22,533)
Retiree Contributions	(1,920)
Net OPEB Expense	$ 41,477

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2023, 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
Difference in Expected and Actual Experience	$ 53,233	$ (2,174)
Changes of Assumptions	17,860	(224,857)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	43,381	
Contributions Subsequent to the Measurement Date	36,455	
Total	$ 150,929	$ (227,031)

$36,455 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year-ending September 30, 2023.

Year-Ended September 30, 2023 - 184 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year-Ended September 30,		Net Deferred Outflows (Inflows) of Resources
2024	$	(15,600)
2025		(17,043)
2026		(11,731)
2027		(6,804)
2028		(21,755)
Thereafter		(39,624)
Total	$	(112,557)

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 210, San Antonio, Texas, 78216.

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Year-Ended September 30, 2023 - 185 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

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 defined benefit contributory plans:

- CPS Energy Group Health Plan (Health Plan) – a defined-benefit contributory group health plan that provides health, dental, and vision insurance 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 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 & CEO, the Chief Financial Officer, and the Audit & Finance Committee of the Board.

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 liability (asset). 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 OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement dates, for the fiscal year-ended January 31, 2023, were:

	Health	Life	Disability
Number of:			
Active Members	2,900	2,900	3,000
Retirees and Beneficiaries	1,927	2,438	75
Total	4,827	5,338	3,075

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

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, 2021 valuation was the basis for contributions in fiscal year 2023.

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 Energy made no contributions in fiscal year 2023.

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 $977 for fiscal year 2023. 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 Energy made no contributions in fiscal year 2023.

Beginning in fiscal year 2015, the Disability Plan has been 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 0.21% of covered-employee payroll in fiscal year 2023.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

Actuarial Methods and Assumptions — Significant actuarial assumptions used in the calculations for the January 1, 2021, actuarial valuation for fiscal year 2023 included:

	Health	Life	Disability
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level percent; layered periods	Level dollar; layered periods	Level dollar; layered periods
Remaining Amortization Period	26 years	Four years	One year
Asset Valuation Method	Market value gains/losses recognized over five years.	Market value gains/losses recognized over five years.	Market value gains/losses recognized over five years.
Inflation	2.20%, compounded annually	2.20%, compounded annually	2.20%, compounded annually
Salary Increase	3.20% to 11.47%	3.20% to 11.47%	3.20% to 11.47%
Investment Rate of Return	7.00% per year, compounded annually	7.00% per year, compounded annually	7.00% per year, compounded annually
Healthcare Cost Trend Rates	5.50% initial, decreasing to an ultimate rate of 3.70%.	N/A	N/A
Mortality	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2020, with employee rates before termination and healthy annuitant rates after termination.	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2020, with employee rates before termination and healthy annuitant rates after termination.	Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020 Disabled mortality based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020, with sex-distinct rates.

The actuarial assumptions used in the January 1, 2021 valuation for amounts reported in fiscal year 2023 were based on the results of an actuarial experience study completed in 2020 covering experience for the period January 1, 2017 through December 31, 2019.

Year-Ended September 30, 2023 - 188 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

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 rate of return for each major asset class. The assumed allocation and expected real rate of return for each major asset class are summarized in the table below.

	Assumed Asset Allocation	Expected Real Rate of Return
Asset Class		
Equities	56.50%	3.83%
Debt Securities	26.50%	1.95%
Alternative Investments	17.00%	4.01%
Total Investments	100.00%	

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate — The discount rate used to measure the total OPEB liability for fiscal year 2023 was 7.00%. 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.

The following table present the sensitivity of the net OPEB liability (asset) calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total OPEB liability:

	Net OPEB Liability (Asset)		
	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Health	$ (20,409)	$ (48,935)	$ (73,464)
Life	6,415	(779)	(6,656)
Disability	(493)	(678)	(853)
Total	$ (14,487)	$ (50,392)	$ (80,973)

Year-Ended September 30, 2023 - 189 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

Sensitivity of the Net OPEB (Asset) 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% Decrease (4.50% decreasing to 2.70%)	Current Discount (5.50% decreasing to 3.70%)	1.00% Increase (6.50% decreasing to 4.70%)
Net Health Plan OPEB (Asset)	$ (78,527)	$ (48,935)	$ (13,330)

Net OPEB Asset — CPS Energy's net OPEB asset at January 31, 2023 was measured as of January 31, 2022. The total OPEB liability used to calculate the net OPEB asset was determined by actuarial valuations as of January 1, 2021, rolled forward using generally accepted actuarial procedures to the January 31, 2022 measurement date. At January 31, 2023, the net OPEB asset was ($50,392), and is reflected as part of the Other Noncurrent Assets on the Statement of Net Position.

Changes in Net OPEB (Asset)

	Health	Life	Disability	Total
Total OPEB Liability				
Service Cost	$ 4,905	$ 614	$ 712	$ 6,231
Interest Cost	18,604	3,612	457	22,673
Differences Between Expected and Actual Experience	26,691	252	(665)	26,278
Changes of Assumptions	(385)	985	(4)	596
Benefit Payments	(11,915)	(4,255)	(1,230)	(17,400)
Net Change in Total OPEB Liability	$ 37,900	$ 1,208	$ (730)	$ 38,378
Total OPEB Liability - Beginning	240,024	56,000	7,093	303,117
Total OPEB Liability - Ending	$ 277,924	$ 57,208	$ 6,363	$ 341,495
Plan Fiduciary Net Position				
Contributions - Employer	$ -	$ 900	$ 726	$ 1,626
Contributions - Employee		1,156	276	1,432
Medicare Part D Payment	977			977
Earnings on Plan Assets	41,220	6,526	782	48,528
Benefit Payments	(11,915)	(4,255)	(1,230)	(17,400)
Administrative Expense	(1,251)	(26)	(17)	(1,294)
Net Change in Plan Fiduciary Net Position	$ 29,031	$ 4,301	$ 537	$ 33,869
Plan Fiduciary Net Position - Beginning	297,828	53,686	6,504	358,018
Plan Fiduciary Net Position - Ending	$ 326,859	$ 57,987	$ 7,041	$ 391,887
Net OPEB (Asset)	$ (48,935)	$ (779)	$ (678)	$ (50,392)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	117.61%	101.36%	110.66%	114.76%

CPS Energy recorded ($2,488) in OPEB expense for the year-ended January 31, 2023.

Year-Ended September 30, 2023 - 190 - Amounts are expressed in thousands

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Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

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), 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.

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, 2023:

	Health	Life	Disability	Total
Deferred Outflows of Resources				
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	$ 23,473	$ 4,957	$ 36	$ 28,466
Changes of Assumptions	2,759	3,431	1,493	7,683
Contributions Subsequent to the Measurement Date		925	559	1,484
Total Deferred Outflows of Resources	$ 26,232	$ 9,313	$ 2,088	$ 37,633
Deferred Inflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	$ (18,737)	$ (2,146)	$ (283)	$ (21,166)
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	(18,448)	(360)	(1,287)	(20,095)
Changes in Assumptions	(7,666)	(131)	(3)	(7,800)
Total Deferred Inflows of Resources	$ (44,851)	$ (2,637)	$ (1,573)	$ (49,061)

$925 reported as deferred outflows of resources in Life Plan, and $559 in Disability Plan related to OPEB resulting from CPS Energy contributions subsequent to the measurement date, will be recognized as an adjustment of the net OPEB (asset) in the year-ending January 31, 2024.

Year-Ended September 30, 2023 - 191 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

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) 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) in the subsequent fiscal year.

Year-ended January 31,	Health	Life	Disability	Total
2024	$ (2,337)	$ 2,045	$ 51	$ (241)
2025	(8,610)	503	(107)	(8,214)
2026	(7,744)	1,034	(37)	(6,747)
2027	(5,006)	1,055	52	(3,899)
2028	2,330	985	67	3,382
Thereafter	2,748	129	(70)	2,807
Total	$ (18,619)	$ 5,751	$ (44)	$ (12,912)

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.

SAWS does not issue a separate financial report for its OPEB plan.

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.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement date, for the fiscal year-ended December 31, 2022, were:

Number of:	
Active Members	878
Retirees and Beneficiaries	771
Total	1,649

Amount not in thousands.

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

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 $1,747 for year-ended December 31, 2022.

SAWS contributions to the plan are also established by the SAWS 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 payments 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.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between SAWS and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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.

The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for SAWS' OPEB plan.

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Fair Market Value
Remaining Amortization Period	12 Years - Closed
Inflation Rate	2.50%
Salary Increases	3.75% to 9.00%, varies by age
Investment Rate of Return	6.25%
Healthcare Cost Trend:	
Initial	6.00%
Ultimate	3.94%
Mortality	In 2022, the mortality rate was based on PubG-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2021 published in October 2021.

Year-Ended September 30, 2023 - 193 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

Sensitivity of the Net OPEB (Asset) to Changes in the Discount Rate – The discount rate used to measure the total OPEB liability at December 31, 2022 was 6.25%. 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 (asset) calculated at December 31, 2022 using the discount rate of 6.25%, as well as what the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate.

	1.00% Decrease 5.25%	Current Discount 6.25%	1.00% Increase 7.25%
Net OPEB (Asset)	$ (30,819)	$ (39,039)	$ (45,989)

Sensitivity of the Net OPEB (Asset) to Changes in the Health Care Trend Rates – The following table presents the change in the SAWS' OPEB net (asset) calculated at December 31, 2022 assuming healthcare cost trends decrease or increase by one percentage point from the assumptions used in total OPEB liability.

	1.00% Decrease (5.00% decreasing to 2.94%)	Assumed Rates (6.00% decreasing to 3.94%)	1.00% Increase (7.00% decreasing to 4.94%)
Net OPEB (Asset)	$ (41,841)	$ (39,039)	$ (35,941)

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.

Asset Class	Target Allocation	Long-term expected real rate of return
Fixed Income - Core Bond	37.00%	1.42%
Domestic Equity - Large Cap	30.40%	6.54%
Foreign Equity - Developed International	11.30%	5.93%
Domestic Equity - Small Cap	6.40%	8.06%
Domestic Equity - Mid Cap	6.30%	7.36%
Foreign Equity - Emerging Markets	3.10%	8.28%
Fixed Income - High Yield	3.00%	4.14%
Real Estate	2.50%	6.14%
Total	100.00%	

Year-Ended September 30, 2023 - 194 - Amounts are expressed in thousands

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Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

The following table summarizes the change in net OPEB (asset) at December 31, 2022.

Changes in the Net OPEB (Asset)		
Total OPEB Liability		
Service Cost	$	1,712
Interest Cost		7,491
Changes in Terms		(32,517)
Difference Between Expected and Actual Experience		(5,859)
Changes of Assumptions		(3,799)
Benefit Payments		(5,342)
Net change in Total OPEB Liability	$	(38,314)
Total OPEB Liability - Beginning		120,795
Total OPEB Liability - Ending	$	82,481
Plan Fiduciary Net Position		
Contributions - Employer	$	10,442
Contributions - Employee		
Net Investment Income		12,260
Benefit Payments		(5,342)
Administrative Expense		(177)
Net change in Plan Fiduciary Net Position	$	17,183
Plan Fiduciary Net Position - Beginning		104,337
Plan Fiduciary Net Position - Ending	$	121,520
Net OPEB (Asset)	$	(39,039)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		147.33%

SAWS recognized ($44,318) in OPEB expense for the fiscal year-ended December 31, 2022 based on a measurement date of December 31, 2021.

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, 2022 from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ -	$ (17,147)
Changes of Assumptions	1,254	(4,145)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments		(11,601)
Contributions Subsequent to the Measurement Date	9,300	
Total	$ 10,554	$ (32,893)

Year-Ended September 30, 2023 - 195 - Amounts are expressed in thousands

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

$9,300 is reported as deferred outflows of resources related to OPEB resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB (asset) in the year-ending December 31, 2023.

Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year-Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2023	$	(11,265)
2024		(12,706)
2025		(6,551)
2026		(1,117)
Thereafter		
Total	$	(31,639)

Contact Information — Additional information regarding SAWS separately issued stand-alone financial report, contact the San Antonio Water System, at P.O. Box 2449, San Antonio, Texas, 78298-2449. SAWS ACFR is available for viewing at www.saws.org.

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Year-Ended September 30, 2023 - 196 - Amounts are expressed in thousands

Note 12 CPS Energy South Texas Project (STP)

Joint Operations

Units 1 and 2 – CPS Energy is one of three participants in STP, a two-unit nuclear power plant located in Matagorda County, Texas approximately ten miles from the Texas Gulf Coast. The units have a combined nominal output of 2,633 Megawatts (MW). CPS Energy's ownership share (40.0%) in STP Units 1 and 2 represents approximately 1,053 MW of total plant capacity. In addition, STP is owned by NRG Energy (44.0%) and the City of Austin, Texas (16.0%).

The units, along with their support facilities and administrative offices, are located on a 12,220-acre site that is adjacent to the lower Colorado river in Matagorda County. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2.

Effective November 17, 1997, the Participation Agreement among the owners of STP was amended and restated. At that time, South Texas 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. 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. STPNOC, on behalf of the owners of STP, and other utilities have reached settlement agreements with the DOE. In the most recent settlement agreement dated September 1, 2020, the DOE extended its commitment to reimburse STP for allowable spent fuel management expenditures through calendar year 2022. STPNOC reports they anticipate DOE will extend the settlement agreement for another three years in 2023.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Joint Operations (Continued)

Pursuant to STPNOC's analysis of NRC guidance, the first dry cask storage campaign was completed in calendar year 2019, with 12 dry casks stored at the Independent Spent Fuel Storage Installation. STP reported the Dry Cask Storage loading campaign was completed on July 15, 2022. The 2022 Dry Cask Storage campaign included the loading of four casks for Unit 1 and six casks for Unit 2. The next loading campaign is scheduled for 2025 and the plan is to load eight casks for Unit 1 and six for Unit 2.

Ongoing costs for the spent fuel management project are being funded by the STP owners as expenditures are incurred. CPS Energy is entitled to request reimbursements at its discretion 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 to the owners by STP upon receipt of funds from the DOE. 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.

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, the maximum amount that each licensee may be assessed as secondary financial protection following a nuclear incident at any insured facility is $138,000 taking into account a 5.0% adjustment for administrative fees and subject to adjustment for inflation every five years, with the next adjustment expected to be effective no later than November 1, 2023, for the number of operating nuclear units and for each licensed reactor, payable at $20,000 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 each nuclear facility, provides primary protection from nuclear-related liability claims. A Master Worker Certificate policy, with a maximum limit of $450,000 for the nuclear industry, provides protection from radiation tort liability claims of workers at nuclear facilities.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage nuclear accident stabilization and decontamination 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 regulatory required amount. CPS Energy also maintains accidental outage insurance through STP's Nuclear Elective Insurance Limited (NEIL) membership that provides weekly indemnity payments for an insured property loss subject to an applied deductible period. The nuclear property and/or accidental insurance may be subject to a retrospective assessment being paid by members of NEIL and European Mutual Association for Nuclear Insurance (EMANI). A retrospective assessment could occur if losses, as a result of an accident at any nuclear plant insured by NEIL or EMANI, exceed the desired funds of NEIL and/or EMANI.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Decommissioning

In 1991, CPS Energy started accumulating funds for the decommissioning of its 28% 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.

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 pre shutdown 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 pre shutdown 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 pre shutdown or post shutdown 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 2023. In fiscal year 2023, no contributions were made to fund pre shutdown decommissioning costs for CPS Energy's 28.0% ownership in STP. No pre shutdown decommissioning expenses were incurred for the 28.0% ownership in calendar year 2022. For the 12% Trust, pre shutdown costs were funded by AEP's ratepayers. The 12% Trust incurred no pre shutdown decommissioning expenses in calendar year 2023.

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 would be required to be deposited into the Trust.

As of December 31, 2022, CPS Energy had accumulated $473,671 in the 28% Trust. Total funds are allocated to decommissioning costs, pre shutdown 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, 2022, the 28% Trust funds allocated to decommissioning costs totaled $302,498 which exceeded the calculated financial assurance amount of $126,926. Financial assurance is performed every two calendar years.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Decommissioning (Continued)

As of December 31, 2022, $174,141 had been accumulated in the 12% Trust. Total funds are allocated to decommissioning costs, pre shutdown 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, 2022, the 12% Trust funds allocated to decommissioning costs totaled $120,385, which exceeded the calculated financial assurance amount of $54,397. Financial assurance is performed every two calendar years.

CPS Energy accounts for decommissioning in accordance with GASB Statement No. 83 by recognizing its pro rata share of an 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; in years subsequent to the latest study, GASB Statement No. 83 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.

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 Plans 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.

On June 4, 2019, STP's Board of Directors approved freezing the Retirement Plan for non-bargaining participants, effective December 31, 2021.

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, 2019. STPNOC pays monthly premiums for the benefits, to be partially funded by participating employees.

Note 12 CPS Energy South Texas Project (STP) (Continued)

STP Pension Plans and Other Post-Retirement Benefits (Continued)

Employees whose eligible compensation exceeds the limitations established under the 1974 Employee Retirement Income Security Act, $305 for calendar year 2022, 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 $26,138 for fiscal year 2023 and was reflected as an Adjustment for STP Pension Cost on the Statement of Activities.

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Note 13 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, 2023. Grant and local funding received from federal, state, and other governmental agencies but not yet earned as of September 30, 2023 was $188,636, of which $177,664 is reported in the COVID-19 Funds.

Capital Improvement Program

The City will be undertaking various capital improvements during fiscal year 2024. The estimated cost of these improvements is $797,835; of this amount $152,548 will be funded from the 2022 General Obligation Bond Program, and $252,855 from Airport Funding. The 2024 Capital Improvements Program consists of the following:

Function/Program		2024
General Government		
Information Technology	$	27,101
Municipal Facilities		72,941
Other Facilities		6,327
Total General Government	$	106,369
Public Health & Safety		
Drainage	$	38,589
Fire Protection		3,746
Law Enforcement		17,612
Total Public Health & Safety	$	59,947
Recreation & Culture		
Libraries	$	8,360
Parks		88,478
Total Recreation & Culture	$	96,838
Transportation		
Air Transportation	$	252,855
Street		245,756
Total Transportation	$	498,611
Neighborhood Improvements	$	36,070
Total Capital Plan	$	797,835

These projects are scheduled to be funded with a combination of grants, bonds, certificates, notes, and other designated City resources.

Year-Ended September 30, 2023 - 202 - Amounts are expressed in thousands

Note 13 Commitments and Contingencies (Continued)

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, compliance claims, civil rights violations, and employment matters. The estimated liability, including an estimate of incurred but not reported claims, is recorded in the Self-Insurance Program's - Insurance Reserve Fund in the amount $38,526. 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 Self-Insurance Program's - 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.

Rogelio Carlos III, et al. v. Carlos Chavez, et al. SAPD 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. The plaintiff was left paralyzed by the surgical procedure. Plaintiff has filed suit against the City and various officers under 42 U.S.C. § 1983. Discovery is completed. Motions for summary judgment were filed on behalf of the City and all officers. In April 2020, the Court entered its order dismissing all claims against the City and two officers. Claims against the three remaining officers are pending trial. Trial is set for April 8, 2024.

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. At least three individuals were present in the living room. 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 completed. Summary judgment motions were filed on behalf of the City and the officer. The Court granted the City's motion in part and denied it in part. It denied the officer's motion. The officer filed an interlocutory appeal currently pending before the Fifth Circuit. No trial date has been set.

Associated Builders & Contractors of South Texas, Inc., et al. v City of San Antonio, et al. In 2018, the City was served with a petition to enact a paid sick leave ordinance or to place the initiative on the ballot for election. On August 16, 2018, the City enacted Ordinance No. 2018-08-16-0620 mandating that all private employers provide employees paid sick leave. This suit was filed by various business organizations alleging that the ordinance violated the Texas Minimum Wage Act. Plaintiffs sought a temporary injunction and declaratory judgment. A temporary injunction was granted. While this matter was on appeal, the Texas Supreme Court issued an opinion in an Austin case concerning a similar ordinance, finding the ordinance was preempted. Plaintiffs in this case are seeking attorneys' fees in an amount in excess of $250 which is still pending. This matter is not currently set for trial.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Alamo Aircraft, Ltd, v. City of San Antonio. Alamo Aircraft, Ltd. owned and/or leased business properties at 2602 SW 36th Street, 2613 SW 36th Street, and 2602 SW 36th Street for the business of buying and selling commercial and military aircraft parts, tools, and ground support equipment. The business required wide street access for tractor-trailer entering and exiting the property. In approximately 2009, the City began a roadway project for the upgrade and widening of SW 36th Street, and acquired portions of multiple properties, including Plaintiff's properties. Plaintiff alleges the project as built, substantially altered portions of Plaintiff's properties, impacting its ability to conduct business, including forcing Plaintiff to relocate its businesses. Plaintiff also claims the City violated a relocation agreement between the parties, Plaintiff filed suit for review of the City's actions and recovery for alleged violations of 42 USC 4621 and 49 CFR, Part 24 ("URA") and the Texas Property Code Section 21.046. Plaintiff seeks an Order setting aside and reversing the City's relocation determinations and rulings, an award of unspecified amount of damages for relocation entitlements and payments due and owing to Plaintiff, and attorney's fees and costs. This case is not currently set for trial.

Alexander Lance v. City of San Antonio, et al. On May 30, 2020, Plaintiff and two friends were spectators at a George Floyd protest march in downtown San Antonio. As an unidentified SAPD officer walked past, Plaintiff yelled out that the rifle the officer carried had better have the safety on. Plaintiff alleges the officer shot him at close range in the arm and leg with a rubber bullet. Plaintiff alleges other officers rushed over to surround the officer and used flashlights to prevent other witnesses from taking cell phone video. He also claims he was denied medical assistance. Plaintiff filed suit in federal court under 42 U.S.C. 1983 alleging use of excessive force, negligent retention, and failure to train and supervise. Plaintiff sued the City and unnamed John Doe Officers. During the course of discovery, the names of the officers were disclosed and the officers have been served and answered. The City was granted summary judgment on all claims. One SAPD officer is still a defendant in the suit. Trial has not been set.

Anja Contreras, individually and as Representative and Beneficiary to the Estate of Asante Contreras, Deceased v. Mazda Motor Corporation, Mazda Motor of America, Inc., City of San Antonio, Joseph W. Woolard, and Stephen Palade. On May 3, 2020, Defendant Joseph Woolard was wanted on four felony warrants for firing a shotgun at a Bexar County Sheriff's Office deputy. When police officers attempted to contact him at a gas station, he fled for 40 minutes before going the wrong way on IH 35, striking a vehicle, and causing the death of Asante Contreras. Plaintiff filed suit in state court alleging violations of 42 USC 1983, the Texas Tort Claims Act and general negligence. Plaintiff has also asserted claims against Mazda Motor Corp. alleging negligence for the design and safety flaws of the Mazda 3 decedent was driving. Discovery is ongoing. This case is set for trial September 16, 2024.

Tyshell Klinedinst, Indiv. and a/n/f of Shyla Klinedinst, Jhase Klinedinst, and Dominik Sally, Minor children, and Necoa Baker v. City of San Antonio. Tyshell Klinedinst, three minor children and a passenger were driving east on Rigsby Avenue near W.W. White Road when their vehicle was rear-ended by a City vehicle. Plaintiff suffered a back injury with a recommendation for future surgery. Discovery is ongoing. This matter is set for trial September 23, 2024.

Crystal Bass v. City of San Antonio. On May 4, 2018 Plaintiff was driving on Roosevelt Avenue when she claims a Parks & Recreation vehicle failed to yield right of way and collided with her vehicle. Plaintiff suffered significant bodily injuries to her neck and back. Discovery is ongoing. This matter is not currently set for trial.

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Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Jordan Foster Construction v. City of San Antonio. Jordan Foster Construction entered into a contract with the City to provide construction of a drainage project on McCullough Avenue. Jordan Foster made a claim for underpayment of pay applications and quantities, owner caused delays, and failure to timely designate date of substantial completion. After initial attempts to negotiate a resolution, Jordan Foster filed suit against the City alleging breach of contract. The City contends that the work performed by Jordan Foster is faulty and must be repaired. This matter has been settled in February 2024 using project funds.

Maria Monsibais v. City of San Antonio. Plaintiff alleges she was involved in a hit and run with a City vehicle. She claims to have followed the vehicle and photographed it. The City had no record of any vehicle involved in an accident on the date in question. Recently, facts have developed which indicate a City driver may have been involved. Plaintiff alleges back and neck injuries with a future medical procedure recommendation. This matter is not currently set for trial.

Texas Disposal System v. City of San Antonio. Texas Disposal System (TDS) holds a contract with the City to operate the City's waste transfer station on Starcrest Road. TDS alleges the rates allowed under the contract, even with Consumer Price Index adjustments, does not properly compensate them and sought to change the terms of the contract, which the City denied. TDS brought suit against the City in late 2022 claiming the City breached the terms of the contract and seeks damages in excess of $250. Discovery is ongoing. This case is currently set for trial on September 9, 2024.

Samantha Nichole Houston Goodale, et. al. v Mark Seguin, et. al. SAPD officers were assisting federal law enforcement in the execution of a federal warrant when they heard a gunshot. The officer shot his weapon at the Plaintiff's decedent's vehicle, killing decedent. Plaintiffs filed suit in federal district court against the Federal Marshall, the SAPD officer and the City of San Antonio. The Federal Marshall was dismissed from suit. Motions for Summary Judgement have been filed on behalf of the City and the Defendant Officer.

Alexis Tovar, et. al. v City of San Antonio, et. al. On June 23, 2023, officers responded to an apartment complex for a call that a woman cut a fire alarm wire. When confronted by the officers, the woman ran to her apartment. Three officers climbed over the railing on her patio and saw her inside the apartment. The woman made a movement toward the patio window and the officers opened fire, killing her. Plaintiffs filed suit in Federal District Court against the City and the officers, alleging use of excessive force. The City will not be providing representation or indemnification for the officers. Discovery is ongoing. This matter has not been set for trial.

Maria Tijerina, et. al. v City of San Antonio, et. al. SAPD received a call that a woman and her children were being held at gunpoint in their apartment by her boyfriend. SWAT was dispatched to the scene. The boyfriend exited the apartment and while standing on the landing, raised his weapon. SWAT officers discharged their weapons, killing the boyfriend. A single bullet went through the apartment door, ricocheted off an air conditioning vent and struck the woman, killing her. Suit has been filed on behalf of the woman and her children in Federal District Court. The suit has recently been filed and discovery is just beginning.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Mission Road Developmental Center v Cal-Tex Interiors, et. al. Mission Road, a non-profit agency, filed suit against the City and eleven other developers/property owners alleging development in the area of their facility has diverted the natural flow of water, causing flooding and damage on their property. With respect to the City, they allege that the City's construction activities in the area constitute inverse condemnation of their property. Discovery is ongoing. No trial date has been set.

Graciela Robles v City of San Antonio. On July 13, 2022, Plaintiff's vehicle was moving slowly on US Highway 90 West with hazard lights activated and flashing. An SAPD officer, traveling westbound on US Highway 90 rear-ended Plaintiffs vehicle. As a result of the incident, Plaintiff suffered serious injuries for which she seeks to recover damages. Discovery is ongoing. This matter is set for trial on September 23, 2024.

Yasmin Voglewede, et. al. v City of San Antonio. Plaintiffs are all individuals with disabilities who have sued alleging that the City's emergency response plan is inadequate. Specifically, they allege lack of emergency planning, preparation, training, and implementation of emergency measures for persons with disabilities, created life-threatening situations during the winter storm of February 13 - 17, 2021. The parties have agreed to enter into an abatement of this matter for eighteen months as the City works on amending its Emergency Response plan.

Maria Vitela, et.al. v City of San Antonio, et. al. On September 18, 2022, SAPD officers were flagged down to find a suspect wanted on felony warrants. Family members provided a description of the individual. Alejandro Vitela was seen riding his bicycle in the area, against traffic, and matched the description. When stopped, he was not cooperative, said he had a gun and would shoot the officers and then made movements that appeared that he was pulling a weapon. Officers drew their weapon and fatally shot Mr. Vitela. Subsequently, it was determined that he did not have a weapon. A suit has been filed on behalf of Mr. Vitela's estate against the City and one officer. Suit was served on the City on February 6, 2024.

Gary Perez, et.al. v City of San Antonio. The suit was filed in Federal Court challenging the City's plans for rehabilitation and renovation of a portion of Brackenridge Park. Plaintiffs are two individuals who assert they are members of a Native American religious group that recognizes the area as a sacred site. They filed suit seeking access to a particular area of the proposed construction, prohibiting the removal of trees from the area and prohibiting the deterrence of nesting by migratory cormorant birds in the area. An injunction hearing was held in late September, 2023 with an order issued that the individuals be granted limited access to the sacred area. Plaintiffs appealed to the Fifth Circuit. Oral argument was held in early December, 2023. The Fifth Circuit has submitted this case to their mediation docket and it is likely that mediation will take place in the next 60 days.

Juana Morales v City of San Antonio. On August 21, 2020, Plaintiff, Juana Morales, stopped at an intersection and then began to turn left. A SAPD officer driving on the cross street struck Plaintiff's car on the front driver's side. Plaintiff alleges she suffered significant personal injuries. The officer countersued for injuries she incurred. This case is set for trial on August 19, 2024.

Santander Consumer USA v City of San Antonio, et. al. Plaintiff, an auto loan company, filed suit against the City and its contractor managing the City's impound lot. Plaintiff claims that the City's ordinance regarding sending notice on towed vehicles is unconstitutional and deprives them of their due process rights to recover vehicles before they are sold at auction. Plaintiff claims there have been damages in an amount in excess of $250. Motions to dismiss are currently pending. This case is not set for trial.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Claim - Department of Labor. The Department of Labor has undertaken a review of the San Antonio Police Department and women within the department. No suit has been filed but outside counsel has been retained to assist in responding to the investigation.

Claim – Eric Cantu. On October 20, 2022, SAPD Officer James Brennand was dispatched to a McDonald's for a disturbance. On his arrival, the disturbance had abated, but while in the parking lot, he observed a vehicle that had fled from him the night before. Officer Brennand called for backup but approached the vehicle before it arrived. He opened the door, startling the driver, Eric Cantu. Cantu immediately put the vehicle in reverse, causing the car door to strike the officer. Officer Brennand drew his weapon and shot at the vehicle as it drove away. Mr. Cantu was struck several times and was unable to continue driving within a block. Mr. Cantu was hospitalized for multiple gunshot wounds. Officer Brennand was terminated for failure to follow SAPD policies and procedures and was criminally indicted. A claim has been made on behalf of Eric Cantu but suit has not yet been filed.

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, 2023, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of $240. 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 $198 from the prior fiscal year.

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.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

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, 2023, the City has arbitrage liability of $2,151 for its governmental funds, and no arbitrage liability is recorded for its 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.

Other

Purchase and construction commitments approximated $7,636,118 at January 31, 2023. This amount includes construction commitments, provisions for coal purchases through December 2025, 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 December 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 noncarbon emitting sources. As a community owned provider and as part of the Generation Planning strategy, CPS Energy has a balanced approach of leveraging the community-owned assets with the emergence of new technology. CPS Energy's strategy is focused around energy considerations of system reliability and climate resiliency, customer affordability, environmental sustainability, system flexibility and workforce impact. In August 2019, the CPS Energy Board signed a resolution to support the City of San Antonio's Climate Action and Adaptation Plan (CAAP) with a target of net-zero carbon emissions by 2050. The CAAP also has two interim goals, a 41.0% reduction by 2030 and a 71.0% reduction by 2040 and CPS Energy is working towards these goals. On January 23, 2023, the CPS Energy Board voted for a generation planning portfolio that will include gas, wind, solar and energy storage options. The blended portfolio increases reliability, reduces system risk, and continues progress towards the City's CAAP goals. The chosen portfolio balances reliability and affordability, continues transition to low carbon future, retains experienced workforce to support transition, retains fuel diversity to manage risks, supports expansion of renewables while balancing extreme weather risks, and aligns with community input.

Note 13 Commitments and Contingencies (Continued)

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 since inception, through the middle of fiscal year 2028.

CPS Energy sells 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. CPS Energy also has long-term (greater than one year) wholesale agreements with five public power entities and cities, providing full or partial requirements. These long-term agreements have varying terms expiring between December 2023 and December 2027. The capacities committed under these agreements represent approximately 5.0% of CPS Energy's current nameplate capacity.

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:

- CPS Energy offers customers the opportunity to better manage their home's energy use through the Wi-Fi 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 Wi-Fi 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 the Sustainable Tomorrow Energy Plan (STEP). As of January 31, 2023, there were 155,127 (not reported in thousands) CPS Energy customers enrolled in Wi-Fi Thermostat Rewards.

- CPS Energy completed the replacement of approximately 23,500 high pressure sodium vapor streetlights with 250-Watt equivalent Light Emitting Diode (LED) streetlights for the City. The streetlights 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. The installation of an additional 1,500 LED streetlights is currently on hold pending direction from the City on lighting for the downtown area. (Streetlights in this paragraph are not reported in thousands).

- The City has authorized CPS Energy to begin residential streetlight LED conversion project. This entails retrofitting approximately 7,800 100W HPS lights to LED. This project began in January 2023 and should be completed this year. (Streetlights in this paragraph are not reported in thousands).

- In November 2011, CPS Energy entered into a $77,025 prepaid agreement for purchased power equal to approximately 60.0% of the anticipated output from 30 MW of solar energy facilities in the San Antonio area. The unamortized balance of the prepayment was $44,489 at January 31, 2023. The agreement expires in 2037, and the purchase of the balance of the output is on a pay-as-you-go basis.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

- 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 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. In addition, CPS Energy also executed two separate 25-year Purchase Power Agreements for Project Pearl and for Project Ivory for 50 MW each.

The table below represents a total capacity of approximately 494 MW for all solar farm facilities included in 25-year power purchase agreements mentioned above:

Facility	Capacity in MW [1]	Achieved Commercial Operations
Alamo 1	39.2	December 2013
St. Hedwig (Alamo 2)	4.4	March 2014
Walzem (Alamo 3)	5.5	January 2015
Eclipse (Alamo 4)	37.6	August 2014
Helios (Alamo 5)	95.0	December 2015
Sirius 1 (Alamo 6)	108.3	March 2017
Solara (Alamo 7)	104.5	September 2016
Sirius 2 (Pearl)	49.1	October 2017
Lamesa 2 (Ivory)	50.0	December 2018
Total 25-year Power Purchase Agreements	493.6	

[1] Capacity in MW from facilities may vary from year to year based on revised annual output estimates.

- Simply Solar is the trademarked name for CPS Energy's Roofless Solar and SolarHostSA Programs. Roofless Solar was launched by CPS Energy in 2015 in partnership with Clean Energy Collective (CEC). CEC built 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. During fiscal year 2021, CPS Energy opted to purchase the solar farm from CEC and assumed maintenance and operational responsibility for the solar farm. 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 successfully installed community solar panels on carports at commercial businesses across San Antonio. The panels were sold to customers who will 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.

Year-Ended September 30, 2023 - 210 - Amounts are expressed in thousands

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

In fiscal year 2018, CPS Energy entered into a 50-year Utilities Privatization Contract (Contract) with the Defense Logistics Agency to operate and maintain the natural gas and the electric utility systems at three Joint Base San Antonio (JBSA) installations: JBSA Randolph, JBSA Lackland and JBSA Chapman Training Annex (formerly Lackland Training Annex). The Department of Defense (DOD) will reimburse CPS Energy for the costs to operate, maintain and upgrade these systems throughout the contract term. Should the contract be terminated, the assets associated with the utility systems at the three JBSA installations owned by CPS Energy would be transferred back to DOD ownership. Additionally, CPS Energy would be reimbursed by the Government for any unrealized investments made into the systems prior to the contract termination date.

In December 2021, ERCOT completed the Public Utility Regulatory Act Chapter 39, Subchapter M, disbursement of an $800,000 securitization to market participants that were owed due to short payments for operating days February 12 to 20, 2021. On November 14, 2022, the United States Bankruptcy Court approved the Brazos Chapter 11 Plan of Reorganization, and on December 15, 2022, the initial Brazos payment of $1,151,400 was paid to ERCOT. Of this, $599,700 was used to fully replenish Congestion Revenue Rights ("CRRs") funds that were temporarily used by ERCOT to reduce the amount of the market shortfall immediately following Winter Storm Uri that was attributable to Brazos's short-pay. Over the next 25 to 30 years, ERCOT is requiring CPS Energy to make monthly payments of its share of the $200,300, which are expected to total approximately $5,472 and CPS Energy is currently making these payments under protest pending current litigation with ERCOT. Additionally, ERCOT claims that CPS Energy may be responsible for additional market uplifts related to other market participants that are in default with ERCOT. The amount of CPS Energy's share of these possible uplifts, which are currently being disputed, cannot be estimated at this time.

On March 12, 2021, CPS Energy filed suit against ERCOT in the Bexar County District Court seeking a declaratory judgment to prevent ERCOT from wrongfully declaring a default by CPS Energy based on a force majeure event and due to ERCOT's prior material breach for short payments to CPS Energy heretofore described. The requested judgment also seeks to prevent ERCOT from requiring CPS Energy and its customers to pay for other market participants' default (i.e., Uplift) based on excessive prices and to prevent ERCOT from charging CPS Energy for any amounts associated with the Pricing Errors identified in the Potomac report issued by the Independent Market Monitor. In December 2021, the Fourth Court of Appeals dismissed CPS Energy's petition on procedural grounds, and without addressing the merits of the case, stating that the Public Utility Commission of Texas (PUCT) has exclusive original jurisdiction over CPS Energy's claims. On January 27, 2022, CPS Energy filed its petition for review with the Texas Supreme Court, which was granted, and oral arguments were held on January 9, 2023. On June 23, 2023, the Texas Supreme Court affirmed that Fourth Court's dismissal of CPS Energy's petition on procedural grounds and held that ERCOT is entitled to sovereign immunity. CPS Energy successfully recovered most of its short-payment claim primarily through implementation of securitization financing by market participants that defaulted on their financial obligations to ERCOT in the aftermath of the 2021 Winter Weather Event, including Rayburn and Brazos electric cooperatives. The proceeds of these securitized transactions by these market participants resulted in repayment of their outstanding short-term payments to ERCOT, which have been used to reimburse short-pay claimants such as CPS Energy.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

CPS Energy purchases natural gas from its suppliers pursuant to market standard contracts promulgated by the North American Energy Standards Boards. Pursuant to these market standard contracts, CPS Energy, in the event of a dispute concerning the payment, is permitted to pay the undisputed portion of amounts invoiced for natural gas delivered and withhold the balance pending resolution of the payment dispute (Disputed Payment Provision, DPP). CPS Energy was charged exorbitant amounts for natural gas deliveries throughout Winter Storm Uri, with some suppliers charging more than $500/MMBtu. CPS Energy believes that these charges, reflective in some cases representing a 15,000% price increase compared to the pre-storm price of the same commodity, are unconscionable and reflect predatory pricing for items essential to its customers during and after declared disasters, such as Winter Storm Uri. CPS Energy has challenged these prices under the DPP and anticipates continuing to use this contractual procedure when appropriate for each of its natural gas supply contracts. (Amounts in this paragraph are not in thousands).

CPS Energy has and will continue to timely pay its natural gas suppliers, once properly invoiced, in accordance with the DPP and other applicable provisions of the natural gas supply contracts. CPS Energy makes no guarantees or predictions regarding the success or failure of its efforts to dispute purported natural gas charges under the DPP or the reactions of its natural gas suppliers in response to CPS Energy's invoking the DPP.

CPS Energy is currently engaged in litigation against three of its natural gas suppliers, in which CPS Energy is disputing under the DPP approximately $362,251 in natural gas prices charged by those suppliers for natural gas in Winter Storm Uri as being unconscionable and volatile of public policy in Texas. The pending gas supplier cases have been consolidated into the Multi District Litigation Panel and have been assigned to a judge in Bexar County for pretrial proceedings. The outcome of this pending litigation remains uncertain as of the issuance of these financial statements.

CPS Energy has also been named as one of many defendants in various other lawsuits arising out of Winter Storm Uri. The outcomes of these pending lawsuits remain uncertain. Additionally, CPS Energy is involved in a number of other lawsuits unrelated to Winter Storm Uri. The outcomes of these pending lawsuits are uncertain.

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.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other

In March 2007, SAWS was orally 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 (SSOs). 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. In June 2013, the Board approved a Consent Decree between SAWS and the United States of America and the State of Texas to resolve this enforcement action. During the 10 to 12-year term of the Consent Decree, SAWS estimated the cost to perform the operating and maintenance requirements of the Consent Decree to be approximately $250,000. SAWS estimates that 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, 2022, capital expenditures related to the Consent Decree totaled $1,078,984, 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 the 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 annual SSOs, from 538 in 2010 to 174 in 2022. (Sanitary sewer overflows not reported in thousands).

SAWS operated 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 notified SAWS that SAWS violated the effluent discharge limitations provided in that Permit as a result of discharges occurring during significant rainfall events.

On August 18, 2016, SAWS received an Administrative Order from the EPA that alleged SAWS violated the Permit by failing to meet effluent limits, as required by the Permit. Mitchell Lake is not a standard brick and mortar wastewater treatment facility. Instead, Mitchell Lake is a unique and environmentally sensitive natural facility that has become a wildlife refuge and an active destination attraction within the City. Mitchell Lake and adjacent wetlands cover approximately 600 acres (not in thousands) and provide an essential habitat where migrating birds can rest and feed. Discharges from Mitchell Lake only occur after significant rainfall events. The intermittent nature of the discharges after rainfall makes traditional treatment options impractical.

Upon receiving the Administrative Order, SAWS began working with consulting experts and conducted preliminary feasibility evaluations of a potential solution that has two major components: (a) modifications to the existing dam with the construction of a new spillway and (b) constructing treatment wetlands of approximately 83 acres (not in thousands) below Mitchell Lake.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

By letter dated February 28, 2019, the EPA delivered a second Administrative Order to SAWS that includes a schedule of activities, which requires completion of the wetlands project by September 30, 2024. To inform the design and operation of a full-scale constructed wetlands, SAWS commenced a pilot wetlands study in 2019 of approximately 1.3 acres. Operations began in the summer of 2019 and after a one-year operation period, a final report was produced in December of 2020. This report adequately documented the efficacy of using constructed wetlands to comply with permitted water quality requirements. On January 9, 2018, SAWS purchased a 283-acre tract of land, a portion of which is anticipated to be used to implement the water quality treatment wetlands project. On September 23, 2022, SAWS acquired an additional 234-acre tract that will be necessary for the implementation of the project as currently designed. At this time, projected costs for the constructed wetlands project are estimated to be $72,000. To date, no monetary penalties have been assessed, although the EPA reserves all rights to seek any appropriate remedies. (Acres referenced in this paragraph are not reported in thousands).

In January 2020, SAWS partnered with the U.S. Army Corps of Engineers (USACE) on an Aquatic Ecosystem Restoration Feasibility Study for Mitchell Lake. The study identified potential future projects for restoring lost and/or degraded ecological functions in several areas adjacent to Mitchell Lake. SAWS cost-share portion of funding for the study was $520.

In March 2021, engineering design commenced for the dam modifications, new spillway, and constructed wetlands. At the direction of EPA, SAWS explored the conversion of Mitchell Lake from its long-held classification as a wastewater treatment facility to a new classification as a Best Management Practice in a Municipal Separate Storm Sewer System permit held jointly by SAWS and the City. The new permit was issued by the TCEQ on December 17, 2021.

On August 11, 2022, the EPA issued a revised schedule of activities extending the completion date to March 31, 2026, in order to allow for completion of additional historical and archaeological review and coordination with appropriate agencies for additional permitting. The project's current timeline sets design to be completed by 2024, with construction expected to be completed by 2026.

As of December 31, 2022, SAWS has entered into various agreements to obtain rights to pump water from the Edwards Aquifer. The term of these agreements varies, with some expiring as early as 2023 and others continuing until 2028. The annual cost per acre-foot ranges from $100 to $140 (per acre-foot figures are not in thousands). Under these various agreements, SAWS paid $2,942 in 2022.

The future commitments under these agreements are as follows:

	2023	2024	2025	2026	2027	Thereafter
Edwards Aquifer - commitments	$ 1,728	$ 657	$ 657	$ 657	$ 309	$ 30
Edwards Aquifer - acre feet leased	13,111	5,232	5,232	5,232	2,464	300

SAWS also has commitments to purchase water supplies under various contracts. All water provided under these contracts is subject to availability.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

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 2023 is estimated to be 2,500 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 $1,178 per acre-foot in 2023 to approximately $1,803 per acre-foot by 2037. (Figures in this paragraph are not in thousands).

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 $820 to $870 per acre-foot. This agreement expires in July 2025 and SAWS has a unilateral option to extend the contract for 10 years. (Figures in this paragraph are not in thousands).

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 District Special Project (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 the 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 $1,251 in 2023 to $1,355 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 landowners to produce water under that permit. (Agreement count and acre-feet 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 2023 and projects payments to landowners will be $1,500. These payments escalate annually based on the average of the increase in the Consumer Price Index and Producers Price Index.

In 2011, SAWS entered into an agreement with the Schertz Seguin Local Government Corporation (SSLGC) to treat water produced by SAWS under its permit with the District at SSLGC's treatment plant in Gonzales County and transport that water through SSLGC's existing transportation pipeline to a SAWS facility in Schertz, Texas and 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 payments 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).

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

The initial term of the agreement with SSLGC expires in 2050 and is automatically 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 $527 per acre-foot in 2023 and peaks at $683 per acre-foot in 2041 and ends at $655 per acre-foot in 2050. This projected price through 2041 includes the debt service associated with the expansion of SSLGC's treatment plant. Payments for any wholesale water purchased from SSLGC are based on SSLGC's operating water rates. The 2023 price also includes the cost of surplus water from SSLGC, which contractually continues to be made available in subsequent years. (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 as of December 31, 2022 was $165 per acre-foot. The agreement has been amended several times with the current agreement 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 annually from 2023 through 2028 and 6,800 acre-feet annually from 2029 to 2042. With an average cost ranging from $973 to $1,451 per acre-foot. (Figures in this paragraph are not in thousands).

Total payments under these water purchase agreements were $28,876 in 2022. A summary of all estimated future payments under all of these agreements 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. The estimates assume price escalations but do not assume the extension of any water purchase agreement. As with any estimate, the actual amounts paid could differ materially.

	2023	2024	2025	2026	2027	Thereafter
Purchased water payments - fixed	$ 24,083	$ 24,390	$ 24,555	$ 24,465	$ 24,858	$ 463,250
Acre feet purchased - fixed	42,507	42,507	41,907	41,307	41,307	834,698
Purchased water payments - variable	$ 16,715	$ 16,995	$ 16,817	$ 16,617	$ 9,717	$ 30,537
Acre feet purchased - variable	13,756	13,532	12,955	12,380	6,876	13,739

On October 30, 2014, the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (Agreement) between the City, acting by and through SAWS, and Vista Ridge LLC (Project Company), pursuant to which the Project Company 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 extension period (up to 20 years) under certain circumstances (hereinafter referred to as the operational phase). The execution of the Agreement represents a significant diversification of the City's water sources, as SAWS projects that Project Water, if delivered at the maximum contractual amount, will account for approximately 20.0% of SAWS' current annual usage.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

Pursuant to the terms of the Agreement, SAWS will pay costs arising under the Agreement, as a maintenance and operating expense of SAWS from a flow of funds perspective, only for Project Water made available at the connection point (which payment will also include the costs of operating and maintaining the Vista Ridge Pipeline Project as described below). SAWS will have no obligation to pay for any debt issued by the Project Company, 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 at $1,606 per acre-foot for the entire 30-year term (and any extension of that term) of the Agreement. (Figures in this paragraph 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 costs. 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.

Delivery of Project Water commenced April 15, 2020. The start of water delivery initiated the 30-year operational phase, during which period SAWS is obligated to pay for Project Water (up to 50,000 acre-feet annually) made available by the Project Company. A total of $102,069 was spent in 2022 to make contractually required payments for water made available, provide for the operations and maintenance of the pipeline, support the operation of the treatment plant, which receives the water made available and provide for the utility expenses associated with the pipeline and the treatment process.

During early 2020, SAWS paid for approximately 9,000 acre-feet of water that it was not able to receive. Consistent with the terms of the Agreement, SAWS recorded a prepaid asset, which as of December 31, 2022 totaled $3,439. Given the priority of water deliveries and payments, it is currently estimated it will take a number of years to fully amortize the prepaid Project Water.

At the end of the operational phase, ownership of the well fields, pumping and related treatment facilities and the pipeline, collectively known as 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 up to 50,000 acre-feet annually of untreated groundwater, for an additional 30-year period upon the termination of the Agreement and transfer of the Project to SAWS. The cost of such water at the end of the Agreement will be tied to prevailing Edwards Aquifer agreements.

Because all Project assets will transfer to SAWS at the end of the Agreement, SAWS recorded the capital assets and a contract payable equal to the acquisition value of the Project Company infrastructure of approximately $929,326 in 2020. During 2022, SAWS recorded depreciation of $23,956 associated with these assets, while reducing the contract payable through the debt service portion of payments to be made under the contract to $887,832 as of December 31, 2022.

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Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

The following table is a schedule of interest and principal payments for each of the next five years and then in five-year increments thereafter.

Year-Ended December 31,	Principal	Interest	Balance
2023	$ 17,033	$ 44,426	$ 61,459
2024	17,788	43,839	61,627
2025	18,479	42,980	61,459
2026	19,251	42,208	61,459
2027	20,059	41,400	61,459
2028-2032	114,004	193,628	307,632
2033-2037	141,388	166,075	307,463
2038-2042	178,199	129,264	307,463
2043-2047	230,888	76,575	307,463
2048-2050	130,743	10,192	140,935
Total	$ 887,832	$ 790,587	$ 1,678,419

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding Project Company debt, contract breakage costs and return of and return on equity contributions. 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, 2022, was estimated to be approximately $1,083,829. SAWS also maintains the option to assume rather than pay off the outstanding Project Company debt. Under either scenario, SAWS purchasing of the Project would result in the recording of additional liabilities totaling approximately $200,000.

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, 2022, SAWS had an arbitrage liability of $23.

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Year-Ended September 30, 2023 - 218 - Amounts are expressed in thousands

Note 14 Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Primary Government (City)

Leases

In fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*. A lease is defined as a contract that conveys control of the right-to-use another entity's nonfinancial asset for a specified period of time. The contractual right-to-use must be for a period of greater than one year in an exchange or exchange-like transaction.

Governmental Activities

Lessee

For leases in which the City is the lessee, the leases are recognized as a lease liability and a lease asset. The lease liability is measured at the present value of the payments expected to be made for the duration of the lease term, with the liability reduced as payments are made. An outflow of resources is recognized for interest paid on the liability. The lease asset is recognized at the initial measurement amount of the lease liability plus additional payments made to the lessor at or before the commencement of the lease and applicable direct costs. The asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

The City leases various assets such as copiers and office buildings. The various contractual agreements include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the consumer price index. The following table is a summary of the leases for the year-ended September 30, 2023.

	October 1, 2022	Additions	Deletions	September 30, 2023
Lease Asset:				
Land	$ 11,958	$ -	$ -	$ 11,958
Buildings	66,334	6,370	(5,894)	66,810
Equipment	21,314	1,355	(216)	22,453
Total	$ 99,606	$ 7,725	$ (6,110)	$ 101,221
Accumulated Amortization:				
Land	$ (603)	$ (328)	$ -	$ (931)
Buildings	(7,756)	(8,840)	4,137	(12,459)
Equipment	(1,752)	(1,874)	214	(3,412)
Total	$ (10,111)	$ (11,042)	$ 4,351	$ (16,802)
Lease Asset, Net	$ 89,495	$ (3,317)	$ (1,759)	$ 84,419

Year-Ended September 30, 2023 - 219 - Amounts are expressed in thousands

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Governmental Activities (Continued)

Lessee (Continued)

As of September 30, 2023, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 9,821	$ 1,908	$ 11,729
2025	8,257	1,692	9,949
2026	8,185	1,495	9,680
2027	7,374	1,295	8,669
2028	6,951	1,109	8,060
2029-2033	17,257	3,870	21,127
2034-2038	9,112	2,673	11,785
2039-2043	6,990	1,755	8,745
2044-2048	5,961	1,149	7,110
2049-2053	579	843	1,422
2054-After	8,009	3,806	11,815
Total	$ 88,496	$ 21,595	$ 110,091

Lessor

For leases in which the City is the lessor, the leases are recognized as a lease receivable measured at the present value of payments expected to be received during the lease term. A deferred inflow of resources is recognized at the measured value of the receivable plus additional payments made at or before the commencement of the lease term for future periods. Additionally, interest revenue is recognized with the lease receivable and as an inflow of resources from the deferred inflow of resources.

The City leases and subleases City-Owned properties such as land, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor, the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the consumer price index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The major leasing activities of the City's governmental funds are presented in the discussion that follows.

The major contributors to the City's lease revenue include Community & Visitor Facilities Fund which accounts for revenues generated from Convention and Tourism activities relating from City of San Antonio owned facilities such as the Convention Center and Alamodome. Also, the Center City Development Operations division leases tenant space of La Villita and the Riverwalk area under various leases, a majority of which are non-cancellable. Hemisfair Park Area Redevelopment Corporation (HPARC) has leases with various parties involving building, restaurant, and parking garage spaces in areas in or adjacent to Hemisfair through 2095. Certain provisions of the leases provide for fixed and variable rental payments, and all are generally designed to allow the City to meet its debt service requirements and recover certain operating and maintenance costs. In addition, certain of the agreements under which the City receives revenue are from the operation of concessions and provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. Total lease revenue received for the fiscal year-ended September 30, 2023 was $20,474 which consisted of $14,714 in fixed payments and $5,760 in variable payments, including interest, for Governmental Activities.

Year-Ended September 30, 2023 - 220 - Amounts are expressed in thousands

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Governmental Activities (Continued)

Lessor (Continued)

As of September 30, 2023, the principal and interest to maturity for the lease receivable are as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 12,829	$ 1,723	$ 14,552
2025	12,379	1,448	13,827
2026	12,914	1,177	14,091
2027	12,493	911	13,404
2028	4,425	814	5,239
2029-2033	11,845	3,116	14,961
2034-2038	5,684	2,234	7,918
2039-2043	3,537	1,817	5,354
2044-2048	3,644	1,442	5,086
2049-2053	3,646	1,058	4,704
2054-2058	2,847	751	3,598
2059-2063	2,334	464	2,798
2064-After	3,723	1,257	4,980
Total	$ 92,300	$ 18,212	$ 110,512

Financed Purchases

The City has lease-purchase contracts that transfer ownership of the underlying asset to the City by the end of the contract. Per GASB Statement No. 87, these contracts are reported as financed purchases and accounted for separately from the City's leases. Total expenditures for financed purchases for fiscal year-ended September 30, 2023 were $1,696.

As of September 30, 2023, the City had future minimum payments for financed purchases with a remaining term in excess of one year for governmental activities as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 1,488	$ 252	$ 1,740
2025	1,468	182	1,650
2026	1,433	115	1,548
2027	926	50	976
2028	371	20	391
Total	$ 5,686	$ 619	$ 6,305

Year-Ended September 30, 2023 - 221 - Amounts are expressed in thousands

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities

Lessee

The Business-Type Activities lease copiers and water dispensers. The terms and conditions for these leases vary and they include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the consumer price index. The agreement terms, including renewal periods, are through August 2027. The following table is a summary of the leases for Business-Type activities for the year-ended September 30, 2023.

	October 1, 2022	Additions	Deletions	September 30, 2023
Lease Asset				
Equipment	$ 155	$ 123	$ (19)	$ 259
Total	$ 155	$ 123	$ (19)	$ 259
Accumulated Amortization				
Equipment	$ (27)	$ (58)	$ 18	$ (67)
Total	$ (27)	$ (58)	$ 18	$ (67)
Lease Asset, Net	$ 128	$ 65	$ (1)	$ 192

As of September 30, 2023, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 51	$ 3	$ 54
2025	51	2	53
2026	51	1	52
2027	41	1	42
Total	$ 194	$ 7	$ 201

Lessor

The City leases property, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the consumer price index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The leasing activities of the City's enterprise funds is presented in the discussion that follows.

The Airport System leases terminal space (except for regulated leases), aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants under various leases, a majority of which are noncancellable and terminate no later than December 2047. Certain provisions of the leases provide for fixed and variable rental payments, and all are generally designed to allow the Airport System to meet its debt service requirements and recover certain operating and maintenance costs. In addition, certain of the agreements under which the Airport System receives revenue is from the operation of concessions at San Antonio International Airport and provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

Year-Ended September 30, 2023 - 222 - Amounts are expressed in thousands

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Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities (Continued)

Lessor (Continued)

The Solid Waste Management System leases land for the use of disposal services. The Nonmajor Enterprise Fund's leases consist of Market Square and Parking System. Market Square accounts for all the lease revenues from the tenants of the Farmers Market, El Mercado, Market Square Parking Lot and Centro De Artes localities. The Parking System leases consist of leasing parking spaces in the Downtown area of the City.

Total lease revenue received for the fiscal year-ended September 30, 2023 was $35,157 for Business-Type Activities, which consisted of $25,103 in fixed payments and $6,436 in variable payments for the Airport System. Solid Waste Management revenues consisted of $124 in fixed payments. Nonmajor Enterprise Funds revenues consisted of $1,692 in fixed payments, including interest.

As of September 30, 2023, the principal and interest to maturity for the lease receivable are as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 11,915	$ 1,810	$ 13,725
2025	11,616	1,592	13,208
2026	9,688	1,395	11,083
2027	9,597	1,200	10,797
2028	9,662	1,005	10,667
2029-2033	25,876	3,026	28,902
2034-2038	9,095	1,518	10,613
2039-2043	6,280	774	7,054
2044-After	4,724	166	4,890
Total	$ 98,453	$ 12,486	$ 110,939

Regulated Leases

The City and United Airlines ("United"), Southwest Airlines ("Southwest"), Delta Air Lines ("Delta"), American Airlines ("American"), FedEx, and UPS the ("Signatory Airlines") entered into Airport Use and Lease agreements ("Regulated Leases") for usage of San Antonio International Airport facilities for the purpose of conducting business as air transportation businesses. These agreements are noncancellable and terminate no later than September 2024 and go into holdover until a new agreement is negotiated. Under the terms of these agreements, Signatory Airlines pay the Airport System monthly based on the annual rental rate/fee schedule. Rate calculations are based on total estimates of costs and expenses, estimates of passengers and total landed weight, and other factors. Final settlements are made each year after the audit of the City's ACFR. Other airlines operating at San Antonio International Airport are billed at rates established by the annual rate/fee schedules. During the holdover period, the airlines will be charged rates per the existing agreement, or a Rates by Ordinance may be instituted.

Year-Ended September 30, 2023 - 223 - Amounts are expressed in thousands

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Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities (Continued)

Regulated Leases (Continued)

Under the agreements with Signatory Airlines, they have exclusive and preferential use of certain spaces and facilities of terminals A and B at San Antonio International Airport and preferential use of certain apron areas. In addition, the agreements with Southwest, Delta, American, and United grants them with preferential use of certain areas of the West Cargo areas at the Airport. Exclusive and preferential use of space are summarized as follows (amounts in the table below are not in thousands):

San Antonio International Airport (SAT)

	American	Delta	Southwest	United	Other
Terminal Areas - Leased Airline Space (sq. ft.)	18,243	14,787	30,282	22,213	4,099
Apron - Leased Airline Space (sq. ft.)	650	375	790	725	
Number of Leased Gates	5	3	6	2	

Total lease revenue received for the fiscal year-ended September 30, 2023 was $63,881 for regulated leases.

	Airport System Regulated Leases			
Carriers	Fixed Payments	Interest	Variable Payments	Total
American	$ 5,290	$ 291	$ 5,911	$ 11,492
Delta	3,864	225	4,817	8,906
Southwest	8,355	507	10,025	18,887
United	5,137	308	5,555	11,000
Other	460	104	13,032	13,596
Total	$ 23,106	$ 1,435	$ 39,340	$ 63,881

Expected future minimum lease payments from Regulated Leases as of September 30, 2023 are summarized in the table below. These payments are projected using the following assumptions: 1) revenues earned from the Signatory Airlines during the year ended September 30, 2023, 2) through the expiration of the agreements with the Signatory Airlines which was amended in December 2022 with a new expiration date of September 30, 2024, 3) the change correlates to the changes in estimated operating expenses between two years, and 4) without considering future expansion and changes in operations by the Airport System or the Signatory Airlines.

Year-Ending September 30,	Aviation
2024	$ 28,471
Total	$ 28,471

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities (Continued)

Financed Purchases

The City has lease-purchase contracts that transfer ownership of the underlying asset to the City by the end of the contract. Per GASB Statement No. 87, these contracts are reported as financed purchases and accounted for separately from the City's leases. Total expenditures for financed purchases for fiscal year-ended September 30, 2023 were $487.

As of September 30, 2023, the City had future minimum payments for financed purchases with a remaining term in excess of one year for business-type activities as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 791	$ 173	$ 964
2025	820	143	963
2026	852	112	964
2027	699	82	781
2028	667	56	723
2029-2033	1,050	35	1,085
Total	$ 4,879	$ 601	$ 5,480

CPS Energy

Leases

CPS Energy accounts for leases in accordance with GASB Statement No. 87, *Leases*, which 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, CPS Energy as a lessee is required to recognize a lease liability and an intangible lease asset, and as a lessor is required to recognize a lease receivable and a deferred inflow of resources.

CPS Energy leases space on poles and street light poles to third party communication providers. In an effort to adhere to state and federal laws, CPS Energy established the Pole Attachment Standards, which includes contract terms and rates formula. The standard terms include a five-year initial contract and successive automatic one-year renewals until contract is terminated by either party by providing six months written notice. The poles standards, standard contract, and rate formula are accessible to all applicants via CPS Energy's website. The total amount of lease revenue for the year-ended January 31, 2023 was $8,453. There were no other or variable lease payments received in fiscal year 2023. In addition, CPS Energy does not issue debt that relies on the receipt of regulated lease payments to pay the debt principal and interest payments.

Year-Ended September 30, 2023 - 225 - Amounts are expressed in thousands

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Note 14 Leases and SBITAs (Continued)

CPS Energy (Continued)

Lessee

CPS Energy leases buildings and equipment from third parties. Lease terms range from two to 15 years. Several leases have an option to extend the lease term after completion of the contracted term. CPS Energy leased assets and associated accumulated amortization are included in capital assets as intangibles. There were no payments recorded in the current period that were not included in the measurement of the lease liability, no commitments prior to the commencement of the lease contracts, and no lease impairments as of January 31, 2023.

The following table summarizes lease balances as of January 31, 2023:

	February 1, 2022	Additions	Deletions	January 31, 2023
Lease assets				
Buildings	$ 2,884	$ -	$ -	$ 2,884
Equipment	2,247		(1,106)	1,141
Total	$ 5,131	$ -	$ (1,106)	$ 4,025
Amortization				
Buildings	$ (984)	$ (504)	$ -	$ (1,488)
Equipment	(634)	(306)	13	(927)
Total	$ (1,618)	$ (810)	$ 13	$ (2,415)
Leases, net	$ 3,513	$ (810)	$ (1,093)	$ 1,610

The following table summarizes future principal and interest payments related to leases as of January 31, 2023:

Year Ended January 31,	Principal	Interest	Total
2024	$ 903	$ 26	$ 929
2025	231	15	246
2026	159	7	166
2027	111	2	113
Total	$ 1,404	$ 50	$ 1,454

Lessor

CPS Energy leases buildings to third parties with terms ranging from two to 19 years, which include options to extend the term. There were no receipts of variable or other lease payments as of fiscal year 2023. The total lease interest and revenue was $1,410 for the year-ended January 31, 2023. In addition, the total leased asset receivable was $6,970 and the corresponding deferred inflow of resources was $11,878 as of January 31, 2023.

Communication Shelters Lease

In fiscal year 2014, CPS Energy entered into an agreement to lease 62 of its communication towers to an independent third party and an additional five in fiscal year 2017, which resulted in a total of 67 tower leases. Additionally, the provisions of the agreement allowed for the third party's ongoing use of communication shelters for a period of 40 years, with three five-year options by the third party to extend the agreement. The third party prepaid the entire contracted lease amount for the term of the agreement and the parties agreed that no further cash payments would be paid by either party for the 40-year lease term.

Year-Ended September 30, 2023 - 226 - Amounts are expressed in thousands

Note 14 Leases and SBITAs (Continued)

San Antonio Water System (SAWS)

Leases

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases.* This Statement covers leases where the entity is the lessee and the lessor. SAWS has agreements for each type. SAWS reviewed all the leases where SAWS is the lessee and determined these leases are not material to the financials. As a result, SAWS did not record any lease liabilities or deferred outflows – leases on the Statement of Net Position. SAWS examined all agreements where SAWS is the lessor and recorded seven leases that are material to the financials and have been included in the Statement of Net Position.

Six of these leases are for rental of space on various water towers which allows cell phone providers to attach transmitter equipment and many include space on the ground for the installation of support equipment. The seventh lease is for acreage at one of the SAWS' water treatment plants for the installation of solar panel equipment for the production of electricity. Once a lease is complete, the lessee is responsible for removing all equipment. The remaining terms of the leases range from five to 22 years inclusive of any anticipated renewal options. These leases were recorded at the net present value of all future payments. None of the lessor agreements are a principal part of SAWS' ongoing operations nor are they subject to paragraph 58 of GASB Statement No. 87.

During 2022, SAWS recognized $288 as lease revenue and $132 in interest revenue. SAWS did not recognize interest revenue related to leases as it was considered immaterial to the financial statements.

Other

During 2020, SAWS entered into capital lease agreements for fleet vehicles. The term of each vehicle lease is five years. Payments are based on the current market value of the vehicle less a residual value. A 4.5% interest rate was used to calculate the payment. A service charge of $250 per vehicle is due at the end of each lease (figures in this sentence are not in thousands). In 2020, SAWS recorded a $402 capital lease liability associated with these leases, which includes the present value of all future payments and the service charge due at the end of the lease. Based on the 2022 implementation of GASB Statement No. 87, all leases were reviewed, and a $250 materiality threshold was established for the present value of all future payments. Since the present value of all future payments did not meet the threshold, the remaining net book value of these vehicles were retired, and the capital lease liability was removed.

Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs)

Primary Government (City)

In fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). A SBITA is defined as a contract that conveys control of the right-to-use another entity's information technology software, alone or in combination with tangible capital assets, for a specified period of time. The contractual right to use must be for a period of greater than one year in an exchange or exchange-like transaction.

SBITAs are recognized as a subscription liability and subscription asset. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges. The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The asset is amortized as an outflow of resources over the subscription term.

Governmental Activities

The City has entered into SBITAs such as software for various desktop and server subscriptions, cloud backup services, document management, computer-aided dispatch, performance measurement, strategic planning, and benchmarking. The following table is a summary of the SBITA activities for the year-ended September 20, 2023:

	October 1, 2022 (Restated)	Additions	Deletions	September 30, 2023
Subscription Assets				
SBITAs	$ 22,755	$ 6,593	$ -	$ 29,348
Total	$ 22,755	$ 6,593	$ -	$ 29,348
Accumulated Amortization				
SBITAs	$ -	$ (10,620)	$ -	$ (10,620)
Total	$ -	$ (10,620)	$ -	$ (10,620)
SBITA Asset, Net	$ 22,755	$ (4,027)	$ -	$ 18,728

As of September 30, 2023, the principal and interest requirements to maturity for SBITA liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 5,582	$ 504	$ 6,086
2025	4,524	313	4,837
2026	2,460	193	2,653
2027	2,390	97	2,487
2028	561	25	586
2029-2033	372	10	382
Total	$ 15,889	$ 1,142	$ 17,031

Year-Ended September 30, 2023 - 228 - Amounts are expressed in thousands

Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Primary Government (City) (Continued)

Business-Type Activities

The City has entered into SBITAs such as software for airport flight management, cloud backup services, and computer-aided design. The following table is a summary of the SBITA activities for the year-ended September 20, 2023:

	October 1, 2022 (Restated)	Additions	Deletions	September 30, 2023
Subscription Assets				
SBITAs	$ 4,712	$ 823	$ -	$ 5,535
Total	$ 4,712	$ 823	$ -	$ 5,535
Accumulated Amortization				
SBITAs	$ -	$ (1,552)	$ -	$ (1,552)
Total	$ -	$ (1,552)	$ -	$ (1,552)
SBITA Asset, Net	$ 4,712	$ (729)	$ -	$ 3,983

As of September 30, 2023, the principal and interest requirements to maturity for SBITA liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2024	$ 1,509	$ 92	$ 1,601
2025	551	42	593
2026	523	21	544
2027	477		477
Total	$ 3,060	$ 155	$ 3,215

Year-Ended September 30, 2023 - 229 - Amounts are expressed in thousands

Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

CPS Energy

The following table summarizes SBITA activities for the year ended January 31, 2023:

	February 1, 2022 (Restated)	Additions	Deletions	January 31, 2023
Subscription Assets				
SBITAs	$ 30,373	$ 4,974	$ (97)	$ 35,250
Total	$ 30,373	$ 4,974	$ (97)	$ 35,250
Amortization				
SBITAs	$ (4,135)	$ (9,125)	$ 97	$ (13,163)
Total	$ (4,135)	$ (9,125)	$ 97	$ (13,163)
SBITAs, net	$ 26,238	$ (4,151)	$ -	$ 22,087

The following table summarizes future principal and interest payments related to SBITA payments as of January 31, 2023:

Year Ended January 31,	Principal	Interest	Total
2024	$ 9,356	$ 86	$ 9,442
2025	907	25	932
2026	160	3	163
2027	14		14
Total	$ 10,437	$ 114	$ 10,551

San Antonio Water System (SAWS)

SAWS did not implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), as of their fiscal year ending December 31, 2022.

Year-Ended September 30, 2023 - 230 - Amounts are expressed in thousands

Note 15 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 those estimated below as a result of market rate changes, price changes, improvements to technology, or changes in applicable laws or regulations.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Liabilities	$ 2,765	$ 5,089	$ (1,280)	$ 6,575
Construction in Progress	$ 1,093	$ 4,630	$ -	$ 5,723
Business-Type Activities:				
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 Public Works Department for the construction of streets, drainage, facility improvements 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 general government, public safety, and public works activities.

The City foresees receiving $207 in recoveries from third parties for the costs associated with cleaning up these pollution obligations.

The business-type 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 2023.

Asset Retirement Obligations

The City 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. GASB Statement No. 83, *Certain Asset Retirement Obligations*, 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.

Year-Ended September 30, 2023 - 231 - Amounts are expressed in thousands

Note 15 Other Obligations (Continued)

Primary Government (City) (Continued)

Asset Retirement Obligations (Continued)

The governmental activities include 33 fuel storage tanks and two 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, 2023, the ARO liability related to the storage tanks was $2,088.

The business-type activities include seven fuel storage tanks with useful lives of 40 years, three above ground oil tanks with useful lives of 40 years and one X-ray machine with a useful life of ten years. Additionally, the City has the following assets with 30-year useful lives; two above ground aqueous film forming foam (AFFF) product storage tanks, piping systems and underground AFFF waste collection tanks, one underground AFFF storage tank and piping system, and one automobile fuel piping system and dispensers (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 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, 2023, the ARO liability related to these assets was $738.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Liabilities	$ 878	$ 1,264	$ (54)	$ 2,088
Business-Type Activities:				
Liabilities	$ 587	$ 151	$ -	$ 738

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 $5,869 as of January 31, 2023. 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 15 Other Obligations (Continued)

CPS Energy (Continued)

Asset Retirement Obligations

CPS Energy accounts for 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. Asset retirement obligations recognized under GASB Statement No. 83 were estimated utilizing information provided by CPS Energy's environmental and engineering staff, external consultants, and costs based on an external cost study for decommissioning.

GASB Statement No. 83 requires the AROs be adjusted for the effects of inflation or deflation at least annually and to evaluate factors to determine if one or more factors is expected to significantly increase or decrease the estimated outlays. 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, 2023, the ARO related to STP Units 1 and 2 was $1,095,936.

- **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 Texas Commission on Environmental Quality. Methods and assumptions to determine the associated liability were based on an internal calculation of cost per square foot of each vault 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, 2023, the ARO related to the vaults was $11,535.

- **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, 2023, the ARO related to the storage tanks was $4,918.

Note 15 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.

  The balance of the AVR LTSA obligation at January 31, 2023, totaled $10,205 which was reported as a noncurrent liability 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, 2023, one set of spare parts was reported as inventory.

  The balance of the Rio Nogales LTSA obligation at January 31, 2023, totaled $25,259 which was reported as a noncurrent liability on the Statement of Net Position.

San Antonio Water System (SAWS)

Pollution Remediation Obligation

SAWS had no material pollution remediation liabilities at December 31, 2022.

Asset Retirement Obligation

SAWS adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective January 1, 2019. SAWS accounts for AROs by recognizing the total obligation as a liability based on the best estimate of the current value of expenditures expected to be incurred once the assets are retired. GASB Statement No. 83 requires the effects of inflation or deflation on the ARO liability be adjusted annually. In addition to the ARO liability, SAWS has recorded associated outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The total liability for AROs was $40,305 at December 31, 2022. The following asset groups have been included in the ARO liability reflected in the Statement of Net Position.

Note 15 Other Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Asset Retirement Obligations (Continued)

Wastewater Treatment Plants (WTPs) – SAWS operates three WTPs in its service area, while also maintains Mitchell Lake, which was previously classified as a WTP. Due to the environmentally sensitive nature and ongoing wetlands project at the plant, the remaining life and the cost to decommission this site are not reasonably estimable and are not included in the ARO liability. The average remaining useful life of the other WTPs is 47 years. The Texas Commission on Environmental Quality requires that a WTP be decommissioned once no longer in service. The cost for decommissioning the other three plants was $38,920 at December 31, 2022. The cost was determined using data from various 2006 contracts relating to the decommissioning of the Salado Creek WTP. The cost includes a 10.0% design allowance. The contract data was inflated to 2022 dollars.

Underground Storage Tanks (USTs) – SAWS maintains 10 USTs across its service area for servicing fleet vehicles. Texas State Law, 30 Texas Administrative Code Chapter 334, requires that USTs be removed from the ground when they are no longer in use. The cost to remove these USTs from the ground is estimated to be $868 at December 31, 2022. The cost was determined using data from a 2020 SAWS contract to remove two USTs at the SAWS' Van Dyke Service Center. The cost includes a 10.0% design allowance. During 2022, one UST was removed.

Desalination Injection Wells – SAWS currently has two injection wells in use with the desalination process. In connection with desalination injection well permits obtained by SAWS from the Texas Commission on Environmental Quality, 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 a remaining useful life of 43 years based on SAWS experience with other wells throughout the system. The cost to plug these wells was estimated to be $517 at December 31, 2022. Data from past contracts for well plugging from 2012 to 2018 was used to determine the costs to plug the various wells currently in service. The contract data was inflated to 2022 dollars. The cost includes a 10.0% design allowance.

The following table summarizes the ARO activity for 2022.

Beginning Balance January 1, 2022	Additions	Deletions	Ending Balance December 31, 2022
$ 36,191	$ 4,255	$ (141)	$ 40,305

Year-Ended September 30, 2023 - 235 - Amounts are expressed in thousands

Note 16 Risk Financing

Primary Government (City)

Property and Casualty Liability

As of October 1, 2013, the City is self-insured for liability claims. Effective January 1, 2015, all auto and general liability claims were brought in-house to be administered internally. The City purchased a property policy through Alliant Property Insurance Programs (APIP) for building property and contents, with a policy loss limit of $1,000,000 per occurrence. The deductible for specific perils and coverages are:

- 3.0% per unit of insurance subject to $1,000 minimum per occurrence for freeze;
- 3.0% per unit of insurance subject to $500 minimum per occurrence for hail;
- 3.0% per unit of insurance subject to $1,000 minimum per occurrence for catastrophic losses, excluding flood and earthquake as defined by meeting the following trigger: property claims services declaration of numbered catastrophic event;
- $250 per occurrence for water damage;
- 3.0% per unit of insurance subject to $500 minimum per occurrence for wind damage;
- $1,000 per occurrence for flood zones A & V (inclusive of all 100 year exposures);
- $500 unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, streetlights, traffic signals, meters, roadways or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs;
- $250 earthquake shock: If the stated deductible is a flat dollar amount, the deductible will apply on a per occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the minimum deductible per occurrence; and
- $25 per police vehicle, except $50 for all police vehicles valued under $250; $100 for All Riot Control Vehicles (RCV) of $250 to $750; $250 for All Vehicles with RCV in excess of $750 per occurrence for off-premises vehicle physical damage. If off-premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a per occurrence basis, unless otherwise stated. If off-premises coverage is not included, on-premises/in-yard coverage is subject to the all risk (basic) deductible.

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. No settlements exceeded insurance coverage in each of the past three years.

In fiscal year 2023, the City purchased cyber liability insurance from Arch Specialty Insurance Company. The cyber liability insurance covers the financial costs associated with a breach and cyber extortion that exceed the deductible of $1,000, with a coverage limit of $5,000. The purchase of this insurance policy mitigates the risk to the City's Self-Insurance Program's – Insurance Reserve Fund in the event a large catastrophic claim occurs.

Note 16 Risk Financing (Continued)

Primary Government (City) (Continued)

Workers' Compensation

As of May 1, 2013, the City is self-insured for workers' compensation claims. The City utilizes a third-party administrator to adjust its claims. In fiscal year 2023, the City purchased workers' compensation stop loss insurance from CHUBB ACE American Insurance Company. The stop loss insurance covers civilian compensation claims that exceed $2,000 and uniformed claims that exceed $5,000. The purchase of the stop loss insurance mitigates the risk to the City's Self-Insurance Program's – Workers' Compensation Fund in the event a large catastrophic claim occurs. No settlements exceeded insurance coverage since it was first purchased in fiscal year 2020.

Obligations for claims 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.

Health Benefits Stop Loss Insurance

Since March 2018, 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 $1,200 per claimant. The purchase of the stop loss insurance mitigates the risk to the City's Self Insurance Program's – Employee Health Benefits Fund and the Fiduciary Retiree Health Care Fund in the event a large catastrophic claim occurs. In calendar year 2022, the City experienced its first claimant with medical claims above the deductible of $1,200.

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 City's Self-insurance Program's – Employee Health Benefits Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

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 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.

Note 16 Risk Financing (Continued)

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 City's Self-Insurance Program's – Employee Health Benefits 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 City's Self-Insurance Program's – Employee Health Benefits 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 2023, the City contributed $725 towards employees' Flexible Spending or Health Savings accounts. In June 2022, the City opened the City Tower Fitness Center which is available to all full-time, part-time, and temporary City employees. This facility was carefully designed to provide an inclusive, inviting, and comprehensive space intended to appeal to all employees regardless of their current fitness level. The Employee Wellness Program is reported in the City's Self-Insurance Program's – Employee Health Benefits Fund .

Claims Liability

The liability for the City's Self-Insurance Program's – Employee Health Benefits Insurance Program is based on the estimated aggregate amount outstanding at the Statement of Net Position date for unpaid benefits. Liabilities for the City's Self-Insurance Programs' – 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 4.0% 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.

Note 16 Risk Financing (Continued)

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:

Programs/Funds	October 1,	Change in Estimate	Claims Incurred	Claims Payments	September 30,
Insurance Reserve:					
Fiscal Year 2022	$ 26,914	$ 7,457	$ 1,188	$ (4,495)	$ 31,064
Fiscal Year 2023	31,064	7,165	760	(463)	38,526
Employee Health Benefits[1]:					
Fiscal Year 2022	$ 8,028	$ 41,334	$ 101,261	$ (141,931)	$ 8,692
Fiscal Year 2023	8,692	45,779	104,073	(150,077)	8,467
Workers' Compensation:					
Fiscal Year 2022	$ 30,722	$ 5,494	$ 7,408	$ (15,234)	$ 28,390
Fiscal Year 2023	28,390	7,577	3,164	(2,971)	36,160

[1] Fiscal Year 2023 fund financial claims expense reflects an additional $315 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 $2,000,000 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 practices liability coverage; and
- Other property and liability insurance coverage, which includes directors and officers, cyber insurance, commercial crime, employee travel and event insurance.

Year-Ended September 30, 2023 - 239 - Amounts are expressed in thousands.

Note 16 Risk Financing (Continued)

CPS Energy (Continued)

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 settlements exceeded insurance coverage and there were no decreases in coverage in the last three fiscal years.

Actuarial studies are performed periodically to assess the adequacy of CPS Energy insurance reserve retentions. Actuarial valuations include nonincremental claims expenses. An actuarial study was completed in fiscal year 2023.

The remaining balance under the Property Reserves (Environmental) column in the table below at January 31, 2023, relates to estimated obligations for the cleanup, closure and post-closure care requirements of the CPS Energy's landfills. CPS Energy has seven landfill/impoundment 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 insurance related claims are recorded against the reserve.

Schedule of Changes in Claims Liability

Fund	Liability February 1,	Claims Adjustments	Claims Payments	Liability January 31,
Property Reserves (Environmental):				
Fiscal Year 2022	$ 19,075	$ 473	$ -	$ 19,548
Fiscal Year 2023	19,548	(238)		19,310
Property Reserves (Insurance):				
Fiscal Year 2022	$ 4,315	$ 807	$ -	$ 5,122
Fiscal Year 2023	5,122	737		5,859
Employee and Public Liability Claims:				
Fiscal Year 2022	$ 16,367	$ 5,889	$ (2,069)	$ 20,187
Fiscal Year 2023	20,187	2,586	(3,064)	19,709

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 —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 are for the purposes of risk mitigation; therefore, these instruments are considered potential hedging derivative instruments under GASB Statement No. 53.

Year-Ended September 30, 2023 - 240 - Amounts are expressed in thousands.

Note 16 Risk Financing (Continued)

CPS Energy (Continued)

On December 14, 2020, the CPS Energy 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.

In accordance with the requirements of GASB Statement No. 53, all fuel hedges are reported on the Statement 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.

As of January 31, 2023, the total fair value of outstanding hedge instruments was a net asset of $13,303. Fuel hedging instruments with a fair value of $27,889 and $22,840 are classified on the Statement of Net Position as a component of current assets and current accounts payable and accrued liabilities, respectively. Long-term fuel hedging instruments with a fair value of $21,235 and $12,981 are classified as a component of other noncurrent assets and other noncurrent liabilities, respectively.

All hedging derivative instruments were evaluated for effectiveness at January 31, 2023. 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 outflows or deferred inflows of resources on the Statement 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 of resources related to fuel hedges totaled $35,783 at January 31, 2023. The deferred inflows of resources related to fuel hedges totaled $20,083 at January 31, 2023.

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Note 16 Risk Financing (Continued)

CPS Energy (Continued)

Following is information related to CPS Energy's outstanding fuel hedging derivative instruments, using the referenced index of Henry Hub. For Type of Transaction on the below table, Houston Ship Channel is presented as HSC, and Western Area Hub Association is presented as WAHA:

Fuel Derivative Instrument Transactions as of January 31, 2023

Type of Transaction		Duration	Volumes in MMBtu	Fair Value	Changes in Fair Value
Long	Natural Gas Swap	Feb 2023 - Jan 2024	13,851,186	$ (3,831)	$ (21,755)
Short	Natural Gas Swap	Feb 2023 - Feb 2023	1,970,000	4,323	8,650
Long	Natural Gas Call Option	Feb 2023 - Jan 2026	66,922,339	33,808	2,065
Long	Natural Gas Put Option	Feb 2023 - Mar 2023	719,000	1,871	2,579
Short	Natural Gas Put Option	Feb 2023 - Mar 2023	275,000	(77)	(68)
Long	HSC Basis Swap	Feb 2023 - Dec 2023	3,744,000	(1,047)	(923)
Long	HSC Gas Daily Swap	Feb 2023 - Feb 2023	2,875,600		
Long	WAHA Basis Swap	Feb 2023 - Jan 2026	76,999,525	(21,723)	(9,274)
Long	WAHA Gas Daily Swap	Feb 2023 - Feb 2023	4,029,200		
				$ 13,324	$ (18,726)

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.

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, 2023, the exposure to all hedge-related counterparties was such that no material counterparty credit risk existed.

Year-Ended September 30, 2023 - 242 - Amounts are expressed in thousands.

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Note 16 Risk Financing (Continued)

CPS Energy (Continued)

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 which the contracts are expected to settle (Henry Hub). For January 2023, the HSC price was $4.40 per MMBtu, the WAHA price was $4.64 per MMBtu and the Henry Hub price was $4.71 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 (PCRRs) and Congestion Revenue Rights (CRRs) as a hedge against congestion costs. The CRRs are purchased at semi-annual and monthly auctions at market value. 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 derivative instruments 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 prepaid expenses.

From time to time, CPS Energy purchases PCRRs with the intent of selling 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 2023.

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. Below is the liability portion disclosure of GASB Statement No. 72:

	January 31, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities				
Financial Instruments				
Current fuel hedges	$ 22,775	$ 77	$ -	$ 22,852
Noncurrent fuel hedges	12,978			12,978
Total financial instruments	$ 35,753	$ 77	$ -	$ 35,830

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 $500 of medical claims per person during 2022.

Note 16 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

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 Water System
Schedule of Changes in Claims Liability

Year-Ended	Balance at Beginning of Fiscal Year	Estimates	Claims and Payments	Balance at End of Fiscal Year	Estimated Due Within One Year
December 31, 2021	$ 8,205	$ 24,234	$ (23,618)	$ 8,821	$ 8,821
December 31, 2022	8,821	19,373	(19,681)	8,513	8,513

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 Series 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 Series 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, 2022, $64,385 of commercial paper notes was hedged by the interest rate swap agreement.

Year-Ended September 30, 2023 - 244 - Amounts are expressed in thousands.

Note 16 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

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 Companies Inc. 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 $3,434 at December 31, 2022. 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.

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 noncurrent 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 Series 2003 Bonds were redeemed in 2008, the fair value of the swap was negative $6,179. The deferred outflow at the time of redemption was included in the carrying value of the Series 2003 Bonds and resulted in a loss on redemption of $6,179. 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 Series 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was $1,881 at December 31, 2022.

Credit Risk — As of December 31, 2022, 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 Global Ratings, and 'AA' by Fitch Ratings as of December 31, 2022. 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.

Note 16 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

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 the variable-rate debt hedged by the swap consists of commercial paper notes. At December 31, 2022, $64,385 of outstanding commercial paper with current maturities of approximately 31 days was 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.

Swap Payments and Associated Debt — As of December 31, 2022, 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

Year	Principal	Interest Paid on Debt	Interest Rate Swap, Net	Total
2023	$ 4,640	$ 1,396	$ 319	$ 6,355
2024	4,850	1,288	294	6,432
2025	5,070	1,174	268	6,512
2026	5,305	1,055	241	6,601
2027	5,540	930	212	6,682
2028-2033	38,980	2,631	601	42,212
Total	$ 64,385	$ 8,474	$ 1,935	$ 74,794

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Year-Ended September 30, 2023 - 246 - Amounts are expressed in thousands.

Note 17 Interfund Transfers

The following is a summary of interfund transfers for the City for the fiscal year-ended September 30, 2023:

Interfund Transfers	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund:		
Debt Service Fund	$ -	$ 1,816
COVID-19 Funds		876
Nonmajor Governmental Funds	15,629	85,105
Airport System	279	
Solid Waste Management	682	190
Nonmajor Enterprise Funds	2,955	2,928
Internal Service Funds		6,131
Total General Fund	$ 19,545	$ 97,046
Debt Service Fund:		
General Fund	1,816	
Nonmajor Governmental Funds	18,626	
Internal Service Funds	1,275	
Total Debt Service Fund	$ 21,717	$ -
COVID-19 Funds:		
General Fund	876	
Nonmajor Governmental Funds		1,641
Total COVID-19 Funds	$ 876	$ 1,641
2022 General Obligation Bonds:		
Nonmajor Governmental Funds	-	50,465
Total 2022 General Obligation Bonds	$ -	$ 50,465
Nonmajor Governmental Funds:		
General Fund	85,105	15,629
Debt Service Fund		18,626
COVID-19 Funds	1,641	
2022 General Obligation Bonds	50,465	
Airport System	23	
Nonmajor Governmental Funds	523,662	524,075
Solid Waste Management		1,167
Nonmajor Enterprise Funds	822	100
Internal Service Funds	3,008	433
Total Nonmajor Governmental Funds	$ 664,726	$ 560,030
Airport System:		
General Fund		279
Internal Service Funds		794
Nonmajor Governmental Funds		23
Total Airport System	$ -	$ 1,096
Solid Waste Management:		
General Fund	190	682
Nonmajor Governmental Funds	1,167	
Internal Service Funds	914	510
Total Solid Waste Management	$ 2,271	$ 1,192
Nonmajor Enterprise Funds:		
General Fund	2,928	2,955
Nonmajor Governmental Funds	100	822
Nonmajor Enterprise Funds	100	100
Internal Service Funds	87	22
Total Nonmajor Enterprise Funds	$ 3,215	$ 3,899
Internal Service Funds:		
General Fund	6,131	
Debt Service Fund		1,275
Nonmajor Governmental Funds	433	3,008
Airport System	794	
Solid Waste Management	510	914
Nonmajor Enterprise Funds	22	87
Internal Service Funds	1,624	1,624
Total Internal Service Funds	$ 9,514	$ 6,908
Total	$ 721,864	$ 722,277

Year-Ended September 30, 2023 - 247 - Amounts are expressed in thousands

Note 17 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 for each program Pre-K 4 SA and SA: Ready to Work by the City and provided to San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) 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 are used to fund capital projects. All transfers are in accordance with budgetary authorizations.

Different fiscal year-ends exist between the City and ECEMDC (September 30th and June 30th, respectively); therefore, interfund transfers do not eliminate by $413 from transfers received from Early Education Development and SA: Ready To Work. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to ECEMDC represents its obligation to provide the 1/8 cent sales tax, for each program Pre-K 4 SA and SA: Ready to Work, collected 60 days after September 30, 2023; however, ECEMDC's transfers from other funds illustrates the City's 1/8 cent sales tax, for each program Pre-K 4 SA and SA: Ready to Work, collected 60 days after June 30, 2023. These transfers are in accordance with legislative and contractual requirements.

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Note 18 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.

	General Fund	Debt Service Fund	COVID-19 Funds	2022 General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
In nonspendable form:						
Materials and Supplies	$ 9,532	$ -	$ 18	$ -	$ 3,676	$ 13,226
Prepaid, Deposits and Other	663		3,656		3,681	8,000
Legally or contractually intact:						
Permanent Fund Corpus					6,533	6,533
Total Nonspendable	$ 10,195	$ -	$ 3,674	$ -	$ 13,890	$ 27,759
Restricted:						
Convention and Tourism					4,923	4,923
Debt Service		46,614				46,614
Drainage - Capital Projects				27,882	87,917	115,799
Economic Development & Opportunity					60,051	60,051
Education					134,262	134,262
Environmental					185	185
Fire Protection					233	233
Health Services					36,797	36,797
Law Enforcement					6,697	6,697
Library					1,480	1,480
Municipal Facilities - Capital Projects				22,061	146,097	168,158
Other Capital Projects				122,562	55,997	178,559
Other Purposes					82	82
Parks - Capital Projects				59,938	32,685	92,623
Parks & Recreation					39,983	39,983
Social Services					980	980
Streets - Capital Projects				76,608	212,235	288,843
Urban Redevelopment and Housing					3,532	3,532
Welfare					624	624
Total Restricted	$ -	$ 46,614	$ -	$ 309,051	$ 824,760	$ 1,180,425
Committed:						
Convention and Tourism					145,254	145,254
Economic Development & Opportunity	18,279				2,219	20,498
Environmental	8,213					8,213
Fire Protection	2,066					2,066
General Government	50,351				247	50,598
Health Services	2,030					2,030
Law Enforcement	10,552				866	11,418
Other - Capital Projects					2,061	2,061
Other Purposes					15,885	15,885
Parks & Recreation	5,742				23,586	29,328
Public Works	37,765					37,765
Streets - Capital Projects	8,630				352	8,982
Urban Redevelopment and Housing	13,087				12,204	25,291
Welfare	5,111					5,111
Total Committed	$ 161,826	$ -	$ -	$ -	$ 202,674	$ 364,500
Assigned:						
Convention and Tourism					9,605	9,605
Economic Development & Opportunity					1,294	1,294
Education					267	267
Health Services					7	7
Other Purposes	5					5
Parks & Recreation					9,326	9,326
Urban Redevelopment and Housing					271	271
Total Assigned	$ 5	$ -	$ -	$ -	$ 20,770	$ 20,775
Unassigned	393,226		(22,161)		(22,865)	348,200
Total Fund Balance	$ 565,252	$ 46,614	$ (18,487)	$ 309,051	$ 1,039,229	$ 1,941,659

Year-Ended September 30, 2023 - 249 - Amounts are expressed in thousands

Note 18 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 orders, 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:

General Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 144,339	$ 581,773	$ 726,112

With adoption of the 2023 Budget, the City followed the established Financial Policies approved by City Council:

- Maintain a minimum General Fund ending balance of 15.0% of revenues;
- Maintain Public Safety below 66.0% of the General Fund budget;
- Manage structural balance in the General Fund;
- Maintain a $1,000 contingency in the General Fund and $3,000 in the Capital Budget;
- Address Internal Fund deficits within 3 to 5 years;
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate;
- Annually review property tax relief with a focus on homeowners; and
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals.

The City's maintenance of a minimum General Fund ending balance of 15.0% of revenues is comprised of two components. The City maintains 10.0% of General Fund revenues as a Budgeted Financial Reserve which is adopted by the City Council. This Budgeted Reserve is reviewed and adopted by City Council annually in the City's Budget Ordinance and additions to the balance are considered annually as part of the City's overall budget adoption process. The balance within this Budgeted Financial Reserve as of September 30, 2023, was $143,568 and is presented in the General Fund under the unassigned fund balance classification. The second component is a reserve for a two-year balanced plan for the General Fund which reserves funding to be utilized in the subsequent fiscal year to maintain a balanced budget plan. At the end of fiscal year 2023, $246,092, or 16.0% of budgeted revenues, was reserved for a two-year balanced budget plan and is presented in the General Fund under the unassigned fund balance classification. The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. These reserves provide budgetary flexibility for unexpected events, financial emergencies, or the unusual fluctuation in revenue-expenditure patterns that impact the ability of the City in the short-term to meet its obligations.

Year-Ended September 30, 2023 - 250 - Amounts are expressed in thousands

Note 19 Deficits in Fund Balances / Net Position

Grants

As of September 30, 2023, deficit fund balances are reported in the COVID-19 Funds, Categorical Grant-in Aid Fund and Community Development Program Fund in the amounts of $18,487, $14,684 and $76, respectively. These deficits are primarily due to costs not being reimbursed by the grantor within 60 days after year-end. Of the deficits reported in the COVID-19 Funds, $16,518 is pending reimbursement from FEMA for the FEMA Public Assistance Grant. Of the deficits reported in the Categorical Grant-in Aid Fund, $3,982 is pending reimbursement from FEMA related to the 2021 Winter Freeze event and the Shelter and Services Program grant. The City anticipates receiving payment in fiscal year 2024 for the costs.

Capital Projects Funds

As of September 30, 2023, a deficit fund balance is reported in the General Obligation Projects Fund in the amount of $6,040, and the Certificates of Obligation Projects Fund in the amount of $27, 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 2024.

Enterprise Funds

As of September 30, 2023, deficit net positions are reported in the Solid Waste Management Fund and Development Services Fund in the amounts of $84,824 and $10,081, 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 a deficit net position. The City will continue to pay for these obligations as they become due.

Internal Service Funds

As of September 30, 2023, a deficit net position is reported for the Information Services Fund in the amount of $38,098 and for Capital Management Service Fund (CMS) in the amount of $24,674. 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 a deficit net position. The City will continue to pay for these obligations as they become due.

As of September 30, 2023, deficit net positions are reported for Self-Insurance Programs - Insurance Reserve Fund, and Workers' Compensation Fund in the amount of $3,501, and $5,986, respectively. The Insurance Reserve deficit is primarily due to an increasing trend in reserves for liability associated with bodily injury claims, the associated actuarial accrual, and significant increases in premiums for property insurance. The Workers' Compensation deficit is primarily due to substantial increases in reserve estimates for fatality claims. These deficits will be addressed through assessments within the next three to five years in accordance with the City's financial policy.

Note 20 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 fair value of the endowed assets, if applicable. Fair 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 $13 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 $334 one-time grant from the National Endowment for the Arts.

The City Cemeteries Fund generated $167 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 principal balance of $4,268 was increased by $113 in fiscal year 2023.

The William C. Morris Endowment Fund generated $11 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 principal portion of the fund was provided by the $313 endowment.

The Boza Becica Endowment Fund generated $19 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 balance of $514 is required to be retained in perpetuity.

The Southern Edwards Plateau Endowment Fund generated $46 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. The principal balance of $1,104 was increased by $18 in fiscal year 2023.

Note 20 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements

The City has a fixed term Service Concession Arrangement (SCA) agreement with Mission Park to operate and manage the City cemeteries. 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 2023, the City received $418 in variable payment revenue from Mission Park. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2023.

The City has a SCA agreement with MGA-SA (ending May 2027 with option to renew). 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 $54,382. MGA-SA collects all fees and pays the City loan payments due on outstanding debt issued by the City for the purpose of golf course improvements. In fiscal year 2023, the City received $1,247 in loan payments from MGA-SA. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2023.

The City has a SCA agreement with Go Rio San Antonio, LLC (Go Rio) in which Go Rio operates and manages the river cruises using City owned barges. Go Rio pays the City 51.0% of river barge ticket sales and 15.0% of revenue from merchandise, food and beverage, advertising, and other ancillary services for the life of the contract (ending September 2030 with an option to renew). The agreement also includes $795 for a barge use fee for use of the City owned barges throughout the term of the contract. The assets include 44 barges and accompanying equipment acquired at a value of $9,094. 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 2023, the City received $10,331 in variable payment revenue from Go Rio. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2023.

The City has a SCA agreement with Landry's for operation of the Tower of the Americas (in a holdover period as negotiations to renew are ongoing). 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 $2,474. 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 2023, the City received $1,704 in variable payment revenue from Landry's. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2023.

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Note 20 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements (Continued)

The City has a SCA agreement with Alanis Wrecker Service for operation of the Growden Vehicle Storage Facility, ending September 30, 2024. The City will receive a minimum annual guaranteed payment of $175 or a percentage amount calculated based on their total adjusted gross sales, whichever is greater. 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 $1,906. In fiscal year 2023, the City received $9,695 in variable payment revenue from Alanis. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2023 because the amounts are insignificant.

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Note 21 Restatements

Primary Government (City)

Prosper West San Antonio

Prosper West San Antonio, a blended component unit of the City, has not had their financials reported within the City's Annual Comprehensive Financial Report since fiscal year 2019 due to delays in receipt of the audited financials. Prosper provided fiscal year 2023 audited financials, which necessitates the City to adjust its beginning balances for Governmental Activities and Special Revenue – Nonmajor Governmental Funds.

	Blended Component Units	Nonmajor Special Revenue Funds	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, previously reported:	$ 149,317	$ 556,738	$ 1,723,272	$ 2,575,095
Inclusion of Prosper West (see note disclosure above)	469	469	469	928
Net Position/Fund Balance, Restated, October 1, 2022	$ 149,786	$ 557,207	$ 1,723,741	$ 2,576,023

Discretely Presented Component Units

CPS Energy

CPS Energy, which has a January 31 fiscal year end, adopted GASB Statement No. 96 in fiscal year 2023 and, accordingly, has restated amounts of the affected balances within the financial statements for the fiscal year ending January 31, 2022. As a result of the adoption of the statement in fiscal year 2023, CPS Energy recorded an increase of $26,238 in capital assets, net, and an increase of $15,763 in total liabilities as of January 31, 2022. The SBITA obligation represents the net present value of various agreements. Operating expenses in the Statement of Revenues, Expenses and Changes in Net Position decreased by $10,817 and nonoperating expenses increased by $342 for fiscal year 2022. This resulted in a $10,475 favorable restatement effect on ending net position as of January 31, 2022. There was no effect on net position as of February 1, 2021 for the adoption of GASB 96.

	CPS Energy	Total Component Units
Net Position, as previously reported:	$ 3,880,248	$ 8,140,720
CPS Energy Restatement (see note disclosure above)	10,475	10,475
Net Position, Restated, October 1, 2022	$ 3,890,723	$ 8,151,195

Year-Ended September 30, 2023 - 255 - Amounts are expressed in thousands

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Note 21 Restatements (Continued)

Discretely Presented Component Units (Continued)

San Antonio Water System (SAWS)

Effective January 1, 2022, SAWS, which has a December 31 fiscal year end, implemented GASB Statement No. 87, *Leases.* GASB Statement No. 87 requires the effects of accounting change to be applied retroactively by restating the financial statements. SAWS adopted GASB Statement No. 87 in fiscal year 2022 and accordingly, has restated amounts of the affected balances within the financial statements for the fiscal year ended December 31, 2021. As a result of the adoption of the Statement in fiscal year 2022, SAWS recorded an increase of $288 in current accounts receivable, an increase of $4,264 in noncurrent assets, net, and an increase of $4,552 in deferred inflows of resources for the fiscal year ended December 31, 2021. There was no effect on net position as of January 1, 2021 for the adoption of GASB 87.

Fiduciary Component Units

Retiree Health & Wellness SA Fire and Police Fund (Health Fund)

Effective January 1, 2022, the Health Fund, which has a December 31 fiscal year end, implemented GASB Statement No. 87, *Leases,* which requires the effects of accounting change to be applied retroactively by restating the financial statements. FPRHCF adopted GASB Statement No. 87 in fiscal year 2022 and accordingly, has restated amounts of the affected balances within the financial statements for the fiscal year ended December 31, 2021. As a result of the adoption of the Statement in fiscal year 2022, FPRHCF recorded an increase of $211 in capital assets, net, and an increase of right-to-use leases payable of $223. This resulted in a $12 unfavorable restatement effect on net position restricted for other postemployment benefits for the fiscal year ended December 31, 2021.

	Retiree Health & Wellness San Antonio Fire and Police Fund	Total Pension (And Other Employee Benefit) Trust Funds
Net Position, as previously reported:	$ 564,260	$ 4,721,088
Retiree Health & Wellness San Antonio Fire and Police Fund (see note disclosure above)	(12)	(12)
Net Position, Restated, October 1, 2022	$ 564,248	$ 4,721,076

Year-Ended September 30, 2023 - 256 - Amounts are expressed in thousands

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Note 22 Subsequent Events

Primary Government (City)

Collective Bargaining Agreement

The collective bargaining agreement (CBA) between the City and the International Association of Firefighters (IAFF) Local 624 will expire December 31, 2024. Negotiations between the City and IAFF began in February 2024 with initial proposals occurring on March 29, 2024. The parties expect to achieve a negotiated contract prior to the expiration of the current contract.

CPS Energy Base Rate Increase

On December 7, 2023, the City Council approved an increase to CPS Energy's electric and gas base rates by 4.25% effective February 1, 2024. The City receives 14.0% of CPS Energy gross revenues and the rate increase will result in additional projected revenue of approximately $8,000 in fiscal year 2024. Beginning in fiscal year 2025 revenues from CPS Energy are projected to increase by approximately $12,000.

Financial Policy Updates

The City's 2024 Adopted Budget included an update to the City's Financial Policies. The update includes a policy to annually assess the City's payment from CPS Energy to determine the portion, if any, deemed to be unusual, out of the ordinary, and one-time in nature, and make recommendations for that amount taking into consideration factors such as the City's overall financial position, impact on service delivery, benefit to the community, and responsible ownership.

Property Tax Relief

During the fiscal year 2024 budget process, the City received the certified tax roll for 2023 which showed substantial growth in property values. To provide property tax relief, the fiscal year 2024 budget doubled the General Residence Homestead Exemption from 10% of the appraised value of the residence homestead to the maximum allowed by state law, 20% of the appraised value, and slightly decreases the City's tax rate.

Public Finance Zone (PFZ)

In the last Texas legislative session, SB 2220 was approved which allows the City to create a Public Finance Zone (PFZ). The boundaries of the PFZ are a three-mile radius around the center (specified by longitude and latitude) of a qualifying project which is defined as a convention center or venue. The City has the authority to receive the incremental growth in the State's portion of hotel-associated revenue from hotels within the PFZ above the base year amount (defined as the State's hotel-associated revenue collected within the PFZ in the year in which the City designates the Zone) for up to 30 years. Hotel-associated revenue includes the State's hotel occupancy tax revenue and, from each hotel and business located within a hotel, sales tax revenue, mixed beverage sales tax revenue, and mixed beverage gross receipts tax revenue.

On December 12, 2023, the City adopted an Ordinance designating the Alamodome and the Henry B. Gonzalez Convention Center as qualifying projects and establishing a PFZ. As required under the Statute, the boundaries of the PFZ are a three-mile radius around both designated qualifying projects. This procedural action by the City Council established the PFZ and set calendar year 2023 as the base year for purposes of determining the incremental growth in the State's hotel-associated revenue.

Note 22 Subsequent Events (Continued)

Primary Government (City) (Continued)

San Antonio International Airport Terminal Development

On December 12, 2023, City Council approved a Construction Manager at Risk (CMAR) contract with Hensel Phelps Construction Co. for the new airport terminal development project in an amount not to exceed $1,000,000 inclusive of contingency not to exceed 10.0% of contract value. The CMAR contract is comprised of two phases: pre-construction services to include coordinating with the master architect to design constructability in an efficient manner; and, construction services including a 17-gate concourse and associated aircraft apron with a New Federal Inspection Service area, expansion of the elevated roadway, central utility plant enhancements, a multi-story ground transportation center including additional parking, related demolition/preparation site work and utility improvements.

CPS Energy

CPS Energy Base Rate Increase

On December 7, 2023, the City Council approved CPS Energy's electric and gas base rates by 4.25% effective February 1, 2024. The rate increase will assist CPS Energy in maintaining a strong financial position, meet capital and maintenance requirements of both the electric and gas systems, and investment in the following areas: infrastructure reliability and resiliency, technology and security, system growth, and workforce.

Long-Term Debt

On June 22, 2023, CPS Energy issued $459,450 of Series 2023A Revenue Refunding Bonds. Bond proceeds, including the $50,678 premium associated with the bonds, were used to refund $325,000 and $175,000 par value of the Tax-Exempt Commercial Paper Series A and Tax-Exempt Commercial Paper Series B, respectively. The true interest cost for this issuance, which has maturities from 2024 through 2050, is 4.4%.

On June 22, 2023, CPS Energy issued $177,130 of New Series 2023B Revenue Refunding Bonds. Bond proceeds, including the $15,404 premium associated with the bonds, were used to tender $89,620 par value of Taxable New Series 2020 Revenue Refunding Bonds and $129,315 par value of Taxable New Series 2022 Revenue Refunding Bonds. The true interest cost for this issuance, which has maturities from 2028 through 2044, is 4.2%.

Also on June 22, 2023, CPS Energy issued $100,340 of Series 2023 Variable-Rate Junior Lien Revenue Refunding Bonds. Bond proceeds were used to refund $5,000 and $95,000 par value of the Tax-Exempt Commercial Paper Series A and Tax-Exempt Commercial Paper Series C, respectively. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issuance, which has maturities from 2051 through 2053, is 7.0%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 3.7% and a stepped rate of 8.0%, which is only applicable if the bonds are not remarked before their expiration date.

On November 7, 2023, CPS Energy issued $162,715 of New Series 2023C Revenue Refunding Bonds. Bond proceeds, including the $9,809 premium associated with the bonds, were used to refund $169,230 par value of Series 2014 Revenue Refunding Bonds. The true interest cost for this issuance, which has maturities from 2024 through 2042, is 4.3%. On March 10, 2023, SAWS extended the Revolving Credit Agreement with JPMorgan Chase supporting $400,000 in Commercial Paper Notes, Series A through October 4, 2026. The existing Revolving Credit Agreement with Wells Fargo Bank, N.A. supporting $100,000 in Commercial Paper Notes, Series B expires January 5, 2024.

Note 22 Subsequent Events (Continued)

CPS Energy

CPS Acquisition

On March 27, 2024, CPS Energy and Talen Energy Corporation (Talen) announced an agreement for CPS Energy to purchase Talen's approximately 1,710 MW natural gas fired generation portfolio for approximately $785,000 subject to customary net working capital adjustments at closing. Under the terms of the agreement, CPS Energy will acquire all assets associated with Talen's 897 MW Barney M. Davis and 635 MW Nueces Bay natural gas fired generation facilities located in Corpus Christi, Texas, as well as its 178 MW Laredo Power Station located in Laredo, Texas. There are a combined total of approximately 65 operations employees (not in thousands) at these sites, and they will have the opportunity to become CPS Energy employees at the closing of the acquisition. The transaction is expected to close in the second quarter of calendar 2024 and CPS Energy plans to finance the purchase with short-term liquidity with later plans to convert to long-term bonds. The addition of these units aligns with CPS Energy's generation plan and Vision 2027 strategy, which includes the retirement of older units and the addition of a blend of gas, solar, wind and energy storage.

San Antonio Water System (SAWS)

Long-Term Debt

On April 6, 2023, the City authorized the issuance of SAWS Junior Lien Revenue and Refunding bonds (no reserve fund) not to exceed $424,345. The bonds are supported by a junior lien on and pledge of net revenues of SAWS. The purpose of the bonds is to fund capital improvements of SAWS and refund outstanding debt for savings.

On April 6, 2023, the City authorized SAWS the use of cash on hand in a maximum amount not to exceed $130,000 for the redemption of certain outstanding debt obligations for debt service savings, as well as to pay the costs and expenses related to the redemption. The bonds are supported by a junior lien on and pledge of net revenues of SAWS. The purpose of the bonds is to fund capital improvements of SAWS and/or refund outstanding debt for savings.

On August 2, 2023, SAWS issued $289,165 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2023A (No Reserve Fund). The proceeds from the sale of the bonds will be used to (i) finance capital improvement projects, (ii) refund certain currently outstanding Junior Lien Obligations and (iii) pay the cost of issuance. The term interest rate for these bonds is 5.3%, with initial yields ranging from 3.0% to 4.4%. The true interest cost for this issue, which has maturities in 2024 through 2053, is 4.3%.

On November 15, 2023, SAWS deposited $47,120 from available cash on hand to the paying agent for the redemption of $47,120 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2014A. The redemption of these bonds reduced future debt service by approximately $53,190 between 2024 and 2029.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - (Unaudited)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023			
	BUDGETED AMOUNTS		BUDGETARY BASIS	VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
Resources (Inflows):				
Taxes	$ 856,902	$ 863,792	$ 857,973	$ (5,819)
Licenses and Permits	9,713	9,635	9,907	272
Intergovernmental	32,268	33,958	34,122	164
Revenues from Utilities	423,219	479,178	487,646	8,468
Charges for Services	66,623	68,284	69,578	1,294
Fines and Forfeits	6,268	8,834	9,907	1,073
Miscellaneous	15,412	18,837	21,141	2,304
Investment Earnings	7,773	12,476	15,454	2,978
Transfers from Other Funds	24,062	18,740	19,545	805
Amounts Available for Appropriation	$ 1,442,240	$ 1,513,734	$ 1,525,273	$ 11,539
Charges to Appropriations (Outflows):				
General Government	101,283	107,494	106,767	727
Public Safety	873,574	887,936	887,308	628
Public Works	80,901	90,040	88,810	1,230
Health Services	55,377	57,713	57,364	349
Culture and Recreation	143,750	146,039	144,535	1,504
Urban Redevelopment and Housing	35,947	45,601	44,761	840
Welfare	56,023	60,229	57,709	2,520
Economic Development and Opportunity	15,346	20,689	16,154	4,535
Environmental	9,500	6,490	6,400	90
Transfers to Other Funds	129,278	162,457	162,075	382
Total Charges to Appropriations:	$ 1,500,979	$ 1,584,688	$ 1,571,883	$ 12,805
Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations	(58,739)	(70,954)	(46,610)	24,344
Fund Balance Allocation	58,739	70,954	46,610	(24,344)
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	$ 1,525,273
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(19,545)
Amortized lease revenue, reported in accordance with GASB 87, are revenues for financial reporting purposes but are not inflows of budgetary resources	562
Net value of investments revenue, reported in accordance with GASB 31, are revenues for financial reporting purposes but are not inflows of budgetary resources	1,086
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,507,376
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,571,883
Differences - budget to GAAP:	
Encumbrances and Earmarks for supplies and equipment ordered but not received is reported in the year the orders are placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(144,339)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(97,046)
Lease Right-to-use Asset expenditures, reported in accordance with GASB 87, are expenditures for financial reporting purposes but are not outflows of budgetary resources	1,391
Subscription Right-to-use Asset expenditures, reported in accordance with GASB 96, are expenditures for financial reporting purposes but are not outflows of budgetary resources	3,312
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,335,201

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.

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Pension and Postemployment Schedules

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability									
Service Cost	$ 67,906	$ 60,570	$ 59,600	$ 58,786	$ 55,964	$ 53,965	$ 51,329	$ 47,521	$ 40,902
Interest Cost	154,986	146,526	140,724	134,394	128,149	122,010	115,882	114,257	109,316
Differences Between Expected and Actual Experience	26,867	17,753	(16,719)	(16,405)	(3,125)	(1,637)	1,226	(8,192)	(9,979)
Changes of Assumptions				10,121				4,540	
Benefit Payments, including Refunds of Employee Contributions	(104,420)	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Net Change in Total Pension Liability	$ 145,339	$ 122,910	$ 89,258	$ 94,200	$ 93,918	$ 92,636	$ 92,181	$ 83,384	$ 69,042
Total Pension Liability - Beginning	2,314,343	2,191,433	2,102,175	2,007,975	1,914,057	1,821,421	1,729,240	1,645,856	1,576,814
Total Pension Liability - Ending (a)	$ 2,459,682	$ 2,314,343	$ 2,191,433	$ 2,102,175	$ 2,007,975	$ 1,914,057	$ 1,821,421	$ 1,729,240	$ 1,645,856
Plan Fiduciary Net Position									
Contributions - Employer	$ 56,128	$ 49,827	$ 47,351	$ 46,687	$ 44,278	$ 41,828	$ 36,327	$ 35,915	$ 33,125
Contributions - Employee	27,162	24,213	23,795	24,060	22,783	21,922	20,830	20,027	18,438
Net Investment Income (Loss)	(139,796)	224,308	123,098	220,290	(44,654)	183,805	85,229	1,888	70,349
Benefit Payments, including Refunds of Employee Contributions	(104,420)	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Administrative Expense	(1,211)	(1,039)	(797)	(1,246)	(864)	(953)	(963)	(1,150)	(735)
Other	1,445	7	(31)	(37)	(45)	(48)	(52)	(57)	(60)
Net Change in Plan Fiduciary Net Position	$ (160,692)	$ 195,377	$ 99,069	$ 197,058	$ (65,572)	$ 164,852	$ 65,115	$ (18,119)	$ 49,920
Plan Fiduciary Net Position - Beginning	1,917,556	1,722,179	1,623,110	1,426,052	1,491,624	1,326,772	1,261,657	1,279,776	1,229,856
Plan Fiduciary Net Position - Ending (b)	$ 1,756,864	$ 1,917,556	$ 1,722,179	$ 1,623,110	$ 1,426,052	$ 1,491,624	$ 1,326,772	$ 1,261,657	$ 1,279,776
City's Net Pension Liability - Ending (a) - (b)	$ 702,818	$ 396,787	$ 469,254	$ 479,065	$ 581,923	$ 422,433	$ 494,649	$ 467,583	$ 366,080
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.43%	82.86%	78.59%	77.21%	71.02%	77.93%	72.84%	72.96%	77.76%
Covered Payroll	$ 452,404	$ 403,257	$ 396,539	$ 399,366	$ 379,417	$ 365,112	$ 346,584	$ 333,714	$ 307,138
City's Net Pension Liability as a Percentage of Covered Payroll	155.35%	98.40%	118.34%	119.96%	153.37%	115.70%	142.72%	140.11%	119.19%

This schedule is to be built prospectively. Until a full ten-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, 2023.

Year-Ended September 30, 2023 - 261 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

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 2019, TMRS adopted the 2019 Municipal Retirees of Texas Mortality Tables for post-retirement and the PUB (10) mortality tables, with the Public Safety table used for Males and the General Employee table used for females. 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 (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015[1]	9/30/2014
Total Pension Liability									
Service Cost	$ 80,097	$ 78,637	$ 78,579	$ 75,880	$ 73,354	$ 71,161	$ 74,771	$ 96,631	$ 75,600
Interest Cost	302,041	293,337	283,106	271,542	259,758	246,848	233,943	277,002	207,003
Differences Between Expected and Actual Experience	133,147	(16,681)	(26,279)	(7,535)	50,057	(27,776)	(47,670)	(20,698)	
Changes of Assumptions			16,194					148,315	
Benefit Payments, including Refunds of Employee Contributions	(244,979)	(228,416)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Net Change in Total Pension Liability	$ 270,306	$ 126,877	$ 158,929	$ 166,393	$ 210,477	$ 134,096	$ 108,748	$ 321,463	$ 160,297
Total Pension Liability - Beginning	4,208,476	4,081,599	3,922,670	3,756,277	3,545,800	3,411,704	3,302,956	2,981,493	2,821,196
Total Pension Liability - Ending (a)	$ 4,478,782	$ 4,208,476	$ 4,081,599	$ 3,922,670	$ 3,756,277	$ 3,545,800	$ 3,411,704	$ 3,302,956	$ 2,981,493
Plan Fiduciary Net Position									
Contributions - Employer	$ 88,371	$ 86,324	$ 85,693	$ 81,016	$ 78,312	$ 75,916	$ 75,958	$ 94,816	$ 76,146
Contributions - Employee	44,303	43,213	42,846	40,508	39,182	37,958	37,978	47,408	38,073
Net Investment Income (Loss)	(448,808)	521,575	390,028	449,067	(122,694)	407,278	242,007	(1,919)	223,054
Benefit Payments, including Refunds of Employee Contributions	(244,979)	(228,415)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Administrative Expense	(3,333)	(2,963)	(3,389)	(3,565)	(3,480)	(3,034)	(2,795)	(3,677)	(2,790)
Net Change in Plan Fiduciary Net Position	$ (564,446)	$ 419,734	$ 322,507	$ 393,532	$ (181,372)	$ 361,981	$ 200,852	$ (43,159)	$ 212,177
Plan Fiduciary Net Position - Beginning	4,150,930	3,731,196	3,408,689	3,015,157	3,196,529	2,834,548	2,633,696	2,676,855	2,464,678
Plan Fiduciary Net Position - Ending (b)	$ 3,586,484	$ 4,150,930	$ 3,731,196	$ 3,408,689	$ 3,015,157	$ 3,196,529	$ 2,834,548	$ 2,633,696	$ 2,676,855
City's Net Pension Liability - Ending (a) - (b)	$ 892,298	$ 57,546	$ 350,403	$ 513,981	$ 741,120	$ 349,271	$ 577,156	$ 669,260	$ 304,638
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.08%	98.63%	91.42%	86.90%	80.27%	90.15%	83.08%	79.74%	89.78%
Covered Payroll	$ 359,607	$ 350,758	$ 347,776	$ 328,796	$ 318,038	$ 308,101	$ 308,263	$ 384,807	$ 309,031
City's Net Pension Liability as a Percentage of Covered Payroll	248.13%	16.41%	100.76%	156.32%	233.03%	113.36%	187.23%	173.92%	98.58%

This schedule is to be built prospectively. Until a full ten-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, 2022.

[1] The 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.

Year-Ended September 30, 2023 - 263 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

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: A comprehensive Actuarial Experience Review, covering the period October 1, 2014 through December 31, 2018, was completed in 2019. As a result of that study, the following assumption changes were proposed by the actuary and subsequently were approved by the Board. These changes are reflected for the first time in the disclosure measured as of December 31, 2020:

- The pre-retirement mortality assumption was changed from the sex-distinct RP-2014 Employee Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Employee Amount-Weighted Table for males and females.
- The post-retirement mortality assumption for healthy annuitants was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Healthy Retiree Amount-Weighted Table for males and females.
- The mortality assumption for disabled retirees was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, set forward six years, with rates loaded 7.00% for females, to the PUBS-2010 Safety Disabled Retiree Amount-Weighted Table for males and females.
- The mortality assumption for beneficiaries was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Contingent Survivor Amount-Weighted Table for males and females.
- The generational projection scale was changed from 50.00% of the sex-distinct Scale MP-2014 projected from 2014 to Scale SSA2019-2D projected from 2010.
- The existing service-based retirement rates for both Fire and Police were modified to more accurately reflect observed retirement patterns.
- The assumption for BackDROP utilization was decreased from 95.00% to 90.00% for Firefighters.
- The load for marriage after retirement was reduced from 0.35% to 0.20% for retirees and from 0.80% to 0.40% for disabled annuitants.
- Disability rates were lowered from 30.00% to 10.00% of OASDI rates for Police Officers.
- The age-based withdrawal rates for both Fire and Police were modified to reflect service-based rates for each group, with rates zeroing out after 20 years for service.
- The service-based salary scale table was maintained for both Public Safety groups. The modified rates start at 14.00% with an ultimate rate of 3.00% after nine years of service.
- The percent married assumption was increased from 90.00% to 95.00% for males and lowered from 90.00% to 60.00% for females.
- The payroll growth assumption was lowered from 3.50% to 3.00%.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015	1/31/2014	1/31/2013
Total Pension Liability										
Service Cost	$ 41,129	$ 35,403	$ 36,861	$ 37,175	$ 32,569	$ 31,547	$ 30,183	$ 32,591	$ 33,417	$ 33,470
Interest Cost	150,633	148,068	143,079	137,954	132,861	128,991	122,800	117,802	116,155	112,356
Differences Between Expected and Actual Experience	2,174	(846)	(2,685)	(19,385)	6,025	(18,647)	19,691	(35,634)	(24,410)	25,158
Changes of Assumptions	(9,825)	28,832	(4,940)	(10,129)	77,574			38,296		
Benefit Payments	(114,484)	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)
Net Change in Total Pension Liability	$ 69,627	$ 104,632	$ 71,278	$ 48,646	$ 155,479	$ 50,661	$ 81,381	$ 68,736	$ 50,810	$ 100,307
Total Pension Liability - Beginning	2,164,873	2,060,241	1,988,963	1,940,317	1,784,838	1,734,177	1,652,796	1,584,060	1,533,250	1,432,943
Total Pension Liability - Ending (a)	$ 2,234,500	$ 2,164,873	$ 2,060,241	$ 1,988,963	$ 1,940,317	$ 1,784,838	$ 1,734,177	$ 1,652,796	$ 1,584,060	$ 1,533,250
Plan Fiduciary Net Position										
Contributions - Employer	$ 62,100	$ 56,025	$ 73,435	$ 58,700	$ 46,200	$ 44,500	$ 46,000	$ 55,800	$ 44,400	$ 39,016
Contributions - Employee	14,054	13,890	14,758	13,363	13,039	12,144	11,563	12,140	12,569	12,332
Net Investment Income (Loss)	244,563	187,600	169,004	(48,316)	246,772	207,196	(52,945)	85,520	145,883	110,529
Benefit Payments	(114,484)	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)
Administrative Expense	(487)	(510)	(476)	(391)	(389)					
Net Change in Plan Fiduciary Net Position	$ 205,746	$ 150,180	$ 155,684	$ (73,613)	$ 212,072	$ 172,610	$ (86,675)	$ 69,141	$ 128,500	$ 91,200
Plan Fiduciary Net Position - Beginning	1,916,699	1,766,519	1,610,835	1,684,448	1,472,376	1,299,766	1,386,441	1,317,300	1,188,800	1,097,600
Plan Fiduciary Net Position - Ending (b)	$ 2,122,445	$ 1,916,699	$ 1,766,519	$ 1,610,835	$ 1,684,448	$ 1,472,376	$ 1,299,766	$ 1,386,441	$ 1,317,300	$ 1,188,800
Net Pension Liability - Ending (a) - (b)	$ 112,055	$ 248,174	$ 293,722	$ 378,128	$ 255,869	$ 312,462	$ 434,411	$ 266,355	$ 266,760	$ 344,450
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.99%	88.54%	85.74%	80.99%	86.81%	82.49%	74.95%	83.88%	83.16%	77.53%
Covered Payroll	$ 293,669	$ 286,959	$ 282,302	$ 271,449	$ 254,241	$ 242,477	$ 235,360	$ 256,236	$ 261,085	$ 260,730
Net Pension Liability as a Percentage of Covered Payroll	38.16%	86.48%	104.05%	139.30%	100.64%	128.86%	184.57%	103.95%	102.17%	132.11%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2014 through January 31, 2023.

Year-Ended September 30, 2023 - 265 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: Fiscal year 2020 amounts and following plan years reflect the change in the Employee's Contribution Accumulation rate from 5.50% to 5.25% after January 1, 2018. Fiscal year 2017 amounts and following plan years reflect the change in the Employee's Contribution Accumulation rate from 5.75% to 5.50% after January 1, 2015.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal year 2019 and 2022 and changes to the mortality improvement scale during each period; Fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; Fiscal year 2019 amounts reflect the effect of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability								
Service Cost	$ 6,068	$ 6,233	$ 5,733	$ 5,551	$ 5,332	$ 4,979	$ 4,810	$ 4,379
Interest Cost	16,200	15,448	14,670	13,952	13,268	12,623	12,480	11,960
Differences Between Expected and Actual Experience	1,214	(189)	499	240	54	29	(1,311)	(1,717)
Changes of Assumptions			211				433	
Benefit Payments	(10,261)	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Net Change in Total Pension Liability	$ 13,221	$ 11,198	$ 11,721	$ 10,783	$ 10,322	$ 9,445	$ 9,075	$ 7,161
Total Pension Liability - Beginning	242,093	230,895	219,174	208,391	198,069	188,624	179,549	172,388
Total Pension Liability - Ending (a)	$ 255,314	$ 242,093	$ 230,895	$ 219,174	$ 208,391	$ 198,069	$ 188,624	$ 179,549
Plan Fiduciary Net Position								
Contributions - Employer	$ 4,450	$ 4,440	$ 4,095	$ 4,059	$ 3,852	$ 3,609	$ 3,953	$ 3,721
Contributions - Employee	3,569	3,660	3,412	3,291	3,149	2,935	2,892	2,722
Net Investment Income (Loss)	29,401	16,073	28,632	(5,773)	23,639	10,909	239	8,818
Benefit Payments, including Refunds of Employee Contributions	(10,261)	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Administrative Expense	(136)	(104)	(162)	(111)	(123)	(123)	(146)	(92)
Other	1	(4)	(5)	(6)	(6)	(7)	(7)	(8)
Net Change in Plan Fiduciary Net Position	$ 27,024	$ 13,771	$ 26,580	$ (7,500)	$ 22,179	$ 9,137	$ (406)	$ 7,700
Plan Fiduciary Net Position - Beginning	225,619	211,848	185,268	192,768	170,589	161,452	161,858	154,158
Plan Fiduciary Net Position - Ending (b)	$ 252,643	$ 225,619	$ 211,848	$ 185,268	$ 192,768	$ 170,589	$ 161,452	$ 161,858
Net Pension Liability - Ending (a) - (b)	$ 2,671	$ 16,474	$ 19,047	$ 33,906	$ 15,623	$ 27,480	$ 27,172	$ 17,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.95%	93.20%	91.75%	84.53%	92.50%	86.13%	85.59%	90.15%
Covered Payroll	$ 118,981	$ 121,984	$ 113,750	$ 109,703	$ 104,960	$ 97,818	$ 96,389	$ 90,721
Net Pension Liability as a Percentage of Covered Payroll	2.24%	13.51%	16.74%	30.91%	14.88%	28.09%	28.19%	19.50%

This schedule is to be built prospectively. Until a full ten-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, 2022.

Year-Ended September 30, 2023 - 267 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

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 (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability								
Service Cost	$ 5,036	$ 5,187	$ 5,464	$ 5,629	$ 5,859	$ 5,724	$ 5,004	$ 5,204
Interest Cost	17,026	16,403	16,282	15,101	14,354	13,680	12,596	11,709
Change of Benefit Terms							4,339	
Differences Between Expected and Actual Experience	2,224	(66)	1,700	1,926	(1,394)	712	555	(622)
Changes of Assumptions	413	(1,063)	(1,534)	4,653	1,152	5,532	(405)	2,771
Benefit Payments	(10,669)	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Net Change in Total Pension Liability	$ 14,030	$ 10,371	$ 12,554	$ 18,694	$ 11,997	$ 18,365	$ 15,771	$ 13,266
Total Pension Liability - Beginning	272,187	261,816	249,262	230,568	218,571	200,206	184,435	171,169
Total Pension Liability - Ending (a)	$ 286,217	$ 272,187	$ 261,816	$ 249,262	$ 230,568	$ 218,571	$ 200,206	$ 184,435
Plan Fiduciary Net Position								
Contributions - Employer	$ 6,136	$ 9,131	$ 9,131	$ 7,923	$ 7,982	$ 7,367	$ 7,890	$ 10,339
Contributions - Employee	2,219	2,095	2,528	2,434	2,484	2,533	2,357	
Net Investment Income (Loss)	34,840	31,582	38,722	(7,767)	30,741	6,971	1,215	15,695
Benefit Payments	(10,669)	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Administrative Expense	(293)	(294)	(309)	(360)	(380)	(195)	(17)	
Net Change in Plan Fiduciary Net Position	$ 32,233	$ 32,424	$ 40,714	$ (6,385)	$ 32,853	$ 9,393	$ 5,127	$ 20,238
Plan Fiduciary Net Position - Beginning	274,885	242,461	201,747	208,132	175,279	165,886	160,759	140,521
Plan Fiduciary Net Position - Ending (b)	$ 307,118	$ 274,885	$ 242,461	$ 201,747	$ 208,132	$ 175,279	$ 165,886	$ 160,759
Net Pension Liability (Asset) - Ending (a) - (b)	$ (20,901)	$ (2,698)	$ 19,355	$ 47,515	$ 22,436	$ 43,292	$ 34,320	$ 23,676
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.30%	100.99%	92.61%	80.94%	90.27%	80.19%	82.86%	87.16%
Covered Payroll	$ 75,822	$ 74,643	$ 76,320	$ 78,348	$ 79,417	$ 83,493	$ 85,299	$ 83,812
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(27.57%)	(3.61%)	25.36%	60.65%	28.25%	51.85%	40.23%	28.25%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2015 through December 31, 2022.

Year-Ended September 30, 2023 - 269 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Total pension liability at December 31, 2022 is based on a rollforward of the January 1, 2022 actuarial valuation.

Benefit Changes: In 2015, the normal form of distribution changed and a mandatory employee contribution of 3.00% of payroll was instituted. Effective June 1, 2014, the defined benefit plan was frozen to new entrants.

Changes of assumptions: In 2020, retirement age assumptions were changed to reflect more recent experience. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the Society of Actuaries (SOA). In 2017 through 2022, the mortality assumption was updated for the latest improvement scale. For 2020, the long-term rate of return was adjusted to 6.25%. In 2016, the long-term rate of return was reduced to 6.50%. In 2015, mortality rates were updated to reflect historical data. In 2014, the long-term rate of return was reduced to 6.75%.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability								
Service Cost	$ 209	$ 241	$ 245	$ 257	$ 108	$ 71	$ 124	$ 123
Interest Cost	420	409	371	388	424	418	446	424
Differences Between Expected and Actual Experience	(62)	375	(466)	(622)	101	(381)	18	153
Changes of Assumptions			219	6	15	224		
Benefit Payments	(378)	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Net Change in Total Pension Liability	$ 189	$ 617	$ 39	$ (456)	$ (128)	$ 8	$ 327	$ 470
Total Pension Liability - Beginning	6,766	6,149	6,110	6,566	6,694	6,686	6,359	5,889
Total Pension Liability - Ending (a)	$ 6,955	$ 6,766	$ 6,149	$ 6,110	$ 6,566	$ 6,694	$ 6,686	$ 6,359
Plan Fiduciary Net Position								
Contributions - Employer	$ 175	$ 400	$ 400	$ 400	$ 315	$ 280	$ 308	$ 414
Net Investment Income (Loss)	1,049	998	1,049	(75)	764	306	18	394
Benefit Payments, including Refunds of Employee Contributions	(378)	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Administrative Expense	(7)	(6)	(6)	(7)	(7)	(8)	(6)	(11)
Net Change in Plan Fiduciary Net Position	$ 839	$ 984	$ 1,113	$ (167)	$ 296	$ 254	$ 59	$ 567
Plan Fiduciary Net Position - Beginning	7,636	6,652	5,539	5,706	5,410	5,156	5,097	4,530
Plan Fiduciary Net Position - Ending (b)	$ 8,475	$ 7,636	$ 6,652	$ 5,539	$ 5,706	$ 5,410	$ 5,156	$ 5,097
Net Pension Liability (Asset) - Ending (a) - (b)	$ (1,520)	$ (870)	$ (503)	$ 571	$ 860	$ 1,284	$ 1,530	$ 1,262
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	121.85%	112.86%	108.18%	90.65%	86.90%	80.82%	77.12%	80.15%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2015 through December 31, 2022.

Year-Ended September 30, 2023 - 271 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

The plan was frozen in 2008. Therefore, current and future wages have no impact on net pension liability (asset).

Total pension liability at December 31, 2022, is based on a rollforward of the January 1, 2022 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: In 2020, the interest rate was changed to 6.25%. In 2022, the mortality improvement scale was updated to MP-2020. In 2019, the mortality projection scale was updated to MP-2018. In 2018, the mortality improvement scale was based on MP-2017. In 2017, the mortality table was changed from 1994 GAR projected to 2002 to the RP-2014 table using the MP-2016 improvement scale. The interest rate of return was modified from 7.00% to 6.50% in 2017.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
2020	47,311	47,311		398,863	11.86%
2021	48,180	48,180		393,758	12.24%
2022	56,305	56,305		454,555	12.39%
2023	63,995	63,995		495,336	12.92%

Year-Ended September 30, 2023 - 273 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed market; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	Granted 70.00% ad hoc COLA. Effective 6/1/2021 plan was opened to current and future San Antonio Council Aides Corporation employees.

Year-Ended September 30, 2023 - 274 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
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%
2020	84,775	84,775		343,799	24.64%
2021	85,545	85,545		347,112	24.64%
2022	90,949	90,949		369,110	24.64%
2023	88,561	88,561		359,326	26.64%

[1] Payroll is estimated based on the actual member contributions received and a 12.32% contribution rate.

Year-Ended September 30, 2023 - 275 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily 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 Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases.
Remaining Amortization Period	13.57 years remaining as of January 1, 2022.
Asset Valuation Method	Five-year smoothed fair market value based on expected return of 7.25%.

Actuarial assumptions:

Inflation Rate	3.00%
Salary Increases	3.00% (plus merit scale of 0.00% - 11.00%)
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	Fire: Rates based on years of service ranging from 20 to 43 years, with 100.00% retirement at the earlier of age 65 or 43 years of service. Police: Rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at the earlier of age 65 or 40 years of service.

Mortality:

Pre-retirement	Sex-distinct PUBS-2010 Safety Employee Amount-Weighted Table.
Healthy Annuitant	Sex-distinct PUBS-2010 Safety Healthy Retiree Amount-Weighted Table.
Disabled Annuitant	Sex-distinct PUBS-2010 Safety Disabled Retiree Amount-Weighted Table.
Beneficiaries	Sex-distinct PUBS-2010 Safety Contingent Survivor Amount-Weighted Table.
Future Improvement	Generational Projection using Scale SSA2019-2D improvement scale.

Year-Ended September 30, 2023 - 276 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
2020	53,435	73,435	(20,000)	271,449	27.05%
2021	56,025	56,025		282,302	19.85%
2022	62,050	62,100	(50)	286,959	21.64%
2023	58,986	58,986		293,669	20.09%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended January 31, 2014 through January 31, 2023.

Year-Ended September 30, 2023 - 277 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

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 percent; layered periods
Remaining Amortization Period	26 years
Asset Valuation Method	Fair market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation Rate	2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020, and 3.00% for previous years presented, compounded annually.
Salary Increases	Average, including inflation: 5.54% for fiscal years 2023 and 2022, 5.36% for fiscal year 2021 and 2020, 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, and 5.07% for fiscal year 2014.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2023 and 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 through 2016, 7.75% for prior years.
Cost-of-living Increases	1.25% for fiscal year 2023 and 2022, 1.50% for previous years presented per year.
Mortality	Mortality rates were based on the Pri-2012 Mortality Table projected forward (fully generational) with MP-2020 for 2023, Pri-2012 Mortality Table projected forward (fully generational) with MP-2019 for 2022, RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected (fully generational) with MP-2018 for FY2021;RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected (fully generational) with MP-2017 for fiscal year 2020; 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 fiscal year 2017 and fiscal year 2016; RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females, projected using Scale AA for prior years. Separate tables are used for disabled participants and contingent annuitants.
Other Information	In fiscal year 2020, an additional $20,000 was contributed to the pension plan in excess of the actuarially determined contribution. 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.

Year-Ended September 30, 2023 - 278 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered 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%
2019	4,095	4,095		113,750	3.60%
2020	4,440	4,440		121,984	3.64%
2021	4,450	4,450		118,981	3.74%
2022	4,510	4,510		123,902	3.64%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2014 through December 31, 2022.

Year-Ended September 30, 2023 - 279 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

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 2022, the remaining amortization period is 24 years. In 2015 the amortization period was adjusted to 30 years from 23 in 2014.
Asset Valuation Method	Ten-year smoothed fair market value; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	In 2015, the inflation rate was changed to 2.50% from 3.00% in 2014.
Salary Increases	3.50% to 11.50% for 2020 to 2022, 3.50% to 10.50% for fiscal year 2015 to 2019, and 3.50% to 12.00% for fiscal year 2014, including inflation.
Investment Rate of Return	In 2015 the investment rate of return was lowered from 7.00% to 6.75%.
Retirement Age	Experience-based table of rates that are specific to SAWS plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates projected on a fully generational basis with scale UMP.

Year-Ended September 30, 2023 - 280 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered 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%
2019	9,131	9,131		76,320	11.96%
2020	7,723	9,132	(1,409)	74,643	12.23%
2021	6,136	6,136		75,822	8.09%
2022	4,428	7,000	(2,572)	68,883	10.16%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2014 through December 31, 2022.

Year-Ended September 30, 2023 - 281 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

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 are amortized over ten years.
Asset Valuation Method	Four-year smoothed fair market value.

Actuarial assumptions:

Inflation Rate	2.25% for fiscal year 2022 to 2019, 2.00% for fiscal year 2017, previously it was 2.25%.
Salary Increases	In 2021, changed to a new table based on management philosophies and more recent experience of plan participations. Previously, scale based on 2011-2013 SAWS experience.
Investment Rate of Return	6.25% for fiscal years 2022 to 2020; In 2017, the rate was changed from 6.75% to 6.50%, net of pension expense, including inflation. In 2014, the rate was changed from 7.00% to 6.75%.
Retirement Age	Active: In 2020, changed to a table of rates starting at age 45 and ending at age 70. In 2015, expected retirement ages were adjusted to reflect actual experience from 2011-2013. Previously, the retirement age was based on experience from 2011-2012. Inactive: In 2020, changed from 100.00% at age 62 to a table of rates starting at age 60 and ending at age 65.
Mortality	In 2022, the mortality assumptions were based on PubG-2010 General base rate mortality table projected to future years with historical and assumed Mortality Improvement (MI) rates that were issued by the Society of Actuaries (SOA). PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The January 1, 2022 valuation was based on MP-2021, the most recent MI scale published in October 2021. In 2022, the improvement scale was changed to MP-2021. In 2021, the improvement scale was changed to MP-2020. In 2020, the improvement scale was changed to MP-2019. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the SOA. In 2018 and 2017, the mortality assumption was updated for the latest improvement scale. 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.

Year-Ended September 30, 2023 - 282 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of 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
2019	388	400	(12)	N/A	N/A
2020	290	400	(110)	N/A	N/A
2021	138	175	(37)	N/A	N/A
2022		138	(138)	N/A	N/A

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2014 through December 31, 2022.

Year-Ended September 30, 2023 - 283 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

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	2022: Five years; 2021: Six years; 2020: Seven years; 2019: Eight years; 2018: Nine years; 2017: Ten years; 2016: 11 years; 2015: 12 years; 2014: 13 years
Asset Valuation Method	Fair value with smoothing

Actuarial assumptions:

Inflation Rate	2.25% for fiscal years 2022 to 2020; 2.50% for fiscal year 2019; 2.75% for fiscal year 2015; Previously, 2.00% was used.
Salary Increases	Earned benefits frozen in 2008.
Investment Rate of Return	6.25% for fiscal years 2022 to 2020; 6.50% for fiscal year 2017; Previously 7.00%, net of pension plan investment expense, including inflation was used.
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 2022, the improvement scale was updated to MP-2020. For 2021 through 2019, mortality rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale MP-2018. In 2018, the mortality rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale 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.

Year-Ended September 30, 2023 - 284 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended					
	9/30/2023	9/30/2022 [1]	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability						
Service Cost	$ 8,203	$ 12,177	$ 17,533	$ 12,294	$ 16,893	$ 11,665
Interest Cost	10,696	7,157	10,402	10,653	13,464	11,999
Differences Between Expected and Actual Experience	(35,635)	(792)	(217,862)	(36,898)	(12,617)	
Changes of Assumptions		(56,399)	47,648	83,865	78,030	(32,771)
Benefit Payments	(7,593)	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Net Change in Total OPEB Liability	$ (24,329)	$ (45,464)	$ (148,217)	$ 64,040	$ 88,659	$ (16,546)
Total OPEB Liability - Beginning	265,083	310,547	458,764	394,724	306,065	322,611
Total OPEB Liability - Ending (a)	$ 240,754	$ 265,083	$ 310,547	$ 458,764	$ 394,724	$ 306,065
Plan Fiduciary Net Position						
Contributions - Employer	$ 6,320	$ 6,666	$ 5,938	$ 5,874	$ 7,111	$ 7,439
Contributions - Employee	1,534	1,599				
Net Investment Income (loss)	241	(61)				
Benefit Payments, including Refunds of Employee Contributions	(7,593)	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Administrative Expense	(22)	(24)				
Other		5,333				
Net Change in Plan Fiduciary Net Position	$ 480	$ 5,906	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position - Beginning	5,906					
Plan Fiduciary Net Position - Ending (b)	$ 6,386	$ 5,906	$ -	$ -	$ -	$ -
City's Net/Total OPEB Liability - Ending (a) - (b)	$ 234,368	$ 259,177	$ 310,547	$ 458,764	$ 394,724	$ 306,065
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.65%	2.23%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	$ 495,336	$ 454,555	$ 393,758	$ 398,863	$ 393,916	$ 375,931
City's Net Pension Liability as a Percentage of Covered Employee Payroll	47.31%	57.02%	78.87%	115.02%	100.21%	81.42%

This schedule is to be built prospectively. Until a full ten-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 or total OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2023.

[1] Fiscal Year 2022 is the first year the City reported Net OPEB Liability.

Year-Ended September 30, 2023 - 285 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

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 actuarial assumptions: In fiscal year 2022, the discount rate was updated from 2.26% to 4.00%; 2021 it was updated from 2.21% to 2.26%; 2020 it was updated from 2.66% to 2.21%; 2019 it was updated from 4.24% to 2.66%; and 4.24% was assumed for prior years. The retirement rates were updated to the rates from the Texas Municipal Retirement System Actuarial Valuation as of December 31, 2019. The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study. The trend rates were reset to 6.75% for pre-Medicare and 5.75% for Medicare. The marriage rate is based on current contracts, which is approximately 35.00%, compared to the 25.00% used in the prior valuation.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended					
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability						
Service Cost	$ 29,107	$ 28,869	$ 29,001	$ 26,077	$ 25,345	$ 24,289
Interest Cost	78,680	78,094	78,948	72,602	71,055	68,947
Differences Between Expected and Actual Experience	26,011	2,387	14,616	28,124	2,169	(5,165)
Changes of Assumptions	(88,239)	(59,131)	(99,032)	28,936	(43,489)	(25,344)
Benefit Payments	(45,070)	(39,850)	(31,348)	(33,146)	(35,821)	(33,560)
Net Change in Total OPEB Liability	$ 489	$ 10,369	$ (7,815)	$ 122,593	$ 19,259	$ 29,167
Total OPEB Liability - Beginning	1,117,052	1,106,683	1,114,498	991,905	972,646	943,479
Total OPEB Liability - Ending (a)	$ 1,117,541	$ 1,117,052	$ 1,106,683	$ 1,114,498	$ 991,905	$ 972,646
Plan Fiduciary Net Position						
Contributions - Employer	$ 45,073	$ 42,030	$ 39,480	$ 35,234	$ 30,892	$ 27,242
Contributions - Employee	22,533	21,012	19,727	17,605	15,442	13,616
Net Investment Income (loss)	(43,970)	59,256	55,638	19,867	(21,629)	25,294
Benefit Payments, including Refunds of Employee Contributions	(45,070)	(39,849)	(31,348)	(33,146)	(35,821)	(33,560)
Administrative Expense	(4,095)	(3,794)	(3,464)	(3,056)	(3,070)	(2,660)
Other Contributions - Retirees	1,920	1,545	1,513	1,571	1,817	1,829
Net Change in Plan Fiduciary Net Position	$ (23,609)	$ 80,200	$ 81,546	$ 38,075	$ (12,369)	$ 31,761
Plan Fiduciary Net Position - Beginning	564,248	484,060	402,514	364,439	376,808	345,047
Plan Fiduciary Net Position - Ending (b)	$ 540,639	$ 564,260	$ 484,060	$ 402,514	$ 364,439	$ 376,808
City's Net Pension Liability - Ending (a) - (b)	$ 576,902	$ 552,792	$ 622,623	$ 711,984	$ 627,466	$ 595,838
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	48.38%	50.51%	43.74%	36.12%	36.74%	38.74%
Covered-Employee Payroll	$ 359,326	$ 369,110	$ 347,776	$ 328,795	$ 318,038	$ 308,101
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	160.55%	149.76%	179.03%	216.54%	197.29%	193.39%

This schedule is to be built prospectively. Until a full ten-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, 2022.

Year-Ended September 30, 2023 - 287 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

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 7.00% for fiscal year 2021. 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							
	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability								
Service Cost	$ 4,905	$ 3,772	$ 4,300	$ 4,466	$ 3,376	$ 3,435	$ 3,319	$ 3,207
Interest Cost	18,604	17,089	17,624	18,032	17,182	18,176	17,601	17,050
Changes in Plan Benefits					415	(19,185)		
Differences Between Expected and Actual Experience	26,691	(11,592)	(19,010)	1,763		475		
Changes of Assumptions	(385)	(5,962)	(4,246)	(2,190)	9,657			
Benefit Payments	(11,915)	(13,398)	(12,475)	(11,390)	(12,197)	(14,001)	(12,756)	(13,275)
Net Change in Total OPEB Liability	$ 37,900	$ (10,091)	$ (13,807)	$ 10,681	$ 18,433	$ (11,100)	$ 8,164	$ 6,982
Total OPEB Liability - Beginning	240,024	250,115	263,922	253,241	234,808	245,908	237,744	230,762
Total OPEB Liability - Ending (a)	$ 277,924	$ 240,024	$ 250,115	$ 263,922	$ 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	977	924	842	872	998	933	976	933
Earnings (Loss) on Plan Assets	41,220	26,613	30,260	(10,571)	41,718	38,949	(9,765)	12,536
Benefit Payments	(11,915)	(13,398)	(12,475)	(11,390)	(19,353)	(20,804)	(19,490)	(19,299)
Administrative Expense	(1,251)	(1,297)	(1,150)	(1,223)	(1,346)	(1,621)	(1,456)	(1,137)
Net Change in Plan Fiduciary Net Position	$ 29,031	$ 12,842	$ 17,477	$ (22,312)	$ 29,173	$ 32,759	$ (14,195)	$ 2,257
Plan Fiduciary Net Position - Beginning	297,828	284,986	267,509	289,821	260,648	227,889	242,084	239,827
Plan Fiduciary Net Position - Ending (b)	$ 326,859	$ 297,828	$ 284,986	$ 267,509	$ 289,821	$ 260,648	$ 227,889	$ 242,084
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (48,935)	$ (57,804)	$ (34,871)	$ (3,587)	$ (36,580)	$ (25,840)	$ 18,019	$ (4,340)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	117.61%	124.08%	113.94%	101.36%	114.44%	111.00%	92.67%	101.83%
Covered-employee Payroll	$ 263,640	$ 257,608	$ 254,996	$ 244,010	$ 228,240	$ 220,522	$ 223,523	$ 242,652
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(18.56%)	(22.44%)	(13.68%)	(1.47%)	(16.03%)	(11.72%)	8.06%	(1.79%)

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended January 31, 2016 through January 31, 2023.

Year-Ended September 30, 2023 - 289 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: Changes in plan deductibles were updated accordingly for each period; Fiscal year 2019 amounts reflect updates to the HRA contributions; Fiscal year 2021 amounts reflect the addition of the HSA contributions.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period; Fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; Fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

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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							
	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability								
Service Cost	$ 614	$ 517	$ 511	$ 473	$ 349	$ 336	$ 325	$ 313
Interest Cost	3,612	3,400	3,308	3,284	3,432	3,256	3,244	3,228
Differences Between Expected and Actual Experience	252	4,766	840	(936)		2,378		
Changes of Assumptions	985	4,044	309	594	(457)			
Benefit Payments	(4,255)	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Net Change in Total OPEB Liability	$ 1,208	$ 8,740	$ 1,073	$ (613)	$ (489)	$ 2,501	$ 211	$ 228
Total OPEB Liability - Beginning	56,000	47,260	46,187	46,800	47,289	44,788	44,577	44,349
Total OPEB Liability - Ending (a)	$ 57,208	$ 56,000	$ 47,260	$ 46,187	$ 46,800	$ 47,289	$ 44,788	$ 44,577
Plan Fiduciary Net Position								
Contributions - Employer	$ 900	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions - Employee	1,156	1,077	1,053	1,030	1,000	972	930	911
Earnings (Loss) on Plan Assets	6,526	4,031	5,702	(2,135)	8,066	6,936	(2,102)	2,460
Benefit Payments	(4,255)	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Administrative Expense	(26)	(25)	(30)	(28)	(30)	(27)	(21)	(16)
Net Change in Plan Fiduciary Net Position	$ 4,301	$ 1,096	$ 2,830	$ (5,161)	$ 5,223	$ 4,412	$ (4,551)	$ 42
Plan Fiduciary Net Position - Beginning	53,686	52,590	49,760	54,921	49,698	45,286	49,837	49,795
Plan Fiduciary Net Position - Ending (b)	$ 57,987	$ 53,686	$ 52,590	$ 49,760	$ 54,921	$ 49,698	$ 45,286	$ 49,837
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (779)	$ 2,314	$ (5,330)	$ (3,573)	$ (8,121)	$ (2,409)	$ (498)	$ (5,260)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	101.36%	95.87%	111.28%	107.74%	117.35%	105.09%	101.11%	111.80%
Covered-employee Payroll	$ 263,640	$ 257,608	$ 254,996	$ 244,010	$ 218,003	$ 210,631	$ 198,704	$ 191,984
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(0.30%)	0.90%	(2.09%)	(1.46%)	(3.73%)	(1.14%)	(0.25%)	(2.74%)

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended January 31, 2016 through January 31, 2023.

Year-Ended September 30, 2023 - 291 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

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: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period; Fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; Fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability								
Service Cost	$ 712	$ 557	$ 580	$ 620	$ 516	$ 527	$ 509	$ 492
Interest Cost	457	384	402	475	473	455	448	426
Differences Between Expected and Actual Experience	(665)	(156)	(673)	(656)		255		
Changes of Assumptions	(4)	1,993	11	189	94			
Benefit Payments	(1,230)	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Net Change in Total OPEB Liability	$ (730)	$ 1,636	$ (657)	$ (252)	$ 71	$ 263	$ 182	$ 359
Total OPEB Liability - Beginning	7,093	5,457	6,114	6,366	6,295	6,032	5,850	5,491
Total OPEB Liability - Ending (a)	$ 6,363	$ 7,093	$ 5,457	$ 6,114	$ 6,366	$ 6,295	$ 6,032	$ 5,850
Plan Fiduciary Net Position								
Contributions - Employer	$ 726	$ 614	$ 769	$ 1,000	$ 1,300	$ 700	$ 175	$ 175
Contributions - Employee	276	276	291	274	265	260	248	211
Earnings (Loss) on Plan Assets	782	539	603	(205)	627	501	(158)	177
Benefit Payments	(1,230)	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Administrative Expense	(17)	(21)	(14)	(19)	(18)	(15)	(14)	(18)
Net Change in Plan Fiduciary Net Position	$ 537	$ 266	$ 672	$ 170	$ 1,162	$ 472	$ (524)	$ (14)
Plan Fiduciary Net Position - Beginning	6,504	6,238	5,566	5,396	4,234	3,762	4,286	4,300
Plan Fiduciary Net Position - Ending (b)	$ 7,041	$ 6,504	$ 6,238	$ 5,566	$ 5,396	$ 4,234	$ 3,762	$ 4,286
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (678)	$ 589	$ (781)	$ 548	$ 970	$ 2,061	$ 2,270	$ 1,564
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	110.66%	91.70%	114.31%	91.04%	84.76%	67.26%	62.37%	73.26%
Covered-employee Payroll	$ 268,773	$ 260,739	$ 259,520	$ 251,482	$ 224,137	$ 216,558	$ 212,904	$ 205,704
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(0.25%)	0.23%	(0.30%)	0.22%	0.43%	0.95%	1.07%	0.76%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended January 31, 2016 through January 31, 2023.

Year-Ended September 30, 2023 - 293 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: Fiscal year 2019 reflects updates for the 2017 amendment to the minimum benefits, eligibility requirement, and maximum age for benefit receipt tiered schedule.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period; Fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; Fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

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 Period Ended				
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability					
Service Cost	$ 1,712	$ 1,750	$ 1,913	$ 2,220	$ 2,428
Interest Cost	7,491	7,688	9,112	9,429	9,221
Changes of benefit terms	(32,517)				
Differences Between Expected and Actual Experience	(5,859)	(8,867)	(18,580)	(11,970)	(3,358)
Changes of Assumptions	(3,799)	2,089	(3,237)	2,817	(351)
Benefit Payments	(5,342)	(6,141)	(6,311)	(7,808)	(6,209)
Net Change in Total OPEB Liability	$ (38,314)	$ (3,481)	$ (17,103)	$ (5,312)	$ 1,731
Total OPEB Liability - Beginning	120,795	124,276	141,379	146,691	144,960
Total OPEB Liability - Ending (a)	$ 82,481	$ 120,795	$ 124,276	$ 141,379	$ 146,691
Plan Fiduciary Net Position					
Contributions - Employer	$ 10,442	$ 13,641	$ 13,811	$ 15,308	$ 13,709
Contributions - Employee					
Net Investment Income (Loss)	12,260	13,747	13,264	(3,164)	7,127
Benefit Payments	(5,342)	(6,141)	(6,311)	(7,808)	(6,209)
Administrative Expense	(177)	(187)	(175)	(159)	(144)
Net Change in Plan Fiduciary Net Position	$ 17,183	$ 21,060	$ 20,589	$ 4,177	$ 14,483
Plan Fiduciary Net Position - Beginning	104,337	83,277	62,688	58,511	44,028
Plan Fiduciary Net Position - Ending (b)	$ 121,520	$ 104,337	$ 83,277	$ 62,688	$ 58,511
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (39,039)	$ 16,458	$ 40,999	$ 78,691	$ 88,180
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	147.33%	86.38%	67.01%	44.34%	39.89%
Covered-employee Payroll	$ 65,898	$ 67,557	$ 68,894	$ 71,520	$ 79,417
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(59.24%)	24.36%	59.51%	110.03%	111.03%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal year-end December 31, 2018 through December 31, 2022.

Year-Ended September 30, 2023 - 295 - Amounts are expressed in thousands.

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 (Continued)

Notes to Schedule:

Total OPEB liability at December 31, 2022 is based on a rollforward of the January 1, 2022 actuarial valuation.

Benefit Changes: SAWS changed Medicare Advantage providers in 2022. The new contract provides coverage at no charge to the employer or employee for three years. After three years, the cost is expected to be nominal. Covered employee payroll was expanded to include retirees not eligible for subsidies, using the new no cost benefit.

Changes of assumptions: In 2021, the mortality table was updated to MP-2020. Healthcare trend rate assumption updated to 2021 SOA Long-Run Medical Trend model and the post 65 initial trend rate set to -2.00%. In 2020, the investment rate of return was changed from 6.50% to 6.25%. In 2019, health care cost trends ultimate rate was changed to 3.94% in 2075. In 2018, health cost trends ultimate rate was changed to 3.84% in 2075. In 2019, the mortality table was changed to the public retirement plans mortality tables published by the SOA. The mortality table was updated for 2018 and 2017.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	$ 7,439	$ 7,439	$ -	$ 375,931	1.98%
2019	7,111	7,111		393,916	1.81%
2020	5,874	5,874		398,863	1.47%
2021	5,938	5,938		393,758	1.51%
2022	25,088	6,666	18,422	454,555	1.47%
2023	24,135	6,320	17,815	495,336	1.28%

This schedule is to be built prospectively. Until a full ten-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 total OPEB liability (asset) for fiscal years-ended September 30, 2018 through September 30, 2023.

Year-Ended September 30, 2023 - 297 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily 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 based on level percentages of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 12.2 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Remaining Amortization Period	11.2 years
Asset Valuation Method	Fair Market Value

Actuarial assumptions:

Discount Rate	4.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 6.75% and Ultimate 4.00%; Post-65 Select 5.75% and Ultimate 4.00%; Stop Loss Fees Select 6.75% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Salary Increase Rate	3.50% per annum
Inflation	2.00%
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Year-Ended September 30, 2023 - 298 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	$ 29,776	$ 29,776	$ -	$ 313,951	9.48%
2019	33,987	33,987		324,430	10.48%
2020	38,656	38,656		343,799	11.24%
2021	41,204	41,204		347,112	11.87%
2022	46,098	46,098		369,110	12.49%
2023	47,419	47,419		359,326	13.20%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2017 through December 31, 2022.

Year-Ended September 30, 2023 - 299 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily 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 Period	15 years
Amortization Method	For purposes of determining the minimum required contribution, the unfunded actuarial accrued liability (UAAL) is amortized as a level percentage of covered payroll. Total covered payroll is assumed to increase at a rate of 3.5% per year. The UAAL is amortized over a period of 30 years, open period, beginning on the valuation date.
Asset Valuation Method	Adjusted market value gains/losses spread over a five-year period.

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.75%
Initial Trend Date	6.25%
Ultimate Trend Date	4.25%
Years to Ultimate	Five
Salary Increases	Varies with service
Mortality	Based on the PUB-2010 Mortality Tables projected generationally with scale MP-2021.

Actuarially Determined Contribution Amounts (not in thousands):

Biweekly Contributions:	
Active Members	$220.50
City per Active Member	$441.01
Monthly Contributions:	
Retirees with Less Than 30 Years of Service	$477.75
Dependent Children	$350.00

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ -	$ 8,806	$ (8,806)	$ 215,964	4.10%
2017		8,500	(8,500)	223,523	3.80%
2018				220,522	0.00%
2019				228,240	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022				257,608	0.00%
2023				263,640	0.00%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended January 31, 2016 through January 31, 2023.

Year-Ended September 30, 2023 - 301 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

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 percent; layered periods
Remaining Amortization Period	26 years
Asset Valuation Method	Fair market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% prior years, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2023 and 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 and 2017, 7.75% for previous years.
Healthcare Cost Trend Rates	5.50% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2023; 6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020; 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	5.50% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2023; 6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020, 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 annual base salary increases ranging from 3.20% to 11.47% for fiscal year 2023 and 2022; 3.10% to 11.60% for fiscal years 2021 through 2019; ranging from 4.00% to 9.50% for previous years.
Mortality	Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020 for fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Scale MP-2014 and projected with Mortality Improvement Scale MP-2017 (separate tables for males/females) for fiscal year 2020; Based on RP-2000 Combined Healthy, with No Collar Adjustment, Projected to 2020 using Scale BB for previous years; Male and Female Tables for Active and Retirees; Based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020, with sex-distinct rates.
Other Information	Changes in plan deductibles were updated accordingly for each period; Fiscal year 2019 amounts reflect updates to the Health Reimbursement Arrangement contributions; Fiscal year 2021 amounts reflect the addition of the Health Savings Account contributions.

Year-Ended September 30, 2023 - 302 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee 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%
2020				244,010	0.00%
2021				254,996	0.00%
2022	924	900	24	257,608	0.00%
2023	925	925		263,640	0.00%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended January 31, 2016 through January 31, 2023.

Year-Ended September 30, 2023 - 303 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

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; layered periods
Remaining Amortization Period	Four years
Asset Valuation Method	Fair market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2023 and 2022; 7.25% for fiscal years 2021 through 2019, 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.20% to 11.47% for fiscal year 2023 and 2022; 5.36% average for fiscal years 2021 and 2020; 4.54% average, including inflation for fiscal year 2019; 4.78% average, including inflation, in prior years.
Mortality	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020; RP-2014 Mortality adjusted backwards to 2006 with MP-2014 and projected forward (fully generational) with MP-2018 for fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Scale MP-2014 and projected with Mortality Improvement Scale MP-2017 (separate tables for males/females) for fiscal year 2020; RP-2000 Combined Healthy, with No Collar Adjustment, Projected to 2020 using Scale BB for fiscal year 2020. Male and Female Tables for Active and Retirees; Based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020, with sex-distinct rates.
Other Information	There were no other changes in benefit terms, in the size of composition of the population covered by the benefit terms that significantly affected trends from year to year in the amounts reported above.

Year-Ended September 30, 2023 - 304 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee 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%
2020	769	769		251,482	0.31%
2021	614	614		259,520	0.24%
2022	726	726		260,739	0.28%
2023	559	559		268,773	0.21%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended January 31, 2016 through January 31, 2023.

Year-Ended September 30, 2023 - 305 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

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; layered periods
Remaining Amortization Period	One year
Asset Valuation Method	Fair market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% prior years, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually for fiscal year 2023 and 2022; 7.25% for fiscal years 2021 through 2019; 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.20% to 11.47% for fiscal year 2023 and 2022; 5.36% average for fiscal year 2021 and 2020; 4.72% average, including inflation for fiscal year 2019; 4.78% for prior years.
Mortality	Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020 Disabled mortality based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020, with sex-distinct rates, Healthy mortality based on RP-2014 Mortality adjusted backwards to 2006 with MP-2014 and projected forward (fully generational) with MP-2018 Disabled mortality based on 1987 Commissioners Group Disabled Life Mortality table for 2021.
Other Information	Fiscal year 2019 reflects updates for the 2017 amendment to the minimum benefit, eligibility requirement, and maximum age for benefit receipt tiered schedule.

Year-Ended September 30, 2023 - 306 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2017	$ 11,416	$ 13,709	$ (2,293)	$ 79,417	17.26%
2018	11,392	15,308	(3,916)	78,348	19.54%
2019	10,407	13,811	(3,404)	68,894	20.05%
2020	6,339	13,641	(7,302)	67,557	20.19%
2021	3,706	10,442	(6,736)	65,898	15.85%

This schedule is to be built prospectively. Until a full ten-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 (asset) for fiscal years-ended December 31, 2017 and December 31, 2021.

Year-Ended September 30, 2023 - 307 - Amounts are expressed in thousands.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

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
Actuarial Value of Assets	Fair Market Value
Remaining Amortization Period	12 years - Closed.

Actuarial assumptions:

Inflation	2.50% for 2022 to 2020; 2.40% for 2019; and 2.50% for 2018 and 2017.
Investment Rate of Return	In 2020, the investment rate of return was changed to 6.25% from 6.50%
Salary Increases	Ranging from 3.75% to 9.0%, Varies by age.
Mortality	Mortality rates for the January 1, 2022 valuation were based Pub-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2021 published in October 2021. Mortality rates for the January 1, 2021 valuation were based Pub-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2020 published in October 2020. In 2022, the improvement table was changed to MP-2021. In 2021, the improvement table was changed to MP-2020. In 2020, the improvement table was changed to MP-2019. In 2019, the mortality tables were changed to the public retirement plans mortality tables published by the SOA. Previously, the RP-2014 mortality tables for Healthy Employee/Annuitant updated annually were used.
Healthcare Cost Trend Rates	Pre-65 initial trend is 6.00%; Post-65 trend is -2.00%. Ultimate trend rate 2022 – 3.94%, 2020 and 2021- 4.04%, 2019 – 3.94%, 2018 – 3.84%

Year-Ended September 30, 2023 - 308 - Amounts are expressed in thousands.

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SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds

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 and state grants), except for Community Development Block Grants, 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.

OTHER SPECIAL REVENUES

ADVANCED TRANSPORTATION DISTRICT – to account for a ⅛ 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 ⅛ 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 ⅛ cent sales tax to fund the Pre-K 4 SA education initiative created to provide high quality pre-kindergarten for 3-year-olds and 4-year-olds throughout the City.

READY TO WORK – to account for revenues and expenditures relating to a ⅛ cent sales tax to develop and implement programs for job training and increase access to quality jobs.

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.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

OTHER SPECIAL REVENUES (Continued)

PARKS ENVIRONMENTAL & SANITATION – to account for the administrative and operational activities of the Parks Environmental Program. Financing is provided by a parks environmental fee.

BLENDED COMPONENT UNITS

PROSPER WEST SAN ANTONIO (PWSA) – was established to promote economic development and redevelopment opportunities in the west side of San Antonio. PWSA seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, PWSA 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.

SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORPORATION (ECEMDC) – was established to account for the establishment and operation of full day Pre-K education for City resident's; provide quality training to teachers; and grant awards for expansion of Pre-K operations in their facilities. Financing is derived from a ⅛ cent sales tax approved by voters on November 6, 2012 and extended by voters on November 3, 2020. Additionally, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high demand, well-paid careers. Financing is derived from a ⅛ cent sales tax approved by voters on November 3, 2020.

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, a Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) facility, the City Tower renovation for City employee offices, the redevelopment of two buildings at Brooks City Base, and funding for the Edwards Aquifer Protection Program for the City. Financing was derived from the sale of City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds and Notes.

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.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

BLENDED COMPONENT UNITS (Continued)

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 and 2022 Lease Revenue Refunding and Improvement 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.

CITY OF SAN ANTONIO, TEXAS MUNICIPAL COUNCIL AIDES CORPORATION (COUNCIL AIDES) – was established for the purpose of assisting council members in the performance of their official public duties as members of the City Council of the City of San Antonio.

Capital Projects Funds

GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS – to account for financial resources to be used for the acquisition or construction of significant improvements to streets, bridges, drainage, city facilities, public safety, and parks and recreation, excluding those financed by proprietary-type funds and trust funds. Financing is derived by the sale of General Obligation Bonds.

PRE-2012 GENERAL OBLIGATION BONDS – consist of the bond election held May 12, 2007 for physical infrastructure development and improvement projects. The bond election covered projects within five areas: libraries, parks and recreation, drainage and flood control, public health facilities improvements, and street, bridge, pedestrian and related improvements.

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.

2017 GENERAL OBLIGATION BONDS – a bond election held on May 6, 2017 approved $850 million in physical infrastructure development and improvement projects. These projects were within five areas; streets and pedestrian, drainage improvements, library improvements, parks and recreation, public safety, and neighborhood improvements.

GENERAL OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital improvements such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of General Obligation Bonds.

Nonmajor Governmental Funds

Capital Project Funds (Continued)

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-2018 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold between the years of 2006 to 2017 for construction of municipal facilities, library, streets and street lighting, drainage, parks and infrastructure, police, emergency fire protection projects, installation of upgrades in technology systems, and other pedestrian mobility enhancement improvements.

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.

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.

2020 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2020 for improvements to the City's Alamodome, Witte Museum, streets, bridges, drainage, and sidewalks; parks infrastructure; libraries; and public facilities.

2021 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2021 for improvements to streets, and sidewalks; drainage and flood control, parks, recreation, and open spaces; library and cultural facilities; public safety facilities; and paying the costs of issuance for the 2021 Bonds.

2022 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2022 for improvements to municipal facilities; streets, sidewalks and drainage; parks and recreation; and funding for capital contingency.

2023 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2023 for public safety improvements; streets; parks and recreation; and information technology.

CERTIFICATES OF OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital improvements such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of Certificates of Obligation.

OTHER CAPITAL PROJECTS

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.

TAX & REVENUE NOTES – to account for capital projects where funding is derived from the sale of short-term tax and revenue notes.

Nonmajor Governmental Funds

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, 2023
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	$ 60,521	$ 83	$ -	$ 60,604
Investments	117,586	267		117,853
Receivables, Net	3,157	2		3,159
Materials and Supplies, at Cost	71			71
Prepaid Expenditures	726			726
Lease Receivable	8,127			8,127
Due From Other Funds	2,000			2,000
Due From Other Governmental Agencies, Net	2,964			2,964
Restricted Assets:				
Cash and Cash Equivalents	266,462	154,104	1,791	422,357
Investments	229,747	297,924	5,732	533,403
Receivables, Net	120,019	8,541	150	128,710
Materials and Supplies, at Cost	3,605			3,605
Deposits	3			3
Prepaid Expenditures	2,952			2,952
Lease Receivable	39,947			39,947
Due From Other Funds	10,760	818		11,578
Due From Other Governmental Agencies, Net	29,260	4,047		33,307
Total Assets	$ 897,907	$ 465,786	$ 7,673	$ 1,371,366
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Vouchers Payable	$ 4,450	$ -	$ -	$ 4,450
Accounts Payable - Other	14,039			14,039
Accrued Payroll	123			123
Unearned Revenue	475			475
Liabilities Payable From Restricted Assets:				
Vouchers Payable	14,459	45,000		59,459
Accounts Payable - Other	26,871	16,885	2	43,758
Accrued Payroll	2,809	3	2	2,814
Accrued Leave Payable	230			230
Unearned Revenue	11,335	6,852		18,187
Due To Other Funds	43,587	2,486		46,073
Due To Other Governmental Agencies	656			656
Total Liabilities	119,034	71,226	4	190,264
Deferred Inflows of Resources	136,561	5,312		141,873
Fund Balances (Deficits):				
Nonspendable	7,357		6,533	13,890
Restricted	428,661	394,963	1,136	824,760
Committed	202,322	352		202,674
Assigned	20,770			20,770
Unassigned	(16,798)	(6,067)		(22,865)
Total Fund Balances	642,312	389,248	7,669	1,039,229
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 897,907	$ 465,786	$ 7,673	$ 1,371,366

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year-Ended September 30, 2023
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes:				
Property	$ 49,209	$ -	$ -	$ 49,209
General Sales and Use	122,711			122,711
Gross Receipts Business	1,994			1,994
Occupancy	110,548			110,548
Penalties and Interest on Delinquent Taxes	653			653
Intergovernmental	278,135	25,547		303,682
Charges for Services	162,642		436	163,078
Fines and Forfeits	297			297
Miscellaneous	59,723	54		59,777
Investment Earnings	20,976	19,006	256	40,238
Contributions	23,810	2,499	401	26,710
Total Revenues	830,698	47,106	1,093	878,897
Expenditures:				
Current:				
General Government	17,893			17,893
Public Safety	28,077			28,077
Public Works	84,304			84,304
Health Services	31,419			31,419
Sanitation	12,631			12,631
Welfare	168,328			168,328
Culture and Recreation	66,435		207	66,642
Convention and Tourism	75,023			75,023
Urban Redevelopment and Housing	25,177			25,177
Education	101,096			101,096
Economic Development and Opportunity	41,816			41,816
Environmental	127		401	528
Capital Outlay		442,919		442,919
Debt Service:				
Principal Retirement	5,727			5,727
Interest	29,388			29,388
Issuance Costs	211	504		715
Leases:				
Principal Retirement	5,492			5,492
Interest	889			889
Subscription:				
Principal Retirement	1,051			1,051
Interest	57			57
Total Expenditures	695,141	443,423	608	1,139,172
Excess (Deficiency) of Revenue Over (Under) Expenditures	135,557	(396,317)	485	(260,275)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	33,459	77,440		110,899
Issuance of Notes and Loans	703			703
Issuance of Lease Liabilities	1,525			1,525
Issuance of Subscription Liabilities	603			603
Premium on Long-Term Debt		4,431		4,431
Transfers In	246,136	418,590		664,726
Transfers Out	(332,878)	(227,152)		(560,030)
Total Other Financing Sources (Uses), Net	(50,452)	273,309		222,857
Net Change in Fund Balances	85,105	(123,008)	485	(37,418)
Fund Balances, October 1 (restated)	557,207	512,256	7,184	1,076,647
Fund Balances, September 30	$ 642,312	$ 389,248	$ 7,669	$ 1,039,229

Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2023
(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Assets:				
Cash and Cash Equivalents	$ -	$ 50,166	$ 10,355	$ 60,521
Investments		117,429	157	117,586
Receivables, Net		428	2,729	3,157
Materials and Supplies, at Cost			71	71
Prepaid Expenditures			726	726
Lease Receivable		8,127		8,127
Due From Other Funds		2,000		2,000
Due From Other Governmental Agencies, Net		2,964		2,964
Restricted Assets:				
Cash and Cash Equivalents	5,529	65,647	195,286	266,462
Investments	18,085	205,665	5,997	229,747
Receivables, Net	39,383	76,788	3,848	120,019
Materials and Supplies, at Cost	734	198	2,673	3,605
Deposits		3		3
Prepaid Expenditures		2,917	35	2,952
Lease Receivable	613	33,254	6,080	39,947
Due From Other Funds			10,760	10,760
Due From Other Governmental Agencies, Net	27,420	1,840		29,260
Total Assets	$ 91,764	$ 567,426	$ 238,717	$ 897,907
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):				
Liabilities:				
Vouchers Payable	$ -	$ 2,506	$ 1,944	$ 4,450
Accounts Payable - Other		13,352	687	14,039
Accrued Payroll		123		123
Unearned Revenue			475	475
Liabilities Payable From Restricted Assets:				
Vouchers Payable	3,772	10,642	45	14,459
Accounts Payable - Other	5,445	16,403	5,023	26,871
Accrued Payroll	619	1,761	429	2,809
Accrued Leave Payable			230	230
Unearned Revenue	10,972	345	18	11,335
Due To Other Funds	25,883	17,704		43,587
Due To Other Governmental Agencies	240	39	377	656
Total Liabilities	46,931	62,875	9,228	119,034
Deferred Inflows of Resources	54,928	74,840	6,793	136,561
Fund Balances (Deficits):				
Nonspendable	734	3,118	3,505	7,357
Restricted	4,665	228,041	195,955	428,661
Committed		199,856	2,466	202,322
Assigned			20,770	20,770
Unassigned	(15,494)	(1,304)		(16,798)
Total Fund Balances (Deficits)	(10,095)	429,711	222,696	642,312
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 91,764	$ 567,426	$ 238,717	$ 897,907

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
Year-Ended September 30, 2023
(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:				
Taxes:				
Property	$ -	$ 49,209	$ -	$ 49,209
General Sales and Use		122,711		122,711
Gross Receipts Business		1,994		1,994
Occupancy		110,548		110,548
Penalties and Interest on Delinquent Taxes		653		653
Intergovernmental	246,113	25,081	6,941	278,135
Charges for Services	279	140,353	22,010	162,642
Fines and Forfeits		297		297
Miscellaneous	3,176	46,094	10,453	59,723
Investment Earnings	554	15,177	5,245	20,976
Contributions	16,013	3,147	4,650	23,810
Total Revenues	266,135	515,264	49,299	830,698
Expenditures:				
Current:				
General Government	3,067	6,552	8,274	17,893
Public Safety	15,552	12,525		28,077
Public Works	15,300	69,004		84,304
Health Services	21,057	10,362		31,419
Sanitation		12,631		12,631
Welfare	168,067	261		168,328
Culture and Recreation	569	43,197	22,669	66,435
Convention and Tourism		44,141	30,882	75,023
Urban Redevelopment and Housing	21,103	1,587	2,487	25,177
Education	231	36,866	63,999	101,096
Economic Development and Opportunity		35,850	5,966	41,816
Environmental		127		127
Debt Service:				
Principal Retirement			5,727	5,727
Interest			29,388	29,388
Issuance Costs			211	211
Leases:				
Principal Retirement	2,255	306	2,931	5,492
Interest	397	4	488	889
Subscription:				
Principal Retirement	215	748	88	1,051
Interest	10	44	3	57
Total Expenditures	247,823	274,205	173,113	695,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,312	241,059	(123,814)	135,557
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			33,459	33,459
Issuance of Notes and Loans			703	703
Issuance of Lease Liabilities	965		560	1,525
Issuance of Subscription Liabilities		369	234	603
Transfers In	7,009	67,472	171,655	246,136
Transfers Out	(14,391)	(308,600)	(9,887)	(332,878)
Total Other Financing Sources (Uses), Net	(6,417)	(240,759)	196,724	(50,452)
Net Change in Fund Balances	11,895	300	72,910	85,105
Fund Balances (Deficits), October 1 (restated)	(21,990)	429,411	149,786	557,207
Fund Balances, September 30 (Deficits)	$ (10,095)	$ 429,711	$ 222,696	$ 642,312

Combining Balance Sheet
Nonmajor Governmental Funds - Grants
As of September 30, 2023
(In Thousands)

	CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	$ 2,096	$ 180	$ 1,116	$ 2,137	$ 5,529
Investments	6,159	781	3,571	7,574	18,085
Receivables, Net	391	8,489	20	30,483	39,383
Materials and Supplies, at Cost	734				734
Lease Receivable		613			613
Due From Other Governmental Agencies, Net	25,755	1,665			27,420
Total Assets	$ 35,135	$ 11,728	$ 4,707	$ 40,194	$ 91,764
Liabilities, Deferred Inflow of Resources and Fund Balances (Deficits):					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	$ 1,951	$ 1,094	$ 42	$ 685	$ 3,772
Accounts Payable - Other	5,214	131		100	5,445
Accrued Payroll	558	52		9	619
Unearned Revenue	1,289			9,683	10,972
Due To Other Funds	25,883				25,883
Due To Other Governmental Agencies	240				240
Total Liabilities	35,135	1,277	42	10,477	46,931
Deferred Inflows of Resources	14,684	10,527		29,717	54,928
Fund Balances (Deficits):					
Nonspendable	734				734
Restricted			4,665		4,665
Unassigned	(15,418)	(76)			(15,494)
Total Fund Balances (Deficits)	(14,684)	(76)	4,665		(10,095)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 35,135	$ 11,728	$ 4,707	$ 40,194	$ 91,764

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Grants
Year-Ended September 30, 2023
(In Thousands)

	CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Revenues:					
Intergovernmental	$ 227,049	$ 15,336	$ 1,228	$ 2,500	$ 246,113
Charges for Services		279			279
Miscellaneous	330	792		2,054	3,176
Investment Earnings	42	67	145	300	554
Contributions	15,896			117	16,013
Total Revenues	243,317	16,474	1,373	4,971	266,135
Expenditures:					
Current:					
General Government	3,067				3,067
Public Safety	14,968		584		15,552
Public Works	15,300				15,300
Health Services	21,057				21,057
Welfare	166,961	1,106			168,067
Culture and Recreation	222	347			569
Urban Redevelopment and Housing	1,364	14,768		4,971	21,103
Education	231				231
Leases:					
Principal Retirement	2,255				2,255
Interest	397				397
Subscription:					
Principal Retirement	142		73		215
Interest	4		6		10
Total Expenditures	225,968	16,221	663	4,971	247,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,349	253	710		18,312
Other Financing Sources (Uses):					
Issuance of Lease Liabilities	965				965
Transfers In	6,808	201			7,009
Transfers Out	(14,091)	(300)			(14,391)
Total Other Financing Sources (Uses), Net	(6,318)	(99)			(6,417)
Net Change in Fund Balances	11,031	154	710		11,895
Fund Balances (Deficits), October 1	(25,715)	(230)	3,955		(21,990)
Fund Balances (Deficits), September 30	$ (14,684)	$ (76)	$ 4,665	$ -	$ (10,095)

Combining Balance Sheet

Nonmajor Governmental Funds - Other Special Revenues

As of September 30, 2023

(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	READY TO WORK	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	$ -	$ 49,688	$ -	$ -	$ -	$ -	$ -	$ -	$ 478	$ -	$ -	$ -	$ 50,166
Investments		106,002							11,427				117,429
Receivables, Net		345							83				428
Lease Receivable		8,127											8,127
Due From Other Funds		2,000											2,000
Due From Other Governmental Agencies, Net		2,964											2,964
Restricted Assets:													
Cash and Cash Equivalents	2,413	568	29,237	320	6,610	42	87	395		11,846	14,122	7	65,647
Investments	7,946	7,887	81,295	992	21,368	135	270	1,266		41,022	43,463	21	205,665
Receivables, Net	4,179	8,267	37,082	1,828	121	8,118	8,118	552		4,365	3,257	901	76,788
Materials and Supplies, at Cost		41	110							47			198
Deposits			3										3
Prepaid Expenditures			2,792					125					2,917
Lease Receivable		20,752	12,502										33,254
Due From Other Governmental Agencies		16	883					522			419		1,840
Total Assets	$ 14,538	$ 206,657	$ 163,904	$ 3,140	$ 28,099	$ 8,295	$ 8,475	$ 2,860	$ 11,988	$ 57,280	$ 61,261	$ 929	$ 567,426
Liabilities, Deferred Inflows of Resources and Fund Balances:													
Liabilities:													
Vouchers Payable	$ -	$ 2,506	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,506
Accounts Payable - Other		13,352											13,352
Accrued Payroll		123											123
Liabilities Payable From Restricted Assets:													
Vouchers Payable	18	3,371	3,175					1		687	3,217	173	10,642
Accounts Payable - Other	127	9,617	2,566	12		703	30	75		797	2,202	274	16,403
Accrued Payroll	66	300	276			576	21	52		342	11	117	1,761
Unearned Revenue		121	188			18	18						345
Due To Other Funds				2,000		6,998	8,406					300	17,704
Due To Other Governmental Agencies		39											39
Total Liabilities	211	29,429	6,205	2,012		8,295	8,475	128		1,826	5,430	864	62,875
Deferred Inflows of Resources		28,540	46,300										74,840
Fund Balances:													
Nonspendable		41	2,905					125		47			3,118
Restricted	14,327	3,393	67,184	1,128	28,099			2,607		55,407	55,831	65	228,041
Committed		145,254	42,614						11,988				199,856
Unassigned			(1,304)										(1,304)
Total Fund Balances	14,327	148,688	111,399	1,128	28,099			2,732	11,988	55,454	55,831	65	429,711
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,538	$ 206,657	$ 163,904	$ 3,140	$ 28,099	$ 8,295	$ 8,475	$ 2,860	$ 11,988	$ 57,280	$ 61,261	$ 929	$ 567,426

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Other Special Revenues
Year-Ended September 30, 2023
(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	READY TO WORK	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	$ -	$ -	$ 5,488	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,721	$ -	$ 49,209
General Sales and Use	24,389					49,161	49,161						122,711
Gross Receipts Business			1,994										1,994
Occupancy		77,647	10,754	22,147									110,548
Penalties and Interest on Delinquent Taxes		499		154									653
Intergovernmental		15,885	9,196										25,081
Charges for Services		46,464	13,969					5,142		63,416		11,362	140,353
Fines and Forfeits			297										297
Miscellaneous		1,490	6,581		138	34,460	2,664		478	283			46,094
Investment Earnings	676	4,320	3,695	311	1,586	1	9	211	348	2,102	1,886	32	15,177
Contributions		23	3,124										3,147
Total Revenues	25,065	146,328	55,098	22,612	1,724	83,622	51,834	5,353	826	65,801	45,607	11,394	515,264
Expenditures:													
Current:													
General Government			6,552										6,552
Public Safety			12,525										12,525
Public Works	7,394		13,632					3,424		44,554			69,004
Health Services			10,362										10,362
Sanitation												12,631	12,631
Welfare			261										261
Culture and Recreation		38,144	5,035		18								43,197
Convention and Tourism		33,354	10,761	26									44,141
Urban Redevelopment and Housing			1,587										1,587
Education			112			34,388	2,366						36,866
Economic Development and Opportunity			6,000								29,850		35,850
Environmental			127										127
Leases:													
Principal Retirement		14	285					1		6			306
Interest		1	3										4
Subscription:													
Principal Retirement	3	379						249		117			748
Interest		15						4		25			44
Total Expenditures	7,397	71,907	67,242	26	18	34,388	2,366	3,678		44,702	29,850	12,631	274,205
Excess of Revenues Over (Under) Expenditures	17,668	74,421	(12,144)	22,586	1,706	49,234	49,468	1,675	826	21,099	15,757	(1,237)	241,059
Other Financing Sources (Uses):													
Issuance of Subscription Liabilities	12	320								37			369
Transfers In		17,650	26,897	22,692					233				67,472
Transfers Out	(25,267)	(69,732)	(11,881)	(45,072)	(16,021)	(49,234)	(49,468)	(6,282)		(28,546)	(7,097)		(308,600)
Total Other Financing Sources (Uses), Net	(25,255)	(51,762)	15,016	(22,380)	(16,021)	(49,234)	(49,468)	(6,282)	233	(28,509)	(7,097)		(240,759)
Net Change in Fund Balances	(7,587)	22,659	2,872	206	(14,315)			(4,607)	1,059	(7,410)	8,660	(1,237)	300
Fund Balances, October 1	21,914	126,029	108,527	922	42,414			7,339	10,929	62,864	47,171	1,302	429,411
Fund Balances, September 30	$ 14,327	$ 148,688	$ 111,399	$ 1,128	$ 28,099	$ -	$ -	$ 2,732	$ 11,988	$ 55,454	$ 55,831	$ 65	$ 429,711

Combining Balance Sheet
Nonmajor Governmental Funds - Blended Component Units
As of September 30, 2023
(In Thousands)

	PROSPER WEST SAN ANTONIO	SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORP.	SAN ANTONIO EDUCATION FACILITIES CORP.	SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORP.	SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	MUNICIPAL GOLF ASSOCIATION SAN ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTONIO ECONOMIC DEVELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	HEMISFAIR PARK AREA REDEVELOPMENT CORP.	URBAN RENEWAL AGENCY (OUR SA)	VISIT SAN ANTONIO	COUNCIL AIDES	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Assets:															
Cash and Cash Equivalents	$ 163	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 49	$ 10,143	$ -	$ 10,355
Investments												157			157
Receivables, Net	219											1	2,509		2,729
Materials and Supplies, at Cost												71			71
Prepaid Expenditures	18												708		726
Restricted Assets:															
Cash and Cash Equivalents		115,215	267		29	7,683	36,193	313	1,806	31,240	1,821	521		198	195,286
Investments						1,072	3		700		2,016	1,573		633	5,997
Receivables, Net	76	2,619		7		85	35	1	167	156	61	638		3	3,848
Materials and Supplies, at Cost						439						2,234			2,673
Prepaid Expenditures						15		3			17				35
Lease Receivable											6,080				6,080
Due From Other Funds		9,127				1,633									10,760
Total Assets	$ 476	$ 126,961	$ 267	$ 7	$ 29	$ 10,927	$ 36,231	$ 317	$ 2,673	$ 31,396	$ 9,995	$ 5,244	$ 13,360	$ 834	$ 238,717
Liabilities, Deferred Inflows of Resources and Fund Balances:															
Liabilities:															
Vouchers Payable	$ 52	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7	$ 1,885	$ -	$ 1,944
Accounts Payable - Other													687		687
Unearned Revenue													475		475
Liabilities Payable From Restricted Assets:															
Vouchers Payable		12							5			28			45
Accounts Payable - Other		3,536				1,147					131			209	5,023
Accrued Payroll											281			148	429
Accrued Leave Payable														230	230
Unearned Revenue											18				18
Due To Other Governmental Agencies												377			377
Total Liabilities	52	3,548				1,147			5		430	412	3,047	587	9,228
Deferred Inflows of Resources									855		5,938				6,793
Fund Balances:															
Nonspendable	18					454		3			17	2,305	708		3,505
Restricted		123,413					36,231	314		31,396	2,345	2,256			195,955
Committed	406								1,813					247	2,466
Assigned			267	7	29	9,326					1,265	271	9,605		20,770
Unassigned															
Total Fund Balances	424	123,413	267	7	29	9,780	36,231	317	1,813	31,396	3,627	4,832	10,313	247	222,696
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 476	$ 126,961	$ 267	$ 7	$ 29	$ 10,927	$ 36,231	$ 317	$ 2,673	$ 31,396	$ 9,995	$ 5,244	$ 13,360	$ 834	$ 238,717

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Blended Component Units
Year-Ended September 30, 2023
(In Thousands)

	PROSPER WEST SAN ANTONIO	SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORP.	SAN ANTONIO EDUCATION FACILITIES CORP.	SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORP.	SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	MUNICIPAL GOLF ASSOCIATION SAN ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTONIO ECONOMIC DEVELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	HEMISFAIR PARK AREA REDEVELOPMENT CORP.	URBAN RENEWAL AGENCY (OUR SA)	VISIT SAN ANTONIO	COUNCIL AIDES	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Revenues:															
Intergovernmental	$ -	$ 6,941	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,941
Revenues from Utilities															
Charges for Services	195					20,293					1,522				22,010
Fines and Forfeits															
Miscellaneous	174	3,714				86					121		6,355	3	10,453
Investment Earnings		2,356	10			192	1,094	30	3	1,397	81	82			5,245
Contributions	177										2,610	1,863			4,650
Total Revenues	546	13,011	10			20,571	1,094	30	3	1,397	4,334	1,945	6,355	3	49,299
Expenditures:															
Current:															
General Government														8,274	8,274
Culture and Recreation						22,666	3								22,669
Convention and Tourism													30,882		30,882
Urban Redevelopment and Housing												2,487			2,487
Education		63,999													63,999
Economic Development and Opportunity	1,751		1					4	240		3,970				5,966
Debt Service:															
Principal Retirement	15					972	1,115	1,065		2,560					5,727
Interest	24					137	3,696	594		24,937					29,388
Arbitrage															
Issuance Costs							211								211
Leases:															
Principal Retirement		2,470				393					68				2,931
Interest		255				24					209				488
Subscription:															
Principal Retirement		88													88
Interest		3													3
Total Expenditures	1,790	66,815	1			24,192	5,025	1,663	240	27,497	4,247	2,487	30,882	8,274	173,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,244)	(53,804)	9			(3,621)	(3,931)	(1,633)	(237)	(26,100)	87	(542)	(24,527)	(8,271)	(123,814)
Other Financing Sources (Uses):															
Issuance of Long-Term Debt						3,459	30,000								33,459
Issuance of Notes and Loans	703														703
Issuance of Lease Liabilities						560									560
Issuance of Subscription Liabilities		234													234
Transfers In	496	98,213				4,068	4,538	1,662	400	27,472	107	289	25,892	8,518	171,655
Transfers Out						(1,247)	(8,603)					(37)			(9,887)
Total Other Financing Sources, Net	1,199	98,447				6,840	25,935	1,662	400	27,472	107	252	25,892	8,518	196,724
Net Change in Fund Balances	(45)	44,643	9			3,219	22,004	29	163	1,372	194	(290)	1,365	247	72,910
Fund Balances, October 1	469	78,770	258	7	29	6,561	14,227	288	1,650	30,024	3,433	5,122	8,948		149,786
Fund Balances, September 30	$ 424	$ 123,413	$ 267	$ 7	$ 29	$ 9,780	$ 36,231	$ 317	$ 1,813	$ 31,396	$ 3,627	$ 4,832	$ 10,313	$ 247	$ 222,696

Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
As of September 30, 2023
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	$ -	$ -	$ 83	$ 83
Investments			267	267
Receivables, Net			2	2
Restricted Assets:				
Cash and Cash Equivalents	83,397	39,087	31,620	154,104
Investments	174,853	83,255	39,816	297,924
Receivables, Net	7,133	492	916	8,541
Due From Other Funds		818		818
Due From Other Governmental Agencies, Net	1,708	2,055	284	4,047
Total Assets	$ 267,091	$ 125,707	$ 72,988	$ 465,786
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	$ 28,934	$ 828	$ 15,238	$ 45,000
Accounts Payable - Other	10,575	994	5,316	16,885
Accrued Payroll	2		1	3
Unearned Revenue	2,348	139	4,365	6,852
Due To Other Funds		2,451	35	2,486
Total Liabilities	41,859	4,412	24,955	71,226
Deferred Inflows of Resources	4,807	19	486	5,312
Fund Balances):				
Restricted	226,465	121,303	47,195	394,963
Committed			352	352
Unassigned	(6,040)	(27)		(6,067)
Total Fund Balances	220,425	121,276	47,547	389,248
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 267,091	$ 125,707	$ 72,988	$ 465,786

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects
Year-Ended September 30, 2023
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Revenues:				
Intergovernmental	$ 15,564	$ 3,125	$ 6,858	$ 25,547
Miscellaneous	47		7	54
Investment Earnings	12,576	5,285	1,145	19,006
Contributions	1,546	953		2,499
Total Revenues	29,733	9,363	8,010	47,106
Expenditures:				
Capital Outlay	209,200	24,382	209,337	442,919
Debt Service:				
Issuance Costs	15	325	164	504
Total Expenditures	209,215	24,707	209,501	443,423
(Deficiency) of Revenues (Under) Expenditures	(179,482)	(15,344)	(201,491)	(396,317)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt		46,990	30,450	77,440
Premium on Long-Term Debt		3,993	438	4,431
Transfers In	186,317	28,203	204,070	418,590
Transfers Out	(119,108)	(86,472)	(21,572)	(227,152)
Total Other Financing Sources (Uses), Net	67,209	(7,286)	213,386	273,309
Net Change in Fund Balances	(112,273)	(22,630)	11,895	(123,008)
Fund Balances, October 1	332,698	143,906	35,652	512,256
Fund Balances, September 30	$ 220,425	$ 121,276	$ 47,547	$ 389,248

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Combining Balance Sheet
Nonmajor Governmental Funds - General Obligation Bonds
As of September 30, 2023
(In Thousands)

	PRE-2012 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	2017 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	$ 1,558	$ 4,625	$ 44,435	$ 32,779	$ 83,397
Investments	5,551	15,117	154,185		174,853
Receivables, Net	32	86	876	6,139	7,133
Due From Other Governmental Agencies, Net				1,708	1,708
Total Assets	$ 7,141	$ 19,828	$ 199,496	$ 40,626	$ 267,091
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	$ -	$ -	$ -	$ 28,934	$ 28,934
Accounts Payable - Other				10,575	10,575
Accrued Payroll				2	2
Unearned Revenue				2,348	2,348
Total Liabilities				41,859	41,859
Deferred Inflows of Resources				4,807	4,807
Fund Balances (Deficits):					
Restricted	7,141	19,828	199,496		226,465
Unassigned				(6,040)	(6,040)
Total Fund Balances (Deficits)	7,141	19,828	199,496	(6,040)	220,425
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,141	$ 19,828	$ 199,496	$ 40,626	$ 267,091

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - General Obligation Bonds
Year-Ended September 30, 2023
(In Thousands)

	PRE-2012 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	2017 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ 15,564	$ 15,564
Miscellaneous				47	47
Investment Earnings	376	1,058	11,142		12,576
Contributions				1,546	1,546
Total Revenues	376	1,058	11,142	17,157	29,733
Expenditures:					
Capital Outlay				209,200	209,200
Debt Service:					
Issuance Costs			15		15
Total Expenditures			15	209,200	209,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	376	1,058	11,127	(192,043)	(179,482)
Other Financing Sources (Uses):					
Transfers In				186,317	186,317
Transfers Out	(2,000)	(9,180)	(107,765)	(163)	(119,108)
Total Other Financing Sources (Uses), Net	(2,000)	(9,180)	(107,765)	186,154	67,209
Net Change in Fund Balances	(1,624)	(8,122)	(96,638)	(5,889)	(112,273)
Fund Balances (Deficits), October 1	8,765	27,950	296,134	(151)	332,698
Fund Balances (Deficits), September 30	$ 7,141	$ 19,828	$ 199,496	$ (6,040)	$ 220,425

Combining Balance Sheet
Nonmajor Governmental Funds - Certificates of Obligation
As of September 30, 2023
(In Thousands)

	PRE-2018 CERTIFICATES OF OBLIGATION	2018 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	2023 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Assets:									
Restricted Assets:									
Cash and Cash Equivalents	$ 5,647	$ 20,562	$ 656	$ 1,910	$ 4,864	$ 4,159	$ 595	$ 694	$ 39,087
Investments	18,447	11,163	2,105	6,116	19,042	20,290	6,092		83,255
Receivables, Net	105	63	12	35	108	115	35	19	492
Due From Other Funds								818	818
Due From Other Governmental Agencies, Net								2,055	2,055
Total Assets	$ 24,199	$ 31,788	$ 2,773	$ 8,061	$ 24,014	$ 24,564	$ 6,722	$ 3,586	$ 125,707
Liabilities, Deferred Inflows of Resources and Fund Balances:									
Liabilities:									
Liabilities Payable From Restricted Assets:									
Vouchers Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 828	$ 828
Accounts Payable - Other								994	994
Unearned Revenue								139	139
Due To Other Funds							818	1,633	2,451
Total Liabilities							818	3,594	4,412
Deferred Inflows of Resources								19	19
Fund Balances (Deficits):									
Restricted	24,199	31,788	2,773	8,061	24,014	24,564	5,904		121,303
Unassigned								(27)	(27)
Total Fund Balances (Deficits)	24,199	31,788	2,773	8,061	24,014	24,564	5,904	(27)	121,276
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 24,199	$ 31,788	$ 2,773	$ 8,061	$ 24,014	$ 24,564	$ 6,722	$ 3,586	$ 125,707

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Certificates of Obligation
Year-Ended September 30, 2023
(In Thousands)

	PRE-2018 CERTIFICATES OF OBLIGATION	2018 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	2023 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Revenues:									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,125	$ 3,125
Investment Earnings	1,403	1,311	259	345	1,021	878	68		5,285
Contributions								953	953
Total Revenues	1,403	1,311	259	345	1,021	878	68	4,078	9,363
Expenditures:									
Capital Outlay								24,382	24,382
Debt Service:									
Issuance Costs						15	310		325
Total Expenditures						15	310	24,382	24,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,403	1,311	259	345	1,021	863	(242)	(20,304)	(15,344)
Other Financing Sources (Uses):									
Issuance of Long-Term Debt							46,990		46,990
Premium on Long-Term Debt							3,993		3,993
Transfers In	703	266						27,234	28,203
Transfers Out	(17,205)	(2,040)	(2,966)	(807)	(5,410)	(9,207)	(44,837)	(4,000)	(86,472)
Total Other Financing Sources (Uses), Net	(16,502)	(1,774)	(2,966)	(807)	(5,410)	(9,207)	6,146	23,234	(7,286)
Net Change in Fund Balances	(15,099)	(463)	(2,707)	(462)	(4,389)	(8,344)	5,904	2,930	(22,630)
Fund Balances (Deficits), October 1	39,298	32,251	5,480	8,523	28,403	32,908		(2,957)	143,906
Fund Balances (Deficits), September 30	$ 24,199	$ 31,788	$ 2,773	$ 8,061	$ 24,014	$ 24,564	$ 5,904	$ (27)	$ 121,276

Combining Balance Sheet
Nonmajor Governmental Funds - Other Capital Projects
As of September 30, 2023
(In Thousands)

	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	$ -	$ -	$ 83	$ 83
Investments			267	267
Receivables, Net			2	2
Restricted Assets:				
Cash and Cash Equivalents	24,469	175	6,976	31,620
Investments		225	39,591	39,816
Receivables, Net	691	1	224	916
Due From Other Governmental Agencies, Net	284			284
Total Assets	$ 25,444	$ 401	$ 47,143	$ 72,988
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	$ 15,134	$ 104	$ -	$ 15,238
Accounts Payable - Other	5,316			5,316
Accrued Payroll	1			1
Unearned Revenue	4,365			4,365
Due To Other Funds	35			35
Total Liabilities	24,851	104		24,955
Deferred Inflows of Resources	486			486
Fund Balances (Deficits):				
Restricted	107	297	46,791	47,195
Committed			352	352
Total Fund Balances (Deficits)	107	297	47,143	47,547
Total Liabilities and Fund Balances	$ 25,444	$ 401	$ 47,143	$ 72,988

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Other Capital Projects
Year-Ended September 30, 2023
(In Thousands)

	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Revenues:				
Intergovernmental	$ 6,858	$ -	$ -	$ 6,858
Miscellaneous	7			7
Investment Earnings		36	1,109	1,145
Total Revenues	6,865	36	1,109	8,010
Expenditures:				
Capital Outlay	209,099	238		209,337
Debt Service:				
Issuance Costs			164	164
Total Expenditures	209,099	238	164	209,501
Excess (Deficiency) of Revenue Over (Under) Expenditures	(202,234)	(202)	945	(201,491)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			30,450	30,450
Premium on Long-Term Debt			438	438
Transfers In	203,824	246		204,070
Transfers Out	(50)	(297)	(21,225)	(21,572)
Total Other Financing Sources (Uses), Net	203,774	(51)	9,663	213,386
Net Change in Fund Balances	1,540	(253)	10,608	11,895
Fund Balances (Deficits), October 1	(1,433)	550	36,535	35,652
Fund Balances, September 30	$ 107	$ 297	$ 47,143	$ 47,547

Combining Balance Sheet
Nonmajor Governmental Funds - Permanent
As of September 30, 2023
(In Thousands)

	CARVER CULTURAL CENTER ENDOWMENT	CITY CEMETERIES	WILLIAM C. MORRIS ENDOWMENT	BOZA BECICA ENDOWMENT	SOUTHERN EDWARDS PLATEAU ENDOWMENT	TOTAL PERMANENT FUNDS
Assets:						
Restricted Assets:						
Cash and Cash Equivalents	$ 85	$ 1,200	$ 76	$ 125	$ 305	$ 1,791
Investments	271	3,842	243	401	975	5,732
Receivables, Net	2	136	1	2	9	150
Total Assets	$ 358	$ 5,178	$ 320	$ 528	$ 1,289	$ 7,673
Liabilities and Fund Balances:						
Liabilities:						
Liabilities Payable From Restricted Assets:						
Accounts Payable - Other	$ -	$ 2	$ -	$ -	$ -	$ 2
Accrued Payroll		2				2
Total Liabilities		4				4
Fund Balances:						
Nonspendable	334	4,268	313	514	1,104	6,533
Restricted	24	906	7	14	185	1,136
Total Fund Balances	358	5,174	320	528	1,289	7,669
Total Liabilities and Fund Balances	$ 358	$ 5,178	$ 320	$ 528	$ 1,289	$ 7,673

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Permanent
Year-Ended September 30, 2023
(In Thousands)

	CARVER CULTURAL CENTER ENDOWMENT	CITY CEMETERIES	WILLIAM C. MORRIS ENDOWMENT	BOZA BECICA ENDOWMENT	SOUTHERN EDWARDS PLATEAU ENDOWMENT	TOTAL PERMANENT FUNDS
Revenues:						
Charges for Services	$ -	$ 418	$ -	$ -	$ 18	$ 436
Investment Earnings	13	167	11	19	46	256
Contributions					401	401
Total Revenues	13	585	11	19	465	1,093
Expenditures:						
Culture and Recreation	3	202	2			207
Environmental					401	401
Total Expenditures	3	202	2		401	608
Excess (Deficiency) of Revenue Over (Under) Expenditures	10	383	9	19	64	485
Net Change in Fund Balances	10	383	9	19	64	485
Fund Balances, October 1	348	4,791	311	509	1,225	7,184
Fund Balances, September 30	$ 358	$ 5,174	$ 320	$ 528	$ 1,289	$ 7,669

Supplementary Budget and Actual Schedules for Legally Adopted Funds

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Schedules of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes	$ 863,792	$ 857,973	$ (5,819)
Licenses and Permits	9,635	9,907	272
Intergovernmental	33,958	34,122	164
Revenues from Utilities	479,178	487,646	8,468
Charges for Services	68,284	69,578	1,294
Fines and Forfeits	8,834	9,907	1,073
Miscellaneous	18,837	21,141	2,304
Investment Earnings	12,476	15,454	2,978
Total Revenues	$ 1,494,994	$ 1,505,728	$ 10,734
Expenditures:			
General Government	107,494	106,767	727
Public Safety	887,936	887,308	628
Public Works	90,040	88,810	1,230
Health Services	57,713	57,364	349
Culture and Recreation	146,039	144,535	1,504
Urban Redevelopment and Housing	45,601	44,761	840
Welfare	60,229	57,709	2,520
Economic Development and Opportunity	20,689	16,154	4,535
Environmental	6,490	6,400	90
Total Expenditures	$ 1,422,231	$ 1,409,808	$ 12,423
Excess of Revenues Over Expenditures	$ 72,763	$ 95,920	$ 23,157
Other Financing Sources (Uses):			
Transfers In	18,740	19,545	805
Transfers Out	(162,457)	(162,075)	382
Total Other Financing Sources (Uses), Net	$ (143,717)	$ (142,530)	$ 1,187
Net Change in Fund Balance	(70,954)	(46,610)	$ 24,344
Fund Balances, October 1	465,875	465,875	
Add Encumbrances		144,339	
Fund Balances, September 30	$ 394,921	$ 563,604	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Amortized Lease Revenue (GASB 87)		562	
Net Fair Value of Investments (GASB 31)		1,086	
Ending Fund Balance		$ 565,252	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Property:			
Current	$ 431,640	$ 429,370	$ (2,270)
Delinquent	4,099	3,555	(544)
General Sales and Use:			
City Sales	394,110	392,132	(1,978)
Selective Sales and Use:			
Alcoholic Beverages	12,961	12,357	(604)
Gross Receipts Business:			
Telecommunication Access Lines Fees	6,247	6,231	(16)
Cablevision Franchise	9,064	8,512	(552)
Bingo	1,186	1,121	(65)
Other	1,742	1,664	(78)
Penalties and Interest on Delinquent Taxes	2,743	3,031	288
Total Taxes	$ 863,792	$ 857,973	$ (5,819)
Licenses and Permits:			
Alarm Licenses	1,766	1,761	(5)
Alcoholic Beverages Licenses	998	914	(84)
Amusement Licenses	39	63	24
Building Permits	112	40	(72)
Health Licenses	5,034	5,183	149
Professional and Occupational Licenses	813	898	85
Street Permits	873	1,048	175
Total Licenses and Permits	$ 9,635	$ 9,907	$ 272
Intergovernmental:			
Bexar County - Child Support	33	35	2
Federal Aid	27,900	26,096	(1,804)
Library Aid from Bexar County	2,584	2,584	
Other	3,070	5,020	1,950
VIA Contributions	371	387	16
Total Intergovernmental	$ 33,958	$ 34,122	$ 164
Revenues from Utilities:			
CPS Energy	446,018	453,477	7,459
San Antonio Water System	33,160	34,169	1,009
Total Revenues from Utilities	$ 479,178	$ 487,646	$ 8,468

(Continued)

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Charges for Services:			
General Government	$ 2,693	$ 3,322	$ 629
Public Safety:			
Fire Department	36,003	36,544	541
Police Department	9,292	10,112	820
Sanitation:			
Demolition of Unsafe Structures	542	523	(19)
Health	3,528	2,711	(817)
Streets	119	120	1
Culture and Recreation:			
Attractions and Venues	14,055	13,954	(101)
Community Centers	170	191	21
Concessions & Rentals	366	358	(8)
Library	258	340	82
Miscellaneous Recreation Revenue	178	203	25
Recreation Fees	1,074	1,184	110
Swimming Pools	6	16	10
Total Charges for Services	$ 68,284	$ 69,578	$ 1,294
Fines and Forfeits:			
Municipal Court Fines	$ 8,834	$ 9,907	$ 1,073
Miscellaneous:			
Interfund Charges	2,150	2,985	835
Other	1,841	1,996	155
Recovery of Expenditures	4,204	4,242	38
Rents, Leases, and Concessions	2,104	1,711	(393)
Sales	8,538	10,207	1,669
Total Miscellaneous	$ 18,837	$ 21,141	$ 2,304
Investment Earnings:			
Interest	$ 12,476	$ 15,454	$ 2,978
Total Revenues	$ 1,494,994	$ 1,505,728	$ 10,734

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Amortized Lease Revenue (GASB 87)	562
Net Fair Value of Investments (GASB 31)	1,086
Total Revenues	$ 1,507,376

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures:			
General Government:			
Executive:			
Personal Services	$ 52,553	$ 51,338	$ 1,215
Contractual Services	10,630	9,507	1,123
Commodities	753	698	55
Other Expenditures	11,587	11,364	223
Capital Outlay	1,236	2,647	(1,411)
Total Executive	$ 76,759	$ 75,554	$ 1,205
Judicial:			
Personal Services	12,343	11,773	570
Contractual Services	2,219	2,310	(91)
Commodities	165	160	5
Other Expenditures	2,484	2,557	(73)
Capital Outlay	498	671	(173)
Total Judicial	$ 17,709	$ 17,471	$ 238
Legislative:			
Personal Services	5,371	5,078	293
Contractual Services	4,726	5,090	(364)
Commodities	329	602	(273)
Other Expenditures	2,080	2,317	(237)
Capital Outlay	520	655	(135)
Total Legislative	$ 13,026	$ 13,742	$ (716)
Total General Government	$ 107,494	$ 106,767	$ 727
Public Safety:			
Fire:			
Personal Services	292,219	291,476	743
Contractual Services	15,366	14,504	862
Commodities	11,387	12,910	(1,523)
Other Expenditures	34,090	34,362	(272)
Capital Outlay	3,840	4,137	(297)
Total Fire	$ 356,902	$ 357,389	$ (487)
Police:			
Personal Services	440,083	436,575	3,508
Contractual Services	24,514	23,166	1,348
Commodities	5,823	5,707	116
Other Expenditures	48,446	50,757	(2,311)
Capital Outlay	12,168	13,714	(1,546)
Total Police	$ 531,034	$ 529,919	$ 1,115
Total Public Safety	$ 887,936	$ 887,308	$ 628

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Public Works:			
Administration:			
Personal Services	$ 3,598	$ 3,370	$ 228
Contractual Services	11,275	11,073	202
Commodities	32	43	(11)
Other Expenditures	1,623	1,914	(291)
Capital Outlay	70	128	(58)
Total Administration	$ 16,598	$ 16,528	$ 70
Streets:			
Personal Services	16,620	15,977	643
Contractual Services	10,639	13,514	(2,875)
Commodities	6,299	6,366	(67)
Other Expenditures	22,304	21,589	715
Capital Outlay	474	283	191
Total Streets	$ 56,336	$ 57,729	$ (1,393)
Traffic and Transportation:			
Personal Services	5,933	5,693	240
Contractual Services	7,450	6,135	1,315
Commodities	1,349	424	925
Other Expenditures	2,285	2,223	62
Capital Outlay	89	78	11
Total Traffic and Transportation	$ 17,106	$ 14,553	$ 2,553
Total Public Works	$ 90,040	$ 88,810	$ 1,230
Health Services:			
Personal Services	32,801	31,992	809
Contractual Services	14,076	13,855	221
Commodities	2,290	2,542	(252)
Other Expenditures	7,276	7,443	(167)
Capital Outlay	1,270	1,532	(262)
Total Health Services	$ 57,713	$ 57,364	$ 349
Welfare:			
Personal Services	14,608	14,192	416
Contractual Services	29,500	29,756	(256)
Commodities	515	478	37
Other Expenditures	13,555	10,930	2,625
Capital Outlay	2,051	2,353	(302)
Total Welfare	$ 60,229	$ 57,709	$ 2,520

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Culture and Recreation:			
Downtown Operations:			
Personal Services	$ 5,475	$ 5,350	$ 125
Contractual Services	5,176	3,406	1,770
Commodities	531	519	12
Other Expenditures	2,880	2,980	(100)
Capital Outlay	74	78	(4)
Total Downtown Operations	$ 14,136	$ 12,333	$ 1,803
Libraries:			
Personal Services	29,438	29,064	374
Contractual Services	6,535	6,528	7
Commodities	7,196	7,417	(221)
Other Expenditures	5,287	5,381	(94)
Capital Outlay	1,248	1,219	29
Total Libraries	$ 49,704	$ 49,609	$ 95
Parks:			
Personal Services	51,010	50,875	135
Contractual Services	10,997	11,021	(24)
Commodities	4,059	4,134	(75)
Other Expenditures	14,813	15,241	(428)
Capital Outlay	1,320	1,322	(2)
Total Parks	$ 82,199	$ 82,593	$ (394)
Total Culture and Recreation	$ 146,039	$ 144,535	$ 1,504
Economic Development and Opportunity:			
Personal Services	4,361	4,305	56
Contractual Services	15,740	11,240	4,500
Commodities	83	49	34
Other Expenditures	424	465	(41)
Capital Outlay	81	95	(14)
Total Economic Development and Opportunity	$ 20,689	$ 16,154	$ 4,535
Urban Redevelopment and Housing			
Personal Services	15,289	15,106	183
Contractual Services	23,401	22,550	851
Commodities	341	363	(22)
Other Expenditures	5,931	6,065	(134)
Capital Outlay	639	677	(38)
Total Urban Redevelopment and Housing	$ 45,601	$ 44,761	$ 840
Environmental:			
Personal Services	55	18	37
Contractual Services	6,435	6,382	53
Total Environmental	$ 6,490	$ 6,400	$ 90
Total Expenditures	$ 1,422,231	$ 1,409,808	$ 12,423

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Encumbrances	(79,310)
Lease Right-to-Use Assets Expenditures	1,391
Subscription Right-to-Use Assets Expenditures	3,312
Total Expenditures	$ 1,335,201

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Debt Service Fund
Year-Ended September 30, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Property Taxes:			
Current	$ 276,550	$ 275,565	$ (985)
Delinquent	2,626	2,278	(348)
Penalties and Interest on Delinquent Taxes	1,757	1,942	185
Miscellaneous		72	72
Investment Earnings	1,136	4,968	3,832
Total Revenues	$ 282,069	$ 284,825	$ 2,756
Expenditures:			
General Government:			
Contractual Services	695	695	
Total General Government	$ 695	$ 695	$ -
Debt Service:			
Principal Retirement	220,955	220,955	
Interest	83,326	83,325	1
Total Debt Service	$ 304,281	$ 304,280	$ 1
Total Expenditures	$ 304,976	$ 304,975	$ 1
(Deficiency) of Revenues (Under) Expenditures	$ (22,907)	$ (20,150)	$ 2,757
Other Financing Sources:			
Transfers In	21,707	21,717	10
Total Other Financing Sources	$ 21,707	$ 21,717	$ 10
Net Change in Fund Balance	(1,200)	1,567	$ 2,767
Fund Balances, October 1	45,047	45,047	
Fund Balances, September 30	$ 43,847	$ 46,614	

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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
General Sales and Use:			
City Sales Tax	$ 24,733	$ 24,389	$ (344)
Investment Earnings	530	549	19
Total Revenues	$ 25,263	$ 24,938	$ (325)
Expenditures:			
Public Works:			
Personal Services	3,371	3,436	(65)
Contractual Services	1,301	1,173	128
Commodities	152	125	27
Other Expenditures	2,466	2,559	(93)
Capital Outlay	500	498	2
Total Expenditures	$ 7,790	$ 7,791	$ (1)
Excess of Revenues Over Expenditures	$ 17,473	$ 17,147	$ (326)
Other Financing (Uses):			
Transfers Out	(34,054)	(32,212)	1,842
Total Other Financing (Uses)	$ (34,054)	$ (32,212)	$ 1,842
Net Change in Fund Balance	(16,581)	(15,065)	$ 1,516
Fund Balances, October 1	21,914	21,914	
Add Encumbrances		7,351	
Fund Balances, September 30	$ 5,333	$ 14,200	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		127	
Ending Fund Balance		$ 14,327	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and 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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	$ 80,062	$ 77,647	$ (2,415)
Penalties and Interest on Delinquent Taxes	376	499	123
Intergovernmental	16,062	15,885	(177)
Charges for Services	42,041	46,730	4,689
Miscellaneous	750	903	153
Investment Earnings	612	4,258	3,646
Total Revenues	$ 139,903	$ 145,922	$ 6,019
Expenditures:			
Culture & Recreation:			
Arts & Cultural:			
Personal Services	1,537	2,013	(476)
Contractual Services	1,420	1,766	(346)
Commodities	73	61	12
Other Expenditures	268	360	(92)
Capital Outlay	17	21	(4)
Total Arts & Cultural	$ 3,315	$ 4,221	$ (906)
Alamodome:			
Personal Services	5,709	5,696	13
Contractual Services	6,844	7,328	(484)
Commodities	435	624	(189)
Other Expenditures	5,862	6,332	(470)
Capital Outlay	392	656	(264)
Total Alamodome	$ 19,242	$ 20,636	$ (1,394)
Nondepartmental:			
Personal Services	469	583	(114)
Contractual Services	5,980	6,347	(367)
Other Expenditures	295	96	199
Capital Outlay	3	91	(88)
Total Nondepartmental	$ 6,747	$ 7,117	$ (370)
Contributions to Other Agencies	7,553	7,148	405
Total Culture & Recreation	$ 36,857	$ 39,122	$ (2,265)

(Continued)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community and Visitor Facilities (Continued)
Year-Ended September 30, 2023

(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Expenditures Continued:			
Convention and Tourism:			
Convention Center:			
Personal Services	15,714	15,713	1
Contractual Services	4,853	9,175	(4,322)
Commodities	878	893	(15)
Other Expenditures	10,527	10,647	(120)
Capital Outlay	399	2,270	(1,871)
Total Convention Center	$ 32,371	$ 38,698	$ (6,327)
Contributions to Other Agencies (VSA)	25,892	25,892	
Total Convention and Tourism	$ 58,263	$ 64,590	$ (6,327)
Total Expenditures	$ 95,120	$ 103,712	$ (8,592)
Excess of Revenues Over Expenditures	$ 44,783	$ 42,210	$ (2,573)
Other Financing Sources (Uses):			
Transfers In	16,770	17,650	880
Transfers Out	(58,752)	(64,685)	(5,933)
Total Other Financing Sources (Uses), Net	$ (41,982)	$ (47,035)	$ (5,053)
Net Change in Fund Balance	2,801	(4,825)	$ (7,626)
Fund Balances, October 1	126,029	126,029	
Add Encumbrances		27,078	
Fund Balances, September 30	$ 128,830	$ 148,282	

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Amortized Lease Revenue (GASB 87)	344
Net Fair Value of Investments (GASB 31)	62
Ending Fund Balance	$ 148,688

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

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 and 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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	$ 1,122	$ 1,228	$ 106
Investment Earnings	80	131	51
Total Revenues	$ 1,202	$ 1,359	$ 157
Expenditures:			
Public Safety:			
Personal Services	80	48	32
Contractual Services	893	799	94
Commodities	107	78	29
Other Expenditures	46	38	8
Capital Outlay	133	99	34
Total Expenditures	$ 1,259	$ 1,062	$ 197
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (57)	$ 297	$ 354
Net Change in Fund Balance	(57)	297	$ 354
Fund Balances, October 1	3,955	3,955	
Add Encumbrances		399	
Fund Balances, September 30	$ 3,898	$ 4,651	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		14	
Ending Fund Balance		$ 4,665	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	$ 22,875	$ 22,147	$ (728)
Penalties and Interest on Delinquent Taxes	88	154	66
Miscellaneous	44		(44)
Investment Earnings		159	159
Total Revenues	$ 23,007	$ 22,460	$ (547)
Expenditures:			
Convention and Tourism:			
Contractual Services	6	26	(20)
Total Expenditures	$ 6	$ 26	$ (20)
Excess of Revenues Over Expenditures	$ 23,001	$ 22,434	$ (567)
Other Financing Sources (Uses):			
Transfer In	21,469	22,692	1,223
Transfers Out	(44,417)	(45,072)	(655)
Total Other Financing Sources (Uses), Net	$ (22,948)	$ (22,380)	$ 568
Net Change in Fund Balance	53	54	$ 1
Fund Balances, October 1	922	922	
Fund Balances, September 30	$ 975	$ 976	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		152	
Ending Fund Balance		$ 1,128	

The City noted budget violations of excess expenditures and transfers out over appropriations. As there was sufficient actual revenues and 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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 11,362	$ 11,362	$ -
Investment Earnings	13	16	3
Total Revenues	$ 11,375	$ 11,378	$ 3
Expenditures:			
Sanitation:			
Personal Services	7,829	7,786	43
Contractual Services	3,028	3,396	(368)
Commodities	431	431	
Other Expenditures	913	906	7
Capital Outlay	115	147	(32)
Total Expenditures	$ 12,316	$ 12,666	$ (350)
(Deficiency) of Revenues (Under) Expenditures	$ (941)	$ (1,288)	$ (347)
Net Change in Fund Balance	(941)	(1,288)	$ (347)
Fund Balances, October 1	1,302	1,302	
Add Encumbrances		35	
Fund Balances, September 30	$ 361	$ 49	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		16	
Ending Fund Balance		$ 65	

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and 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
Right of Ways
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 4,744	$ 5,142	$ 398
Investment Earnings	140	181	41
Total Revenues	$ 4,884	$ 5,323	$ 439
Expenditures:			
Public Works:			
Personal Services	2,957	2,960	(3)
Contractual Services	302	146	156
Commodities	48	86	(38)
Other Expenditures	397	398	(1)
Capital Outlay	96	95	1
Total Public Works	3,800	3,685	115
Total Expenditures	$ 3,800	$ 3,685	$ 115
Excess of Revenues Over Expenditures	$ 1,084	$ 1,638	$ 554
Other Financing (Uses):			
Transfers Out	(6,589)	(6,282)	307
Total Other Financing (Uses)	$ (6,589)	$ (6,282)	$ 307
Net Change in Fund Balance	(5,505)	(4,644)	$ 861
Fund Balances, October 1	7,339	7,339	
Add Encumbrances		7	
Fund Balances, September 30	$ 1,834	$ 2,702	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:		
Net Fair Value of Investments (GASB 31)		30
Ending Fund Balance		$ 2,732

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations
Year-Ended September 30, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 63,393	$ 63,416	$ 23
Miscellaneous	279	283	4
Investment Earnings	1,637	1,825	188
Total Revenues	$ 65,309	$ 65,524	$ 215
Expenditures:			
Public Works:			
Administration:			
Personal Services	5,132	4,784	348
Contractual Services	8,026	7,857	169
Commodities	113	112	1
Other Expenditures	349	346	3
Capital Outlay	108	54	54
Total Administration	$ 13,728	$ 13,153	$ 575
Vegetation Control:			
Personal Services	6,094	5,613	481
Contractual Services	1,420	1,738	(318)
Commodities	779	704	75
Other Expenditures	2,444	2,374	70
Capital Outlay	38	72	(34)
Total Vegetation Control	$ 10,775	$ 10,501	$ 274
River Maintenance:			
Personal Services	143	106	37
Contractual Services	2,092	1,543	549
Commodities	2	3	(1)
Other Expenditures	48	54	(6)
Capital Outlay	1		1
Total River Maintenance	$ 2,286	$ 1,706	$ 580
Street Sweeping:			
Personal Services	2,418	2,703	(285)
Contractual Services	947	795	152
Commodities	335	483	(148)
Other Expenditures	1,211	1,133	78
Capital Outlay	4	3	1
Total Street Sweeping	$ 4,915	$ 5,117	$ (202)
Tunnel Maintenance:			
Personal Services	4,883	5,264	(381)
Contractual Services	4,299	3,300	999
Commodities	1,385	907	478
Other Expenditures	1,938	1,819	119
Capital Outlay	658	455	203
Total Tunnel Maintenance	$ 13,163	$ 11,745	$ 1,418

(Continued)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations (Continued)
Year-Ended September 30, 2023

(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures Continued:			
Design Engineering:			
Personal Services	2,372	2,260	112
Contractual Services	828	888	(60)
Commodities	18	11	7
Other Expenditures	77	77	
Capital Outlay	37	9	28
Total Design Engineering	$ 3,332	$ 3,245	$ 87
Total Public Works	48,199	45,467	2,732
Total Expenditures	$ 48,199	$ 45,467	$ 2,732
Excess of Revenues Over Expenditures	$ 17,110	$ 20,057	$ 2,947
Other Financing (Uses):			
Transfers Out	(67,114)	(66,722)	392
Total Other Financing (Uses)	$ (67,114)	$ (66,722)	$ 392
Net Change in Fund Balance	(50,004)	(46,665)	$ 3,339
Fund Balances, October 1	62,864	62,864	
Add Encumbrances		38,978	
Fund Balances, September 30	$ 12,860	$ 55,177	

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	277
Ending Fund Balance	$ 55,454

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Administrative Fee [1]	$ 1,179	$ 1,274	$ 95
Investment Earnings	32	65	33
Total Revenues	$ 1,211	$ 1,339	$ 128
Expenditures:			
Economic Development and Opportunity:			
Personal Services	670	702	(32)
Contractual Services	102	39	63
Commodities	8	3	5
Other Expenditures	30	30	
Capital Outlay	14	14	
Total Expenditures	$ 824	$ 788	$ 36
Excess of Revenues Over Expenditures	$ 387	$ 551	$ 164
Other Financing (Uses):			
Transfers Out	(156)	(156)	
Total Other Financing (Uses)	$ (156)	$ (156)	$ -
Net Change in Fund Balance	231	395	$ 164
Fund Balances, October 1	2,235	2,235	
Add Encumbrances		12	
Fund Balances, September 30	$ 2,466	$ 2,642	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		9	
Ending Fund Balance		$ 2,651	

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 2023 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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 306	$ 297	$ (9)
Intergovernmental	2,088	2,120	32
Investment Earnings	6	10	4
Total Revenues	$ 2,400	$ 2,427	$ 27
Expenditures:			
Public Safety:			
Personal Services	2,198	2,165	33
Contractual Services	20	19	1
Commodities	11	12	(1)
Other Expenditures	341	344	(3)
Capital Outlay	9	9	
Total Expenditures	$ 2,579	$ 2,549	$ 30
(Deficiency) of Revenues (Under) Expenditures	$ (179)	$ (122)	$ 57
Net Change in Fund Balance	(179)	(122)	$ 57
Fund Balances, October 1	554	554	
Add Encumbrance		9	
Fund Balances, September 30	$ 375	$ 441	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		2	
Ending Fund Balance		$ 443	

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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	$ 25	$ 15	$ (10)
Investment Earnings	39	73	34
Total Revenues	$ 64	$ 88	$ 24
Expenditures:			
General Government:			
Personal Services	428	396	32
Contractual Services	1,412	1,278	134
Commodities	1		1
Other Expenditures	33	24	9
Capital Outlay	8	9	(1)
Total Expenditures	$ 1,882	$ 1,707	$ 175
(Deficiency) of Revenues (Under) Expenditures	$ (1,818)	$ (1,619)	$ 199
Other Financing Sources (Uses):			
Transfers In	1,097	1,097	
Transfers Out		(58)	(58)
Total Other Financing Sources (Uses), Net	$ 1,097	$ 1,039	$ (58)
Net Change in Fund Balance	(721)	(580)	$ 141
Fund Balances, October 1	2,341	2,341	
Add Encumbrances		290	
Fund Balances, September 30	$ 1,620	$ 2,051	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		10	
Ending Fund Balance		$ 2,061	

The City noted budget violations of excess transfers out and encumbrances over appropriations. As there was sufficient actual revenues and 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 - Golf Course Operating and Maintenance
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Revenues:			
Miscellaneous [1]	$ 1,247	$ 1,247	$ -
Investment Earnings		9	9
Total Revenues	$ 1,247	$ 1,256	$ 9
Excess of Revenues Over Expenditures	$ 1,247	$ 1,256	$ 9
Other Financing Sources (Uses):			
Transfers Out	(1,247)	(1,247)	
Total Other Financing (Uses)	$ (1,247)	$ (1,247)	$ -
Net Change in Fund Balance		9	$ 9
Fund Balances, October 1	15	15	
Fund Balances, September 30	$ 15	$ 24	

Explanation of Differences:

[1] For financial reporting presentation the revenue is reported as transfers in; however the above schedule reflects the fund schedule from the City's 2023 Adopted Budget.

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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 375	$ 393	$ 18
Investment Earnings	3	6	3
Total Revenues	$ 378	$ 399	$ 21
Expenditures:			
General Government:			
Personal Services	338	341	(3)
Contractual Services	90	88	2
Commodities	2	8	(6)
Other Expenditures	29	29	
Capital Outlay	1	1	
Total Expenditures	$ 460	$ 467	$ (7)
(Deficiency) of Revenues (Under) Expenditures	$ (82)	$ (68)	$ 14
Other Financing Sources:			
Transfers In	237	237	
Total Other Financing Sources, Net	$ 237	$ 237	$ -
Net Change in Fund Balance	155	169	$ 14
Fund Balances, October 1	103	103	
Fund Balances, September 30	$ 258	$ 272	

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues and 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 - Municipal Court Technology
Year-Ended September 30, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 320	$ 334	$ 14
Investment Earnings	4	9	5
Total Revenues	$ 324	$ 343	$ 19
Expenditures:			
General Government:			
Contractual Services	777	777	
Capital Outlay	45	45	
Total Expenditures	$ 822	$ 822	$ -
(Deficiency) of Revenues (Under) Expenditures	$ (498)	$ (479)	$ 19
Other Financing Sources:			
Transfers In	612	612	
Total Other Financing Sources	$ 612	$ 612	$ -
Net Change in Fund Balance	114	133	$ 19
Fund Balances, October 1	103	103	
Add Encumbrances		24	
Fund Balances, September 30	$ 217	$ 260	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Municipal Court Truancy Intervention & Prevention Fund
Year-Ended September 30, 2023

(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 467	$ 515	$ 48
Investment Earnings	3	3	
Total Revenues	$ 470	$ 518	$ 48
Expenditures:			
General Government:			
Personal Services	676	642	34
Contractual Services	7	5	2
Other Expenditures	61	61	
Capital Outlay	47	44	3
Total Expenditures	$ 791	$ 752	$ 39
(Deficiency) of Revenues (Under) Expenditures	$ (321)	$ (234)	$ 87
Other Financing Sources:			
Transfers In	294	294	
Total Other Financing Sources	$ 294	$ 294	$ -
Net Change in Fund Balance	(27)	60	$ 87
Fund Balances, October 1	121	121	
Add Encumbrances		9	
Fund Balances, September 30	$ 94	$ 190	

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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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Business and Franchise Tax	$ 2,129	$ 1,994	$ (135)
Investment Earnings	252	289	37
Total Revenues	$ 2,381	$ 2,283	$ (98)
Expenditures:			
General Government:			
Contractual Services	512	470	42
Commodities	2	3	(1)
Other Expenditures	18	20	(2)
Capital Outlay	3,009	2,643	366
Total Expenditures	$ 3,541	$ 3,136	$ 405
(Deficiency) of Revenues (Under) Expenditures	$ (1,160)	$ (853)	$ 307
Net Change in Fund Balance	(1,160)	(853)	$ 307
Fund Balances, October 1	9,620	9,620	
Add Encumbrances		1,063	
Fund Balances, September 30	$ 8,460	$ 9,830	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		43	
Ending Fund Balance		$ 9,873	

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, 2023
(In Thousands)

	2023		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 6,127	$ 8,768	$ 2,641
Investment Earnings	434	556	122
Total Revenues	$ 6,561	$ 9,324	$ 2,763
Expenditures:			
Culture and Recreation:			
Personal Services	380	387	(7)
Contractual Services	2,487	2,647	(160)
Commodities	323	380	(57)
Other Expenditures	167	148	19
Capital Outlay	592	796	(204)
Total Expenditures	$ 3,949	$ 4,358	$ (409)
Excess of Revenues Over Expenditures	$ 2,612	$ 4,966	$ 2,354
Other Financing (Uses):			
Transfers Out	(9,105)	(8,946)	159
Total Other Financing (Uses)	$ (9,105)	$ (8,946)	$ 159
Net Change in Fund Balance	(6,493)	(3,980)	$ 2,513
Fund Balances, October 1	14,837	14,837	
Add Encumbrances		9,539	
Fund Balances, September 30	$ 8,344	$ 20,396	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		9	
Ending Fund Balance		$ 20,405	

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and 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)
Permanent Fund
City Cemeteries
Year-Ended September 30, 2023
(In Thousands)

	2023 FINAL BUDGET	2023 ACTUAL	2023 VARIANCE WITH FINAL BUDGET
Revenues:			
Lease Revenue	$ 275	$ 278	$ 3
Investment Earnings	14	18	4
Total Revenues	$ 289	$ 296	$ 7
Expenditures:			
Culture and Recreation:			
Personal Services	80	81	(1)
Contractual Services	120	107	13
Commodities	3	2	1
Self-Insurance	12	12	
Capital Outlay	2		2
Total Culture and Recreation	$ 217	$ 202	$ 15
Total Expenditures	$ 217	$ 202	$ 15
Excess of Revenues Over Expenditures	$ 72	$ 94	$ 22
Net Change in Fund Balance	72	94	$ 22
Fund Balances, October 1	636	636	
Fund Balances, September 30	$ 708	$ 730	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		1	
Ending Fund Balance		$ 731	

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, Centro de Artes, and construction and management of the Market Square assets.

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, 2023
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	$ 6,772	$ 209	$ 1,912	$ 8,893
Investments	22,909	668	6,137	29,714
Receivables, Net	733	109	59	901
Materials and Supplies, at Cost			262	262
Prepaid Expenses	479			479
Lease Receivable		1,246	475	1,721
Due From Other Governmental Agencies, Net			1	1
Total Unrestricted Assets	30,893	2,232	8,846	41,971
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	19		397	416
Investments	64		1,302	1,366
Receivables, Net			2	2
Construction Accounts:				
Cash and Cash Equivalents	28			28
Investments	91			91
Receivables, Net	1			1
Due From Other Funds	35			35
Improvement and Contingency Accounts:				
Cash and Cash Equivalents			223	223
Investments			713	713
Receivables, Net			4	4
Total Restricted Assets	238		2,641	2,879
Total Current Assets	31,131	2,232	11,487	44,850
Noncurrent Assets:				
Capital Assets:				
Land	1,196	45	8,125	9,366
Buildings		2,306	24,822	27,128
Improvements	1,033	7,868	5,375	14,276
Machinery and Equipment	12,769		1,484	14,253
Depreciable Intangible	14,404			14,404
Construction in Progress	797	417		1,214
Total Capital Assets	30,199	10,636	39,806	80,641
Less: Accumulated Depreciation	20,344	6,448	22,803	49,595
Net Capital Assets	9,855	4,188	17,003	31,046
Lease Assets			10	10
Less: Accumulated Amortization			3	3
Lease Assets, Net			7	7
Lease Receivable		7,529	4,084	11,613
Subscription Assets	3,758		18	3,776
Less: Accumulated Amortization	1,012		9	1,021
Subscription Assets, Net	2,746		9	2,755
Total Noncurrent Assets	12,601	11,717	21,103	45,421
Total Assets	43,732	13,949	32,590	90,271
Total Deferred Outflows of Resources	12,626	204	2,584	15,414

(Continued)

Combining Statement of Net Position
Nonmajor Enterprise Funds (Continued)
As of September 30, 2023
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Vouchers Payable	$ 376	$ 90	$ 100	$ 566
Accounts Payable - Other	4,426	222	289	4,937
Accrued Payroll	511	8	77	596
Current Portion of Accrued Leave Payable	1,238	20	203	1,461
Unearned Revenue		11	30	41
Current Portion of Lease Liability			2	2
Current Portion of Subscription Liability	1,011		9	1,020
Total Payable from Current Unrestricted Assets	7,562	351	710	8,623
Payable from Current Restricted Assets:				
Vouchers Payable	35			35
Accrued Interest	40		2	42
Current Portion of Bonds and Certificates (net of premium/discount)	322		1,580	1,902
Total Payable from Current Restricted Assets	397		1,582	1,979
Total Current Liabilities	7,959	351	2,292	10,602
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & discount/premium)	5,763			5,763
Accrued Leave Payable (net of current portion)	53	6	14	73
Lease Liability (net of current portion)			4	4
Subscription Liability (net of current portion)	1,346			1,346
Net OPEB and Pension Liabilities	40,194	612	6,943	47,749
Total Noncurrent Liabilities	47,356	618	6,961	54,935
Total Liabilities	55,315	969	9,253	65,537
Total Deferred Inflows of Resources	11,124	8,735	7,091	26,950
Net Position (Deficit):				
Net Investment in Capital Assets	4,278	4,188	15,506	23,972
Restricted:				
Debt Service	43		1,701	1,744
Capital Projects	120		940	1,060
Unrestricted (Deficit)	(14,522)	261	683	(13,578)
Total Net Position (Deficit)	$ (10,081)	$ 4,449	$ 18,830	$ 13,198

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year-Ended September 30, 2023
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Operating Revenues:				
Charges for Services	$ 42,967	$ 2,460	$ 8,227	$ 53,654
Total Operating Revenues	42,967	2,460	8,227	53,654
Operating Expenses:				
Personal Services	30,948	486	5,172	36,606
Contractual Services	3,350	1,431	1,886	6,667
Commodities	816	55	214	1,085
Other	8,264	434	1,142	9,840
Depreciation	4,772	443	874	6,089
Total Operating Expenses	48,150	2,849	9,288	60,287
Operating (Loss)	(5,183)	(389)	(1,061)	(6,633)
Nonoperating Revenues (Expenses):				
Investment Earnings	1,027	37	380	1,444
Other Nonoperating Revenue	11	5	18	34
Interest and Debt Expense	(151)		(111)	(262)
Other Nonoperating Expense	(20)			(20)
Total Nonoperating Revenues (Expenses), Net	867	42	287	1,196
Change in Net Position Before Transfers	(4,316)	(347)	(774)	(5,437)
Transfers In (Out):				
Transfers In	1,408		1,807	3,215
Transfers Out	(2,976)	(202)	(721)	(3,899)
Total Transfers In (Out), Net	(1,568)	(202)	1,086	(684)
Change In Net Position	(5,884)	(549)	312	(6,121)
Net Position (Deficit) - October 1	(4,197)	4,998	18,518	19,319
Net Position (Deficit) - September 30	$ (10,081)	$ 4,449	$ 18,830	$ 13,198

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year-Ended September 30, 2023
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Cash Flows from Operating Activities:				
Cash Received from Customers	$ 43,483	$ 2,388	$ 8,085	$ 53,956
Cash Payments to Suppliers for Goods and Services	(13,013)	(1,749)	(3,220)	(17,982)
Cash Payments to Employees for Service	(29,273)	(424)	(5,108)	(34,805)
Cash Received from Other Cash Receipts	11	5	18	34
Net Cash Provided by (Used for) Operating Activities	1,208	220	(225)	1,203
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	1,408		1,807	3,215
Transfers Out to Other Funds	(2,976)	(202)	(721)	(3,899)
Due from Other Funds	(35)			(35)
Net Cash Provided by (Used for) Noncapital Financing Activities	(1,603)	(202)	1,086	(719)
Cash Flows from Capital and Related Financing Activities:				
Acquisitions and Construction of Capital Assets	(1,597)	(230)	(2)	(1,829)
Interest and Fees Paid on Long-Term Debt	(151)		(112)	(263)
Principal Payments on Long-Term Debt	(322)		(1,570)	(1,892)
Net Cash (Used for) Capital and Related Financing Activities	(2,070)	(230)	(1,684)	(3,984)
Cash Flows from Investing Activities:				
Purchases of Investment Securities	(14,053)	(408)	(8,953)	(23,414)
Maturity of Investment Securities	15,868	580	8,616	25,064
Investment Earnings	894	33	380	1,307
Net Cash Provided by Investing Activities	2,709	205	43	2,957
Net Increase (Decrease) in Cash and Cash Equivalents	244	(7)	(780)	(543)
Cash and Cash Equivalents, October 1	6,575	216	3,312	10,103
Cash and Cash Equivalents, September 30	$ 6,819	$ 209	$ 2,532	$ 9,560
Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating (Loss)	$ (5,183)	$ (389)	$ (1,061)	$ (6,633)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	4,772	443	874	6,089
Other Nonoperating Revenues	11	5	18	34
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable		66	(28)	38
(Increase) Decrease in Lease Receivable		(6)	(2)	(8)
(Increase) in Due from Other Governmental Agencies			(1)	(1)
(Increase) in Materials and Supplies			(127)	(127)
(Increase) in Prepaid Expenses	(30)			(30)
Increase (Decrease) in Vouchers Payable	162	(32)	(30)	100
Increase (Decrease) in Accounts Payable - Other	(199)	203	179	183
Increase in Accrued Payroll	85	3		88
Increase in Accrued Leave Payable	113	8	8	129
Increase in Net OPEB Obligation and Pension Liability	12,277	198	1,554	14,029
(Increase) in Deferred Outflows of Resources Related to OPEB and Pension	(5,315)	(67)	(552)	(5,934)
(Decrease) in Deferred Inflows of Resources	(5,485)	(201)	(1,029)	(6,715)
(Decrease) in Unearned Revenue		(11)	(28)	(39)
Net Cash Provided by (Used for) Operating Activities	$ 1,208	$ 220	$ (225)	$ 1,203
Noncash Investing, Capital and Financing Activities:				
Acquisitions of Subscription Capital Assets	$ 452			$ 452

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, City Administrative Building, 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, 2023
(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:							
Cash and Cash Equivalents	$ 6,274	$ 7,710	$ 7,962	$ 2,543	$ 31,860	$ 688	$ 57,037
Investments	20,121	24,686	25,700	8,132	100,836	1,695	181,170
Receivables, Net	131	140	146	458	661	30	1,566
Materials and Supplies, at Cost					4,097		4,097
Deposits	268		36				304
Prepaid Expenses		6,682		3,962			10,644
Lease Receivable				162	137		299
Due From Other Governmental Agencies, Net				163	45		208
Total Unrestricted Assets	26,794	39,218	33,844	15,420	137,636	2,413	255,325
Restricted Assets:							
Debt Service Accounts:							
Cash and Cash Equivalents					17		17
Investments					56		56
Construction Accounts:							
Cash and Cash Equivalents					100		100
Investments					321		321
Total Restricted Assets					494		494
Total Current Assets	26,794	39,218	33,844	15,420	138,130	2,413	255,819
Noncurrent Assets:							
Capital Assets:							
Land							
Buildings				21	158		179
Improvements					715		715
Machinery and Equipment		10	50	6,884	340,316	273	347,533
Depreciable Intangible						250	250
Total Capital Assets		10	50	6,905	341,189	523	348,677
Less: Accumulated Depreciation		10	38	6,838	219,142	481	226,509
Net Capital Assets			12	67	122,047	42	122,168
Lease Assets				31,620	98	29	31,747
Less: Accumulated Amortization				2,841	24	9	2,874
Lease Assets, Net				28,779	74	20	28,873
Lease Receivable				1,627	186		1,813
Subscription Assets				12,764	613	219	13,596
Less: Accumulated Amortization				6,215	266	52	6,533
Subscription Assets, Net				6,549	347	167	7,063
Total Noncurrent Assets			12	37,022	122,654	229	159,917
Total Assets	26,794	39,218	33,856	52,442	260,784	2,642	415,736
Total Deferred Outflows of Resources	1,103	1,014	959	16,508	14,332	8,654	42,570

(Continued)

Combining Statement of Net Position
Internal Service Funds (Continued)
As of September 30, 2023
(In Thousands)

	SELF-INSURANCE PROGRAMS						
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Liabilities:							
Current Liabilities:							
Payable from Current Unrestricted Assets:							
Vouchers Payable	$ 8,697	$ 644	$ 627	$ 1,339	$ 2,994	$ 91	$ 14,392
Accounts Payable - Other	679	442	103	1,237	744	489	3,694
Claims Payable	8,467	12,749	8,020				29,236
Accrued Payroll	50	36	38	649	493	346	1,612
Accrued Interest					35		35
Current Portion of Accrued Leave Payable	142	111	76	1,966	1,191	932	4,418
Unearned Revenue					6	10	16
Current Portion of Lease Liability				856	19	6	881
Current Portion of Subscription Liability				1,715	160	62	1,937
Current Portion of Pollution Remediation					17		17
Current Portion of Asset Retirement Obligations					263		263
Total Payable from Current Unrestricted Assets	18,035	13,982	8,864	7,762	5,922	1,936	56,501
Payable from Restricted Assets:							
Current Portion of Bonds and Certificates (net of premium/discount)					213		213
Total Payable from Restricted Assets					213		213
Total Current Liabilities	18,035	13,982	8,864	7,762	6,135	1,936	56,714
Noncurrent Liabilities:							
Bonds and Certificates (net of current portion & discount/premium)					4,230		4,230
Claims Payable (net of current portion)		25,777	28,140				53,917
Accrued Leave Payable (net of current portion)	32	31		1,421	217	263	1,964
Lease Liability (net of current portion)				28,919	55	14	28,988
Subscription Liability (net of current portion)				3,580	10	81	3,671
Net OPEB and Pension Liabilities	3,420	3,055	2,986	50,786	41,292	26,922	128,461
Asset Retirement Obligations (net of current portion)					1,825		1,825
Total Noncurrent Liabilities	3,452	28,863	31,126	84,706	47,629	27,280	223,056
Total Liabilities	21,487	42,845	39,990	92,468	53,764	29,216	279,770
Total Deferred Inflows of Resources	904	888	811	14,580	13,044	6,754	36,981
Net Position (Deficit):							
Net Investment in Capital Assets			12	325	118,202	66	118,605
Restricted:							
Debt Service					38		38
Capital Projects					421		421
Unrestricted (Deficit)	5,506	(3,501)	(5,998)	(38,423)	89,647	(24,740)	22,491
Total Net Position (Deficit)	$ 5,506	$ (3,501)	$ (5,986)	$ (38,098)	$ 208,308	$ (24,674)	$ 141,555

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year-Ended September 30, 2023
(In Thousands)

	SELF-INSURANCE PROGRAMS						
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Operating Revenues:							
Charges for Services	$ 161,552	$ 23,412	$ 13,226	$ 81,846	$ 139,594	$ 24,351	$ 443,981
Total Operating Revenues	161,552	23,412	13,226	81,846	139,594	24,351	443,981
Operating Expenses:							
Personal Services	12,438	2,202	2,253	38,557	31,040	21,656	108,146
Contractual Services	16,528	288	2,129	21,199	9,329	1,240	50,713
Commodities	30	55	54	432	2,296	314	3,181
Materials and Supplies					38,693		38,693
Claims	149,851	15,386	18,511				183,748
Other	3,225	9,470	1,287	16,872	22,017	3,069	55,940
Depreciation			10	127	34,848	33	35,018
Total Operating Expenses	182,072	27,401	24,244	77,187	138,223	26,312	475,439
Operating Income (Loss)	(20,520)	(3,989)	(11,018)	4,659	1,371	(1,961)	(31,458)
Nonoperating Revenues (Expenses):							
Investment Earnings	994	859	1,306	265	4,475		7,899
Other Nonoperating Revenue	14,751	116	421	492	346	24	16,150
Gain (Loss) on Sale of Capital Assets				(11)	5,663	2	5,654
Interest and Debt Expense					(222)		(222)
Total Nonoperating Revenues	15,745	975	1,727	746	10,262	26	29,481
Change in Net Position Before Transfers	(4,775)	(3,014)	(9,291)	5,405	11,633	(1,935)	(1,977)
Transfers In (Out):							
Transfers In			85	816	8,576	37	9,514
Transfers Out	(233)	(85)	(338)	(775)	(5,282)	(195)	(6,908)
Total Transfers In (Out), Net	(233)	(85)	(253)	41	3,294	(158)	2,606
Change in Net Position	(5,008)	(3,099)	(9,544)	5,446	14,927	(2,093)	629
Net Position (Deficit) - October 1	10,514	(402)	3,558	(43,544)	193,381	(22,581)	140,926
Net Position (Deficit) - September 30	$ 5,506	$ (3,501)	$ (5,986)	$ (38,098)	$ 208,308	$ (24,674)	$ 141,555

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Combining Statement of Cash Flows
Internal Service Funds
Year-Ended September 30, 2023
(In Thousands)

	SELF-INSURANCE PROGRAMS						
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:							
Cash Received from Customers	$ 161,586	$ 23,412	$ 13,231	$ 82,350	$ 139,534	$ 24,351	$ 444,464
Cash Payments to Suppliers for Goods and Services	(166,961)	(19,321)	(14,326)	(42,723)	(72,156)	(4,530)	(320,017)
Cash Payments to Employees for Service	(12,426)	(2,267)	(2,185)	(37,457)	(29,652)	(19,305)	(103,292)
Cash Received from Other Cash Receipts	14,751	116	421	492	346	24	16,150
Net Cash Provided by (Used for) Operating Activities	(3,050)	1,940	(2,859)	2,662	38,072	540	37,305
Cash Flows from Noncapital Financing Activities:							
Transfers In from Other Funds			85	816	8,576	37	9,514
Transfers Out to Other Funds	(233)	(85)	(338)	(775)	(5,282)	(195)	(6,908)
Net Cash Provided by (Used for) Noncapital Financing Activities	(233)	(85)	(253)	41	3,294	(158)	2,606
Cash Flows from Capital and Related Financing Activities:							
Acquisitions and Construction of Capital Assets				(730)	(33,230)	(44)	(34,004)
Interest and Fees Paid on Long-Term Debt					(224)		(224)
Principal Payments on Long-Term Debt					(204)		(204)
Proceeds from Sale of Assets					6,332		6,332
Net Cash (Used for) Capital and Related Financing Activities				(730)	(27,326)	(44)	(28,100)
Cash Flows from Investing Activities:							
Purchases of Investment Securities	(12,294)	(15,083)	(15,702)	(4,969)	(62,063)	(1,036)	(111,147)
Maturity of Investment Securities	15,038	14,054	18,692	3,312	52,302	918	104,316
Investment Earnings	927	740	1,219	234	4,081	(29)	7,172
Net Cash Provided by (Used for) Investing Activities	3,671	(289)	4,209	(1,423)	(5,680)	(147)	341
Net Increase in Cash and Cash Equivalents	388	1,566	1,097	550	8,360	191	12,152
Cash and Cash Equivalents, October 1	5,886	6,144	6,865	1,993	23,617	497	45,002
Cash and Cash Equivalents, September 30	$ 6,274	$ 7,710	$ 7,962	$ 2,543	$ 31,977	$ 688	$ 57,154
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	$ (20,520)	$ (3,989)	$ (11,018)	$ 4,659	$ 1,371	$ (1,961)	$ (31,458)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:							
Depreciation			10	127	34,848	33	35,018
Other Nonoperating Revenues	14,751	116	421	492	346	24	16,150
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:							
(Increase) Decrease in Accounts Receivable	37		4	64	12		117
(Increase) Decrease in Lease Receivable				154	(84)		70
Decrease in Due from Other Governmental Agencies				479	14		493
(Increase) in Materials and Supplies					(195)		(195)
(Increase) Decrease in Prepaid Expenses		(1,497)		(3,738)			(5,235)
(Increase) in Deposits	(3)						(3)
Increase (Decrease) in Vouchers Payable	2,712	(226)	(79)	51	(859)	60	1,659
Increase (Decrease) in Claims Payable	(226)	7,462	7,770				15,006
Increase (Decrease) in Accounts Payable - Other	188	139	(35)	(530)	54	35	(149)
Increase in Accrued Payroll	13		5	74	90	61	243
Increase (Decrease) Accrued Leave Payable	(29)		11	248	102	121	453
Increase in Net OPEB Obligation and Pension Liability	996	761	887	15,189	12,302	9,455	39,590
(Decrease) in Pollution Remediation Liability					(31)		(31)
Increase in Asset Retirement Obligations					1,210		1,210
(Increase) in Deferred Outflows of Resources Related to OPEB and Pension	(454)	(392)	(395)	(6,890)	(5,711)	(3,580)	(17,422)
(Decrease) in Deferred Inflows of Resources	(515)	(434)	(440)	(7,717)	(5,395)	(3,708)	(18,209)
(Decrease) in Unearned Revenue					(2)		(2)
Net Cash Provided by (Used for) Operating Activities	$ (3,050)	$ 1,940	$ (2,859)	$ 2,662	$ 38,072	$ 540	$ 37,305
Noncash Investing, Capital and Financing Activities:							
Acquisitions of Leased Capital Assets	$ -	$ -	$ -	$ -	$ 69	$ -	$ 69
Acquisitions of Subscription Capital Assets					2,721	61	2,782

Fiduciary Funds

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS – to account for resources of the pension and other employee benefit trust 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.

RETIREE HEALTH & WELLNESS SAN ANTONIO FIRE AND POLICE 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.

CUSTODIAL 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 custodial funds based upon the above definition:

BEXAR COUNTY TAX COLLECTIONS FUND – to account for the collection and payment to Bexar County for certain hotel occupancy and bingo taxes.

CIBOLO CANYON SPECIAL IMPROVEMENT DISTRICT – to account for the tax collection and payment to Cibolo Canyon's Special Improvement District.

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 related to the Subdivision Plat Recordation deposits collected by the City and submitted to Bexar County.

EVIDENTIARY CASH FUND – to account for cash impounded by the San Antonio Police Department pending the outcome of legal proceedings.

STATE BIRTH CERTIFICATE FUND – to account for the collection and payment to the State of Texas for the cost of filing birth certificates.

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 Other Employee Benefit) Trust Funds
As of September 30, 2023
(In Thousands)

	FIRE AND POLICE PENSION FUND	RETIREE HEALTH & WELLNESS SAN ANTONIO FIRE AND POLICE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
Assets:				
Current Assets:				
Cash and Cash Equivalents	$ 62,307	$ 5,242	$ 1,607	$ 69,156
Security Lending Collateral	111,817			111,817
Investments:				
Common Stock	1,551,366			1,551,366
U.S. Government Securities	139,638		5,144	144,782
Corporate Bonds	586,120			586,120
Foreign Bonds	95,987			95,987
Mutual Funds		91,969		91,969
Hedge Funds	21,530			21,530
Real Estate	352,379	27,524		379,903
Alternative	784,392	379,909		1,164,301
Receivables:				
Accounts	2,842	2,140	47	5,029
Accrued Interest	5,754	16	29	5,799
Accrued Revenue	7,196			7,196
Prepaid Expenses		53		53
Total Current Assets	3,721,328	506,853	6,827	4,235,008
Noncurrent Assets:				
Capital Assets:				
Land		10,588		10,588
Machinery and Equipment	436	1,775		2,211
Buildings	790	10,544		11,334
Construction in Progress		6,755		6,755
Total Capital Assets	1,226	29,662		30,888
Less: Accumulated Depreciation	578	1,943		2,521
Net Capital Assets	648	27,719		28,367
Assets Held for Resale		12,236		12,236
Lease Assets		1,408		1,408
Less: Accumulated Amortization		265		265
Lease Assets, Net		1,143		1,143
Total Noncurrent Assets	648	41,098		41,746
Total Assets	$ 3,721,976	$ 547,951	$ 6,827	$ 4,276,754
Liabilities:				
Vouchers Payable	$ 7,334	$ -	$ 92	$ 7,426
Accounts Payable - Other	15,968	2,406		18,374
Claims Payable		4,866	229	5,095
Accrued Payroll	373	40		413
Securities Lending Obligation	111,817			111,817
Total Liabilities	135,492	7,312	321	143,125
Net Position:				
Restricted for Pension	3,586,484			3,586,484
Restricted for Other Postemployment Benefits		540,639	6,506	547,145
Total Net Position	$ 3,586,484	$ 540,639	$ 6,506	$ 4,133,629

Combining Statement of Changes in Fiduciary Net Position
Pension (and Other Employee Benefit) Trust Funds
Year-Ended September 30, 2023

(In Thousands)

	FIRE AND POLICE PENSION FUND	RETIREE HEALTH & WELLNESS SAN ANTONIO FIRE AND POLICE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
Additions:				
Contributions:				
Employer	$ 88,371	$ 45,073	$ 6,320	$ 139,764
Employee	44,303	22,533	1,532	68,368
Other Contributions		1,920	585	2,505
Total Contributions	132,674	69,526	8,437	210,637
Investment Earnings (Loss):				
Net Increase (Decrease) in Fair Value of Investments	(498,610)	(46,118)	23	(544,705)
Real Estate Income, Net	5,310			5,310
Interest and Dividends (Loss)	56,354	2,464	226	59,044
Securities Lending	2,925			2,925
Other Income	7	30		37
Total Investment Earnings	(434,014)	(43,624)	249	(477,389)
Less: Investment Expenses				
Investment Management Fees and Custodian Fees	(12,180)	(346)		(12,526)
Less: Securities Lending Expenses				
Borrower Rebates and Lending Fees	(2,614)			(2,614)
Net Investment Earnings (Loss)	(448,808)	(43,970)	249	(492,529)
Total Additions	(316,134)	25,556	8,686	(281,892)
Deductions:				
Benefits	242,693	45,070	6,822	294,585
Refunds of Contributions	2,286			2,286
Administrative Expenses	3,333	4,095	1,256	8,684
Total Deductions	248,312	49,165	8,078	305,555
Change in Net Position	(564,446)	(23,609)	608	(587,447)
Net Position - Beginning of Fiscal Year	4,150,930	564,248	5,898	4,721,076
Net Position - End of Fiscal Year	$ 3,586,484	$ 540,639	$ 6,506	$ 4,133,629

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Combining Statement of Fiduciary Net Position
Custodial Funds
As of September 30, 2023
(In Thousands)

	BEXAR COUNTY TAX COLLECTIONS FUND	CIBOLO CANYON SPECIAL IMPROVEMENT DISTRICT	CRIMINAL JUSTICE PLANNING FUND	DEPOSIT FUND	EVIDENTIARY CASH FUND	STATE BIRTH CERTIFICATE FUND	STATE SALES TAX FUND	UNCLAIMED PROPERTY FUND	TOTAL CUSTODIAL FUNDS
Assets:									
Current Assets:									
Cash and Cash Equivalents	$ 329	$ 626	$ 1,933	$ 356	$ 228	$ 9	$ 708	$ 70	$ 4,259
Investments:									
U.S. Government Securities	1,117				728	35		266	2,146
Receivables:									
Accounts	973								973
Accrued Interest	6				4			2	12
Total Current Assets	2,425	626	1,933	356	960	44	708	338	7,390
Total Assets	$ 2,425	$ 626	$ 1,933	$ 356	$ 960	$ 44	$ 708	$ 338	$ 7,390
Net Position:									
Restricted for individuals, organizations, and other governments	2,425	626	1,933	356	960	44	708	338	7,390
Total Net Position	$ 2,425	$ 626	$ 1,933	$ 356	$ 960	$ 44	$ 708	$ 338	$ 7,390

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year-Ended September 30, 2023
(In Thousands)

	BEXAR COUNTY TAX COLLECTIONS FUND	CIBOLO CANYON SPECIAL IMPROVEMENT DISTRICT	CRIMINAL JUSTICE PLANNING FUND	DEPOSIT FUND	EVIDENTIARY CASH FUND	STATE BIRTH CERTIFICATE FUND	STATE SALES TAX FUND	UNCLAIMED PROPERTY FUND	TOTAL CUSTODIAL FUNDS
Additions:									
Investment Earnings:									
Net Increase in Fair Value of Investments	$ 9	$ -	$ -	$ -	$ 5	$ -	$ -	$ 2	$ 16
Interest and Dividends	36				31	1		11	79
Total Investment Earnings	45				36	1		13	95
Collections:									
Tax Collections for Other Governments	23,094	7,448					15,725		46,267
Fee and Fine Collections for Other Governments			7,718	101		146			7,965
Payments Collected on Behalf of Others					274			34	308
Total Collections	23,094	7,448	7,718	101	274	146	15,725	34	54,540
Total Additions	23,139	7,448	7,718	101	310	147	15,725	47	54,635
Deductions:									
Administrative Expenses	197		588				65		850
Fees and Fines Disbursed to Other Governments			6,872	100		142			7,114
Payments Disbursed on Behalf of Others					167			24	191
Tax Collections Disbursed to Other Governments	22,712	7,479					12,982		43,173
Other Disbursements	34			37	12	1	2,330	13	2,427
Total Deductions	22,943	7,479	7,460	137	179	143	15,377	37	53,755
Change in Net Position	196	(31)	258	(36)	131	4	348	10	880
Net Position - Beginning of Fiscal Year	2,229	657	1,675	392	829	40	360	328	6,510
Net Position - End of Fiscal Year, 2023	$ 2,425	$ 626	$ 1,933	$ 356	$ 960	$ 44	$ 708	$ 338	$ 7,390

Nonmajor Discretely Presented Component Units

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.

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
As of September 30, 2023
(In Thousands)

	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	TOTAL NONMAJOR COMPONENT UNITS
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	$ -	$ 8,502	$ 2,019	$ 10,521
Investments		14,936	21,686	36,622
Receivables, Net			4,063	4,063
Due from Other Governmental Agencies		2,495		2,495
Prepaid Expenses			16,700	16,700
Other Assets		970		970
Total Unrestricted Assets		26,903	44,468	71,371
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents			10,543	10,543
Investments			68,751	68,751
Receivables, Net			69	69
Other Restricted Accounts:				
Cash and Cash Equivalents	984	7,975		8,959
Receivables, Net	672			672
Lease Receivable	506	24,395		24,901
Total Restricted Assets	2,162	32,370	79,363	113,895
Total Current Assets	2,162	59,273	123,831	185,266
Noncurrent Assets:				
Capital Assets:				
Land	3,980	35,583		39,563
Infrastructure	17,010	67,861		84,871
Buildings		424,064		424,064
Machinery and Equipment		14,762		14,762
Construction in Progress		27,786		27,786
Total Capital Assets	20,990	570,056		591,046
Less: Accumulated Depreciation	8,281	198,326		206,607
Net Capital Assets	12,709	371,730		384,439
Other Noncurrent Assets:				
Receivables, Net		711		711
Prepaid Expenses		4,823	65,753	70,576
Lease Receivable	4,622	151,726		156,348
Total Other Noncurrent Assets	4,622	157,260	65,753	227,635
Total Noncurrent Assets	17,331	528,990	65,753	612,074
Total Assets	19,493	588,263	189,584	797,340
Deferred Outflows of Resources		775		775
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Accounts Payable and Other Current Liabilities	$ -	9,901	$ -	$ 9,901
Unearned Revenues		4,888		4,888
Current Portion of Long-Term Lease/Notes Payable		5,599		5,599
Total Payable from Current Unrestricted Assets		20,388		20,388
Payable from Restricted Assets:				
Accounts Payable and Other Current Liabilities	671			671
Accrued Interest on Bonds and Certificates		45	3,726	3,771
Current Portion of Long-Term Lease/Notes Payable	71			71
Current Portion of Bonds and Certificates		1,970	31,125	33,095
Total Payable from Current Restricted Assets	742	2,015	34,851	37,608
Total Current Liabilities	742	22,403	34,851	57,996
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)		21,925	104,904	126,829
Long-Term Lease/Notes Payable (net of current portion)	251	196,417		196,668
Other Payables (net of current portion)		1,052	49,829	50,881
Total Noncurrent Liabilities	251	219,394	154,733	374,378
Total Liabilities	993	241,797	189,584	432,374
Deferred Inflows of Resources	5,127	162,015		167,142
Net Position:				
Net Investment in Capital Assets	12,387	148,581		160,968
Restricted for:				
Capital Projects	986			986
Unrestricted		36,645		36,645
Total Net Position	$ 13,373	$ 185,226	$ -	$ 198,599

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Combining Statement of Activities

Nonmajor Discretely Presented Component Units

Year-Ended September 30, 2023

(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: SABC SOCCER PUBLIC FACILITY CORPORATION	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: PORT AUTHORITY OF SAN ANTONIO	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	TOTAL NONMAJOR COMPONENT UNITS
SABC Soccer Public Facility Corporation								
Culture and Recreation	$ 1,550	$ 585	$ -	$ -	$ (965)	$ -	$ -	$ (965)
Port Authority of San Antonio								
Economic Development and Opportunity	70,538	61,232		2,772		(6,534)		(6,534)
SA Energy Acquisition Public Facility Corporation								
General Government	60,491	37,962					(22,529)	(22,529)
Total	$ 132,579	$ 99,779	$ -	$ 2,772	(965)	(6,534)	(22,529)	(30,028)
General Revenues:								
Investment Earnings						8,243	914	9,157
Miscellaneous						67	21,615	21,682
Total General Revenues						8,310	22,529	30,839
Change in Net Position					(965)	1,776		811
Net Position - Beginning of Fiscal Year (restated)					14,338	183,450		197,788
Net Position - End of Fiscal Year					$ 13,373	$ 185,226	$ -	$ 198,599

Capital Assets Used in the Operation of Governmental Funds

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Capital Assets Used in the Operation of Governmental Funds
Schedule of Capital Assets by Source [1]
As of September 30, 2023
(In Thousands)

		2023
Governmental Funds Capital Assets:		
Land	$	1,449,409
Non-Depreciable Intangible Assets		256,735
Depreciable Intangible Assets		4,091
Buildings		1,637,182
Improvements		1,235,537
Infrastructure		4,254,789
Machinery and Equipment		484,145
Construction in Progress		404,267
Total Governmental Funds Capital Assets	$	9,726,155
Investment in Governmental Funds Capital Assets by Source:		
Current Revenue	$	3,655,832
General Obligation Bonds, Certificates of Obligation, Tax and Revenue Notes, and Revenue Bonds		5,367,286
Federal and State Grants		632,140
Special Assessments		1,008
Municipal Golf Association - San Antonio		33,989
Visit San Antonio		5,089
Private Citizens' Contribution		24,695
Prosper West San Antonio		1,574
San Antonio Fair, Inc.		4,542
Total Investment in Governmental Funds Capital Assets by Source	$	9,726,155

[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 Activity [1]
As of September 30, 2023
(In Thousands)

	Land	Non-Depreciable Intangible Assets	Depreciable Intangible Assets	Buildings	Improvements	Infrastructure	Machinery and Equipment	Total
General Government:								
Legislative	$ 56	$ -	$ -	$ 2,591	$ 91	$ -	$ 349	$ 3,087
Judicial	196		1,004	19,091	248		533	21,072
Executive Administration	3,093	12,641	2,618	175,853	55,024	30,864	267,244	547,337
Total General Government	3,345	12,641	3,622	197,535	55,363	30,864	268,126	571,496
Public Safety:								
Police	11,969			38,169	10,410		82,747	143,295
Fire	40,911			82,965	11,672	235	50,696	186,479
Building Inspection and Regulations	7,299			14,210			177	21,686
Total Public Safety	60,179			135,344	22,082	235	133,620	351,460
Public Works	1,252,762	22,137		604,961	706,468	4,179,314	35,588	6,801,230
Health Services	2,818		469	1,139	2,278		6,150	12,854
Convention and Tourism	5,422			464,100	96,292		8,306	574,120
Sanitation				164	15		289	468
Welfare	345			27,672	7,595		3,001	38,613
Culture and Recreation:								
Libraries	8,700			99,991	25,679	22,997	1,959	159,326
Parks	114,201	221,508		43,962	296,240	19,513	12,245	707,669
Culture & Arts				33,562	18,571		13,752	65,885
Total Culture and Recreation	122,901	221,508		177,515	340,490	42,510	27,956	932,880
Urban Redevelopment and Housing					699	1,866	636	3,201
Education	912			27,752			31	28,695
Economic Development and Opportunity	725			1,000	4,255		442	6,422
Environment		449						449
Total Capital Assets Allocated to Functions	$ 1,449,409	$ 256,735	$ 4,091	$ 1,637,182	$ 1,235,537	$ 4,254,789	$ 484,145	$ 9,321,888
Construction in Progress								404,267
Total Governmental Funds Capital Assets								$ 9,726,155

[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 [1]

As of September 30, 2023

(In Thousands)

	Beginning Balance (Restated)[2]	Additions [3]	Deductions [4]	Ending Balance
Function and Activity:				
General Government:				
Legislative	$ 3,084	$ 19	$ 16	$ 3,087
Judicial	21,112	31	71	21,072
Executive	27		27	
Administration	493,445	56,509	2,617	547,337
Total General Government	517,668	56,559	2,731	571,496
Public Safety:				
Police	141,642	1,874	221	143,295
Fire	189,442	1,492	4,455	186,479
Building Inspection and Regulations	21,699		13	21,686
Total Public Safety	352,783	3,366	4,689	351,460
Public Works	6,438,375	363,394	539	6,801,230
Health Services	12,723	435	304	12,854
Convention and Tourism	572,955	1,464	299	574,120
Sanitation	702		234	468
Welfare	38,181	582	150	38,613
Culture and Recreation:				
Libraries	158,772	609	55	159,326
Parks	675,282	35,640	3,253	707,669
Culture & Arts	60,273	6,685	1,073	65,885
Total Culture and Recreation	894,327	42,934	4,381	932,880
Urban Redevelopment and Housing	3,182	40	21	3,201
Education	29,122		427	28,695
Economic Development and Opportunity	5,731	691		6,422
Environment	70	445	66	449
Construction in Progress	515,671	363,525	474,929	404,267
Total Governmental Funds Capital Assets	$ 9,381,490	$ 833,435	$ 488,770	$ 9,726,155

[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] Beginning balance is restated by $993 to include the balances added for Prosper West San Antonio. See Note 21, Restatements, for more information.

[3] Additions include $433,642 transferred from construction in progress.

[4] Deductions from construction in progress include the $433,642 in assets transferred.

STATISTICAL SECTION

Statistical Section (Unaudited)

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant 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)

	2014	2015 (Restated)	2016 (Restated)	2017 (Restated)	2018 (Restated)	2019 (Restated)	2020	2021	2022 (Restated)	2023
Governmental Activities:										
Net Investment in Capital Assets	$ 2,554,305	$ 2,615,833	$ 2,675,249	$ 2,815,626	$ 2,852,015	$ 2,957,496	$ 3,017,372	$ 3,086,156	$ 3,065,297	$ 3,162,762
Restricted	100,264	61,946	62,622	56,706	52,819	45,376	68,775	91,786	181,560	195,668
Unrestricted	(516,002)	(471,052)	(566,044)	(1,125,842)	(1,007,985)	(1,048,034)	(1,118,991)	(1,076,517)	(670,834)	(615,393)
Total Governmental Activities, net position	$ 2,138,567	$ 2,206,727	$ 2,171,827	$ 1,746,490	$ 1,896,849	$ 1,954,838	$ 1,967,156	$ 2,101,425	$ 2,576,023	$ 2,743,037
Business-Type Activities:										
Net Investment in Capital Assets	$ 300,791	$ 316,995	$ 348,896	$ 365,001	$ 338,367	$ 331,455	$ 317,220	$ 304,394	$ 304,792	$ 288,098
Restricted	102,390	113,968	85,629	97,709	136,568	169,981	151,649	173,439	222,510	275,879
Unrestricted	(47,431)	(55,809)	(67,721)	(101,635)	(118,932)	(125,547)	(116,237)	(120,163)	118,506	(124,544)
Total Business-Type Activities, net position	$ 355,750	$ 375,154	$ 366,804	$ 361,075	$ 356,003	$ 375,889	$ 352,632	$ 357,670	$ 645,808	$ 439,433
Primary Government:										
Net Investment in Capital Assets	$ 2,855,096	$ 2,932,828	$ 3,024,145	$ 3,180,627	$ 3,190,382	$ 3,288,951	$ 3,334,592	$ 3,390,550	$ 3,370,089	$ 3,450,860
Restricted	202,654	175,914	148,251	154,415	189,387	215,357	220,424	265,225	404,070	471,547
Unrestricted	(563,433)	(526,861)	(633,765)	(1,227,477)	(1,126,917)	(1,173,581)	(1,235,228)	(1,196,680)	(552,328)	(739,937)
Total Primary Government, net position	$ 2,494,317	$ 2,581,881	$ 2,538,631	$ 2,107,565	$ 2,252,852	$ 2,330,727	$ 2,319,788	$ 2,459,095	$ 3,221,831	$ 3,182,470

Statistical Data
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2014	2015 (Restated)	2016 (Restated)	2017	2018	2019	2020	2021	2022 (Restated)	2023
Expenses:										
Governmental Activities:										
General Government	$ 112,845	$ 99,788	$ 131,273	$ 101,673	$ 134,370	$ 137,479	$ 142,073	$ 128,496	$ 135,351	$ 146,465
Public Safety	721,930	717,447	888,100	828,839	721,695	846,878	932,262	834,517	766,295	1,009,008
Public Works	324,257	247,087	240,763	244,437	349,150	327,811	319,114	355,965	347,536	409,149
Sanitation	7,142	7,535	7,090	9,574	5,748	7,507	11,521	10,482	11,316	12,889
Health Services	55,014	55,020	54,953	67,038	80,505	75,978	82,349	104,369	102,620	121,572
Culture and Recreation	167,463	169,505	171,704	161,408	214,302	208,092	182,630	197,024	202,798	252,864
Convention and Tourism	31,579	57,277	73,932	66,634	60,426	82,251	63,981	56,198	80,658	91,784
Urban Redevelopment and Housing	25,949	27,839	27,025	30,867	38,521	56,855	99,542	139,752	126,328	74,021
Welfare	115,094	121,932	126,440	143,370	157,828	164,042	188,256	204,113	260,447	243,551
Education	8,530	64,917	62,579	81,563	74,314	83,331	74,133	73,261	79,651	107,452
Economic Development and Opportunity	25,909	34,634	22,974	27,994	27,463	34,137	73,298	100,791	71,490	63,711
Environmental					209	930	302	197	193	1,866
Bond Issuance Costs	1,862	2,544	2,192	1,951	1,832	3,008	10,148	2,000	4,061	
Interest on Long-Term Debt	93,313	88,813	86,862	89,469	91,718	91,909	80,130	81,021	63,382	86,637
Total Governmental Activities Expenses	1,690,887	1,694,338	1,895,887	1,854,817	1,958,081	2,120,208	2,259,739	2,288,186	2,252,126	2,620,969
Business-Type Activities:										
Airport System	106,033	112,439	127,122	127,419	134,352	147,216	137,308	129,769	135,836	152,352
Development Services	22,273	26,042	27,033	29,643	30,490	38,184	37,982	41,831	43,540	48,530
Market Square	2,558	2,846	2,708	2,643	2,488	2,535	1,914	1,979	2,232	2,854
Parking System	12,165	10,038	14,157	9,671	12,321	10,051	12,446	8,502	7,188	9,558
Solid Waste Management	98,555	92,492	110,361	114,308	113,513	123,390	131,175	128,111	138,763	150,982
Total Business-Type Activities Expenses	241,584	243,857	281,381	283,684	293,164	321,376	320,825	310,192	327,559	364,276
Total Primary Government Expenses	$ 1,932,471	$ 1,938,195	$ 2,177,268	$ 2,138,501	$ 2,251,245	$ 2,441,584	$ 2,580,564	$ 2,598,378	$ 2,579,685	$ 2,985,245
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	$ 27,710	$ 33,662	$ 23,084	$ 24,489	$ 29,185	$ 22,787	$ 13,951	$ 13,752	$ 17,156	$ 19,298
Public Safety	49,363	60,147	52,110	54,055	49,748	50,399	52,266	36,763	75,304	48,310
Public Works	47,342	49,111	51,862	58,198	61,532	64,578	65,469	66,746	79,460	69,766
Sanitation	7,491	7,366	6,846	6,961	7,078	7,176	10,934	10,917		11,362
Health Services	18,844	16,660	19,336	21,106	19,756	16,121	13,822	16,024	10,255	13,733
Culture and Recreation	53,698	50,047	56,416	63,892	70,083	71,081	46,670	49,474	80,882	95,007
Urban Redevelopment and Housing		148	487	976	688	1,096	929	733	1,072	856
Welfare			151	785						
Education	267	412	726	778	697	747	677	280	399	4,018
Economic Development and Opportunity	135	220	383	588				220	1,378	1,717
Environmental					105	577	205	197	10,294	253
Operating Grants and Contributions	168,170	175,921	188,371	225,040	186,005	184,117	362,730	425,728	467,342	353,574
Capital Grants and Contributions	84,744	32,642	68,366	39,254	49,653	61,254	52,855	77,902	97,368	59,843
Total Governmental Activities Program Revenues	457,764	426,336	468,138	496,122	474,530	479,933	620,508	698,736	840,910	677,737
Business-Type Activities:										
Charges for Services:										
Airport System	84,410	83,193	84,792	85,773	100,976	104,298	74,791	80,590	109,994	122,679
Development Services	27,646	27,878	28,874	30,230	31,345	35,092	37,215	43,279	47,555	42,967
Market Square	2,598	2,654	2,891	2,925	3,019	2,891	1,291	1,723	2,966	2,460
Parking System	8,487	9,272	9,671	9,406	9,269	9,754	5,831	5,729	8,077	8,227
Solid Waste Management	96,321	100,334	101,954	107,633	117,310	133,212	128,594	129,534	131,910	130,875
Operating Grants and Contributions							10,480	24,812	36,350	19,004
Capital Grants and Contributions	44,206	45,886	45,837	53,872	54,198	47,296	27,473	31,777	44,588	51,078
Total Business-Type Activities Program Revenues	263,668	269,217	274,019	289,839	316,117	332,543	285,675	317,444	381,440	377,290
Total Primary Government Program Revenues	$ 721,432	$ 695,553	$ 742,157	$ 785,961	$ 790,647	$ 812,476	$ 906,183	$ 1,016,180	$ 1,222,350	$ 1,055,027

(Continued)

Statistical Data
Changes in Net Position (Continued)
Last Ten Fiscal Years

(accrual basis of accounting)

(In Thousands)

	2014	2015 (Restated)	2016 (Restated)	2017	2018	2019	2020	2021	2022	2023
Net (Expense) Revenue:										
Governmental Activities	$ (1,233,123)	$ (1,268,002)	$ (1,437,254)	$ (1,358,695)	$ (1,483,551)	$ (1,640,275)	$ (1,639,231)	$ (1,589,450)	$ (1,411,216)	$ (1,943,232)
Business-Type Activities	22,084	25,360	(7,362)	6,155	22,953	11,167	(35,150)	7,252	53,881	13,014
Total Primary Government Net (Expense)	$ (1,211,039)	$ (1,242,642)	$ (1,444,616)	$ (1,352,540)	$ (1,460,598)	$ (1,629,108)	$ (1,674,381)	$ (1,582,198)	$ (1,357,335)	$ (1,930,218)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	$ 423,781	$ 446,705	$ 495,638	$ 550,204	$ 577,870	$ 617,045	$ 653,263	$ 684,784	$ 708,485	$ 765,507
General Sales and Use	324,612	339,012	347,874	358,076	378,367	397,869	390,513	439,381	501,259	514,843
Selective Sales and Use	7,554	7,957	8,516	8,875	9,554	9,928	6,876	9,083	11,698	12,357
Gross Receipts Business	34,784	36,202	35,992	33,380	32,086	32,109	25,455	22,211	21,015	19,523
Occupancy	77,064	79,163	81,280	85,814	91,563	100,648	58,177	69,520	103,044	110,548
Penalties and Interest on Delinquent Taxes	3,557	3,303	3,480	3,647	3,923	4,023	4,092	4,581	5,225	5,626
Revenues from Utilities	355,515	348,997	345,666	363,612	389,319	377,652	373,426	383,127	419,985	487,646
Investment Earnings (Loss)	3,997	3,164	4,811	8,109	19,031	39,682	26,116	1,897	(16,933)	81,677
Miscellaneous	50,868	62,021	84,841	82,132	96,643	116,883	113,606	117,043	130,856	112,231
Transfers, net	1,570	7,720	3,733	6,006	35,554	2,956	706	(7,908)	431	288
Total Governmental Activities	1,283,302	1,334,244	1,411,831	1,499,855	1,633,910	1,698,795	1,652,230	1,723,719	1,885,065	2,110,246
Business-Type Activities:										
Investment Earnings (Loss)	764	562	1,152	1,969	3,808	6,605	3,923	233	(2,176)	13,487
Miscellaneous	4,861	13,440	1,684	5,396	4,568	5,663	7,860	2,183	2,100	4,837
Transfers, net	(4,552)	(7,364)	(3,824)	(4,619)	(36,401)	(3,501)	110	(4,630)	(2,679)	(701)
Total Business-Type Activities	1,073	6,638	(988)	2,746	(28,025)	8,767	11,893	(2,214)	(2,755)	17,623
Total Primary Government	$ 1,284,375	$ 1,340,882	$ 1,410,843	$ 1,502,601	$ 1,605,885	$ 1,707,562	$ 1,664,123	$ 1,721,505	$ 1,882,310	$ 2,127,869
Change in Net Position:										
Governmental Activities	$ 50,179	$ 66,242	$ (25,423)	$ 141,160	$ 150,359	$ 58,520	$ 12,999	$ 134,269	$ 473,849	$ 167,014
Business-Type Activities	23,157	31,998	(8,350)	8,901	(5,072)	19,934	(23,257)	5,038	51,126	30,637
Total Primary Government	$ 73,336	$ 98,240	$ (33,773)	$ 150,061	$ 145,287	$ 78,454	$ (10,258)	$ 139,307	$ 524,975	$ 197,651

Statistical Data
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	2014	2015 (Restated)	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023
General Fund:										
Nonspendable	$ 5,504	$ 7,026	$ 6,681	$ 6,087	$ 6,887	$ 7,084	$ 7,814	$ 7,400	$ 8,048	$ 10,195
Restricted	1,032	537	470	528	2,283	2,392				
Committed	46,882	52,686	49,333	64,594	97,134	108,420	49,821	76,165	111,165	161,826
Assigned	523	521	6,554	10	8	21	6	7	8	5
Unassigned	164,654	182,698	192,072	212,930	243,828	247,125	284,708	289,572	346,654	393,226
Total General Fund	$ 218,595	$ 243,468	$ 255,110	$ 284,149	$ 350,140	$ 365,042	$ 342,349	$ 373,144	$ 465,875	$ 565,252
All Other Governmental Funds:										
Nonspendable	$ 4,716	$ 11,274	$ 11,635	$ 6,220	$ 8,357	$ 11,730	$ 13,405	$ 10,445	$ 14,161	$ 17,564
Restricted	853,657	744,698	644,983	629,077	840,375	976,322	1,019,689	1,115,066	1,111,742	1,180,425
Committed	101,183	101,040	72,312	87,316	98,975	135,757	246,157	107,848	174,300	202,674
Assigned	24,495	19,384	32,407	10,665	3,367	4,225	7,338	8,993	17,647	20,770
Unassigned	(3,427)	(14,860)	(10,478)	(7,617)	(7,346)	(6,463)	(164,302)	(90,547)	(60,453)	(45,026)
Total All Other Governmental Funds	$ 980,624	$ 861,536	$ 750,859	$ 725,661	$ 943,728	$ 1,121,571	$ 1,122,287	$ 1,151,805	$ 1,257,397	$ 1,376,407

Statistical Data
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022 [1]	2023 [2]
Revenues:										
Taxes	$ 872,987	$ 912,934	$ 973,357	$ 1,032,903	$ 1,091,138	$ 1,161,167	$ 1,133,948	$ 1,227,421	$ 1,350,905	$ 1,422,873
Licenses and Permits	7,396	8,107	8,961	9,264	9,160	7,351	9,130	8,806	9,377	9,907
Intergovernmental	240,847	198,307	235,542	233,963	216,367	224,753	334,617	452,002	513,446	421,618
Revenues from Utilities	348,480	348,997	345,666	363,612	389,319	377,652	373,426	383,127	419,985	487,646
Charges for Services	153,995	169,492	169,896	187,071	195,946	198,253	174,734	170,886	227,706	232,364
Fines and Forfeits	13,597	12,589	11,215	12,317	12,253	10,247	6,470	6,256	7,153	10,204
Miscellaneous	50,955	57,546	69,440	70,978	78,534	90,929	66,979	76,404	102,973	81,987
Investment Earnings (Loss)	3,505	2,761	4,158	7,006	16,261	34,280	23,090	1,679	(15,056)	73,778
Contributions	30,579	31,596	44,141	48,587	47,579	45,368	45,582	48,169	227,114	26,710
Total Revenues	1,722,341	1,742,329	1,862,376	1,965,701	2,056,557	2,150,000	2,167,976	2,374,750	2,843,603	2,767,087
Expenditures:										
General Government	74,902	79,295	85,007	88,856	89,784	95,349	94,251	97,902	119,448	113,130
Public Safety	688,987	711,201	731,816	751,133	774,563	793,409	841,487	846,099	876,169	900,611
Public Works	164,768	112,470	118,290	131,310	127,177	130,575	121,029	133,909	149,325	154,364
Health Services	52,499	56,133	58,533	63,729	61,664	65,001	77,701	103,075	104,886	116,063
Sanitation	7,050	6,963	7,174	9,891	6,957	7,804	11,251	10,353	11,280	12,631
Welfare	113,074	123,064	128,236	139,916	144,121	155,572	184,900	199,523	268,786	239,723
Culture and Recreation	142,537	155,098	161,757	158,688	172,407	167,426	158,871	176,267	189,894	214,475
Convention and Tourism	20,969	23,406	45,246	51,373	51,829	61,192	46,981	41,235	233,847	75,023
Urban Redevelopment and Housing	25,251	30,496	28,424	29,945	33,083	49,350	97,401	138,847	127,197	71,866
Education	34,750	57,172	63,032	76,157	74,064	74,224	69,777	70,691	79,596	101,098
Economic Development and Opportunity	25,524	34,762	23,282	28,458	27,383	32,892	72,676	100,743	70,277	64,745
Environmental					1,247	214	226	124	88	2,205
Capital Outlay	379,309	475,466	455,746	410,626	298,671	355,349	417,118	464,797	441,722	442,919
Debt Service:										
Principal Retirement	130,412	140,963	149,489	162,594	172,790	180,464	183,577	191,140	200,979	226,682
Interest	105,417	105,939	110,902	111,584	113,702	118,037	108,754	109,025	104,141	112,713
Issuance Costs	1,862	2,544	2,192	1,951	1,832	3,008	10,148	2,000	4,061	1,762
Leases:										
Principal Retirement									5,976	9,354
Interest									1,088	1,402
Subscription:										
Principal Retirement										5,157
Interest										367
Total Expenditures	1,967,311	2,114,972	2,169,126	2,216,211	2,151,274	2,289,866	2,496,148	2,685,730	2,988,760	2,866,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244,970)	(372,643)	(306,750)	(250,510)	(94,717)	(139,866)	(328,172)	(310,980)	(145,157)	(99,203)
Other Financing Sources (Uses):										
Issuance of Long-Term Debt	223,555	237,765	180,114	221,934	310,557	279,985	262,665	335,819	313,266	297,584
Refunding Debt Issued	67,050	144,880	147,130			193,395	465,190		265,875	
Payments to Refunded Bond Escrow Agent	(76,531)	(159,593)	(176,308)			(221,348)	(463,795)		(297,558)	
Issuance of Notes and Loans			835				1,558	188		703
Issuance of Lease Liability									11,917	5,323
Issuance of Subscription Liability										3,915
Premium on Long-Term Debt	31,455	41,762	51,282	24,002	32,069	73,907	44,747	50,337	54,403	11,914
Transfers In	528,253	585,857	550,511	550,995	453,830	505,548	658,464	618,673	754,992	706,864
Transfers Out	(532,384)	(574,161)	(545,849)	(542,608)	(417,681)	(498,876)	(656,494)	(633,724)	(758,622)	(709,182)
Total Other Financing Sources (Uses)	241,398	276,510	207,715	254,323	378,775	332,611	312,335	371,293	344,273	317,121
Net Change in Fund Balances	$ (3,572)	$ (96,133)	$ (99,035)	$ 3,813	$ 284,058	$ 192,745	$ (15,837)	$ 60,313	$ 199,116	$ 217,918
Debt Service as a Percentage of Noncapital Expenditures	14.9%	14.6%	14.8%	15.3%	15.5%	15.3%	13.8%	13.2%	11.8%	13.7%

[1] GASB 87 for leases was implemented in fiscal year 2022
[2] GASB 96 for SBITAs was implemented in fiscal year 2023

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	Business Tax	Hotel/Motel Occupancy	Penalties and Interest and Judgments	Total
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
2020	648,835	390,513	6,876	25,455	58,177	4,092	1,133,948
2021	682,645	439,381	9,083	22,211	69,520	4,581	1,227,421
2022	708,664	501,259	11,698	21,015	103,044	5,225	1,350,905
2023	759,976	514,843	12,357	19,523	110,548	5,626	1,422,873
Change:							
2014-2023	78.6%	58.6%	63.6%	-43.9%	43.4%	58.2%	63.0%

[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). Due to the City reaching the maximum state capacity limit, the property tax rate was reduced in 2023.

[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.

Statistical Data
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars In Thousands)

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property [1]	Estimated Actual Value	Total Direct Tax Rate
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	10,956,519	17,170,373	105,670,286	0.56
2019	61,409,375	54,766,795	3,770,062	11,595,996	18,424,378	113,117,850	0.56
2020	65,741,727	58,265,400	3,620,328	11,830,066	20,129,805	119,327,716	0.56
2021	70,312,580	60,297,819	3,783,214	14,823,463	23,752,713	125,464,363	0.56
2022	75,846,822	60,843,554	3,406,094	15,321,498	24,839,166	130,578,802	0.56
2023	92,986,752	68,366,546	3,770,583	17,519,333	40,979,254	141,663,960	0.54

Source: Bexar Appraisal District

[1] Tax-exempt property deductions include a residential homestead exemption and additional exemptions granted to persons 65 years of age and older, the disabled, and disabled veterans. Effective for tax year 2022, persons with a residence homestead are entitled to a 10% exemption of the appraised value of their home (or the statutory minimum of $5,000). Other exemptions include historic properties, tax phase-ins, freeport, absolute, prorated, low income housing, pollution control, community housing development organization, armed services or first responder surviving spouse, personal property vehicle and disaster damage.

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Statistical Data
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

		City Direct Rates			Overlapping Rates					
Fiscal Year	Tax Roll	General Fund	Debt Service Funds	Total Direct	Alamo Community College	Bexar County	University Health System	San Antonio River Authority	Alamo Heights ISD	East Central ISD
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
2020	2019	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.195000	1.210000
2021	2020	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.196400	1.420000
2022	2021	0.346770	0.211500	0.558270	0.149150	0.276331	0.276235	0.018580	1.193400	1.088000
2023	2022	0.330110	0.211500	0.541610	0.149150	0.276331	0.276235	0.018360	1.135500	1.070600

		Overlapping Rates										
Fiscal Year	Tax Roll	Edgewood ISD	Harlandale ISD	Judson ISD	North East ISD	Northside ISD	San Antonio ISD	Schertz-Cibolo-Universal City ISD	Somerset ISD	South San Antonio ISD	Southside ISD	Southwest ISD
2014	2013	$ 1.382600	$ 1.528800	$ 1.425000	$ 1.440600	$ 1.375500	$ 1.357600	$ 1.490000	$ 1.278000	$ 1.451500	$ 1.368900	$ 1.401622
2015	2014	1.362700	1.528800	1.425000	1.440600	1.375500	1.382600	1.490000	1.278000	1.451500	1.368900	1.465282
2016	2015	1.355900	1.528800	1.420000	1.415000	1.375500	1.382600	1.490000	1.278000	1.451500	1.368900	1.414900
2017	2016	1.355900	1.528800	1.470000	1.385000	1.375500	1.512600	1.490000	1.278000	1.451500	1.368900	1.473000
2018	2017	1.385178	1.528800	1.425000	1.365000	1.375500	1.532600	1.470000	1.450700	1.451500	1.607100	1.473000
2019	2018	1.377242	1.558800	1.440000	1.360000	1.375500	1.562600	1.490000	1.442173	1.451500	1.575900	1.473000
2020	2019	1.298270	1.498900	1.358400	1.290000	1.305500	1.530950	1.420000	1.312176	1.450000	1.404544	1.472976
2021	2020	1.261321	1.428200	1.274900	1.268400	1.285700	1.502300	1.410640	1.322250	1.391200	1.389144	1.438004
2022	2021	1.175570	1.400700	1.270000	1.252500	1.261300	1.496100	1.369500	1.263931	1.384800	1.389144	1.374004
2023	2022	1.158592	1.442900	1.220000	1.182200	1.190100	1.424200	1.324600	1.263279	1.353600	1.253034	1.337500

Source: Bexar County Tax Office, Bexar Appraisal District, and Independent School Districts

Statistical Data
Principal Property Taxpayers
Current Year and Nine Years Ago
(Dollars In Thousands)

Taxpayer	2023 Taxable Assessed Value	2023 Rank	2023 Percentage of Total City Taxable Assessed Value[1]	2014 Taxable Assessed Value	2014 Rank	2014 Percentage of Total City Taxable Assessed Value[1]
H.E.Butt Grocery Company	$ 1,802,936	1	1.24%	$ 826,933	1	1.10%
Microsoft Corporation	1,064,757	2	0.74%			
Methodist Healthcare System	686,896	3	0.47%	386,566	3	0.51%
VHS San Antonio Partners LP	594,673	4	0.41%	379,545	4	0.50%
Wal-Mart Stores, Inc.	565,928	5	0.39%	346,274	5	0.46%
Toyota Motor Manufacturing Texas, Inc	518,104	6	0.36%	440,403	2	0.59%
Frankel Family Trust	414,967	7	0.29%			
La Cantera Specialty Retail[2]	348,835	8	0.24%	237,166	9	0.32%
United Services Automobile Association	336,550	9	0.23%	312,108	6	0.42%
Corporate Office Properties Trust	251,208	10	0.17%			
Hyatt Regency Hotels				296,628	7	0.39%
Marriott International, Inc.				238,660	8	0.32%
AT&T				202,394	10	0.27%
Total	$ 6,584,854		4.54%	$ 3,666,677		4.88%

[1] Based on Bexar Appraisal District values as of Certification.
[2] Formerly named General Growth Properties, Inc.

Source: City of San Antonio

Statistical Data
Property Tax Levies and Collections
Last Ten Fiscal Years
(Dollars In Thousands)

Fiscal Year Ended	Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years [2, 3]	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2014	$ 417,936	$ 413,452	98.93%	$ 1,873	$ 415,325	99.38%
2015	442,164	437,746	99.00%	1,788	439,534	99.41%
2016	489,748	484,769	98.98%	2,602	487,371	99.51%
2017	535,505	529,916	98.96%	2,485	532,401	99.42%
2018	573,757	567,369	98.89%	390	567,759	98.95%
2019	611,672	604,639	98.85%	686	605,325	98.96%
2020	644,999	636,806	98.73%	898	637,704	98.87%
2021	675,376	667,124	98.78%	2,486	669,610	99.15%
2022	698,694	690,239	98.79%	3,049	693,288	99.23%
2023	750,299	739,306	98.53%		739,306	98.53%

[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. The amount can be negative if the amount of tax payments are exceeded by reversals or refunds for that year.

Statistical Data
Taxable Sales by Category
Last Ten Calendar Years
(Dollars In Thousands)

	Calendar Year [1]									
	2013 [4]	2014	2015	2016	2017	2018	2019	2020	2021 [4, 5]	2022
Motor Vehicle and Parts Dealers	$ 571,398	$ 608,744	$ 614,692	$ 615,592	$ 615,479	$ 638,281	$ 661,134	$ 649,408	$ 781,408	$ 865,857
Furniture and Home Furnishings Stores	480,569	563,611	637,118	563,966	556,688	587,722	621,933	559,025	637,803	657,468
Electronics and Appliance Stores	660,797	545,778	522,708	516,082	524,175	626,402	678,726	546,101	654,118	720,541
Building Material and Garden Equipment and Supplies Dealers	1,270,827	1,430,979	1,528,088	1,547,838	1,612,541	1,673,106	1,738,215	1,952,906	2,364,898	2,622,063
Food and Beverage Stores [2]	1,214,149	1,242,065	1,267,148	1,301,232	1,307,578	1,378,002	1,474,209	1,575,761	1,648,080	1,766,206
Health and Personal Care Stores	284,652	292,477	287,982	296,910	286,245	273,322	269,121	233,285	294,500	313,498
Gasoline Stations	392,004	405,563	434,216	462,318	490,228	501,924	535,192	579,675	626,836	679,573
Clothing and Clothing Accessories Stores [3]	1,214,530	1,222,788	1,228,480	1,206,815	1,152,396	1,227,961	1,195,253	886,813	1,374,381	1,450,477
Sporting Goods, Hobby, Book and Music Stores	567,623	574,906	569,892	556,242	504,898	472,035	461,854	474,979	605,550	591,034
General Merchandise Stores	2,358,250	2,473,208	2,575,692	2,589,998	2,593,070	2,415,265	2,460,491	2,269,944	2,724,087	2,789,057
Miscellaneous Store Retailers	558,642	558,764	543,416	541,602	532,605	744,249	759,887	745,014	924,111	1,002,639
Nonstore Retailers	57,204	62,149	106,696	95,331	78,624	85,046	85,674	84,541	136,148	170,838
Food Services and Drinking Places	3,040,666	3,245,232	3,447,511	3,625,730	3,730,076	3,955,173	4,146,366	3,522,433	4,518,409	5,043,754
Total	$ 12,671,311	$ 13,226,264	$ 13,763,639	$ 13,919,656	$ 13,984,603	$ 14,578,488	$ 15,088,055	$ 14,079,885	$ 17,290,329	$ 18,673,005
City Direct Sales Tax Rate	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%

Source: Texas Comptroller of Public Accounts

[1] Calendar Year 2023 information will not be available until May 2024.

[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. (Not in thousands).

[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). In November 2020, the citizens approved the continuation of the program.

[5] In November 2020, the citizens of the City elected to enact 1/8 cent sales tax to fund SA: Ready to Work. Sales tax allocations began in May 2021.

Statistical Data
Direct and Overlapping Sales and Use Tax Rates
Last Ten Fiscal Years

Fiscal Year	San Antonio Tax [1]	SA: Ready to Work Tax [1]	Pre-K 4 SA Tax	San Antonio ATD [2]	San Antonio MTA [3]	State of Texas	Total [4]
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%
2020	1.125%		0.125%	0.250%	0.500%	6.250%	8.250%
2021	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2022	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2023	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%

[1] In November 2020, the citizens of the City elected to reallocate the Edwards Aquifer Protection and Parks Development Expansion 1/8 cent sales tax to fund the SA: Ready to Work program.

[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	Tax-Exempt General Obligation Bonds [1, 2]	Taxable General Obligation Bonds [1, 2]	Tax-Exempt Certificates of Obligation [1, 2]	Taxable Certificates of Obligation [1, 2]	Tax Notes [1, 2]	Revenue Bonds [1, 2]	Notes Payable	Leases[5]	Subscription Liability[5]
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			
2020	1,268,004	437,420	355,598	80,293	71,544	813,475			
2021	1,283,913	428,710	379,329	145,680	81,919	897,905			
2022	1,222,659	508,940	446,622	140,085	90,187	757,951		92,547	
2023	1,298,531	470,515	471,834	134,420	68,463	744,348	1,204	88,496	15,889

Governmental Activities: Direct Borrowing & Direct Placement [3]

Fiscal Year	Taxable Certificates of Obligation [1]	Tax Notes [1]	Contractual Obligations	Revenue Notes	Financed Purchases	Notes Payable
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
2020	47,000	220	11,300	5,790	5,751	7,341
2021	15,955		9,115	5,435	4,852	147
2022	15,955		6,895	5,075	3,754	
2023	15,955		4,635	4,705	5,686	30,000

	Business-Type Activities						Business Type Activities: Direct Borrowing & Direct Placement [3]				
Fiscal Year	Tax-Exempt General Obligation Bonds [1]	Taxable General Obligation Bonds [1]	Tax-Exempt Certificates of Obligation [1]	Revenue Bonds [1]	Leases[5]	Subscription Liability[5]	Tax Notes [1]	Financed Purchases	Total Primary Government	Percentage of Personal Income [4]	Per Capita [4]
2014	$ 1,329	$ 12,093	$ 1,670	$ 350,636	$ -	$ -	$ -	$ 16,471	$ 2,918,393	9.24%	$ 2,071
2015	2,542	11,098	331	498,477				15,580	3,169,363	9.67%	2,206
2016	2,579	10,102	7,604	479,959				33,598	3,207,409	9.19%	2,182
2017	2,472	9,080	13,074	460,587				23,425	3,234,223	9.06%	2,167
2018	2,265	8,004	38,336	440,472			36,000	16,939	3,411,499	9.16%	2,256
2019	2,054	6,862	44,069	423,862			36,000	8,127	3,508,270	9.28%	2,290
2020	1,831	6,275	42,085	408,900			36,000	1,342	3,600,169	8.67%	2,327
2021	1,603	4,715	40,108	386,910			62,000	1,146	3,749,442	9.93%	2,614
2022	1,366	3,150	38,120	364,621	126		62,000	943	3,760,996	8.98%	2,590
2023	1,133	1,580	36,106	341,794	194	3,060	331,635	4,879	4,075,062	8.93%	2,751

[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.
[4] See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
[5] In fiscal years 2022 and 2023, the City adopted GASB Statement No. 87 and GASB Statement 96, respectively.

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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]									
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Contractual Obligations	Total [2]	Less Principal [3]	Less Debt Service Fund [4]	Net Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita [5]
2014	$ 1,226,976	$ 294,145	$ 38,465	$ 17,500	$ 1,577,086	$ (69,915)	$ (38,233)	$ 1,468,938	1.97%	$ 1,042.54
2015	1,353,031	306,634	27,013	8,835	1,695,513	(104,680)	(34,430)	1,556,403	1.96%	1,083.30
2016	1,379,462	332,407	37,302		1,749,171	(132,940)	(33,478)	1,582,753	1.77%	1,076.83
2017	1,354,991	434,228	44,838		1,834,057	(184,962)	(32,497)	1,616,598	1.65%	1,083.15
2018	1,404,474	552,259	90,940		2,047,673	(254,237)	(28,981)	1,764,455	1.67%	1,167.03
2019	1,553,771	569,000	95,606		2,218,377	(249,423)	(26,158)	1,942,796	1.72%	1,267.97
2020	1,713,530	524,976	107,764	11,300	2,357,570	(206,858)	(35,517)	2,115,195	1.77%	1,367.07
2021	1,718,941	581,072	143,919	9,115	2,453,047	(315,178)	(36,485)	2,101,384	1.67%	1,464.76
2022	1,736,115	640,782	152,187	6,895	2,535,979	(323,489)	(38,079)	2,174,411	1.67%	1,497.67
2023	1,771,759	658,315	400,098	4,635	2,834,807	(584,529)	(43,134)	2,207,144	1.56%	1,489.81

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 2014 to fiscal year 2023; refer to Note 8 Long-Term Obligations.

[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, 2023
(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	$ 756,384	67.70%	$ 512,084
Bexar County Bonds	2,078,179	67.93%	1,411,798
San Antonio River Authority Bonds	16,140	67.07%	10,824
University Health System	1,317,955	79.45%	1,047,068
Alamo Heights Independent School District Bonds	167,831	51.10%	85,763
East Central Independent School District Bonds[3]	95,861	46.35%	44,431
Edgewood Independent School District Bonds	49,680	100.00%	49,680
Harlandale Independent School District Bonds	250,870	100.00%	250,870
Judson Independent School District Bonds	576,730	24.20%	139,586
North East Independent School District Bonds	1,129,830	83.76%	946,306
Northside Independent School District Bonds	2,319,665	66.00%	1,530,888
San Antonio Independent School District Bonds	1,310,270	99.32%	1,301,316
Schertz-Cibolo-Universal City ISD Bonds	340,366	0.71%	2,409
Somerset Independent School District Bonds	43,214	4.42%	1,911
South San Antonio Independent School District Bonds	127,992	100.00%	127,992
Southside Independent School District Bonds	72,488	39.53%	28,654
Southwest Independent School District Bonds	690,531	58.52%	404,075
Total Overlapping Debt			$ 7,895,655
City Direct Debt [2]			$ 3,354,681
Total Direct and Overlapping Debt			$ 11,250,336

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.

[2] City direct debt includes: Tax-Exempt General Obligation Bonds, Taxable General Obligation Bonds, Tax-Exempt Certificates of Obligation, Taxable Certificates of Obligation, Tax Notes, Revenue Bonds, Bonds from Direct Placement, Notes from Direct Placements, Notes Payables, Leases, Subscriptions and Financed Purchases.

[3] East Central Independent School District is reporting 2022 information.

Statistical Data
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars In Thousands)

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	$ 184,444,678
Debt Limit (10.0% of Assessed Value)	18,444,468
Debt Applicable to Limit:	
Total Bonded Debt	2,685,210
Less: Self-Supporting Debt:	(584,529)
Debt Supplemented by Other Sources	
Assets Available for Payment of Principal In:	
Debt Service Fund	(42,366)
Total Net Debt Applicable to Limit	2,058,315
Legal Debt Margin	$ 16,386,153

	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	$ 8,698,321	$ 9,247,186	$ 10,432,156	$ 11,444,581	$ 12,433,599	$ 13,264,791	$ 14,088,674	$ 15,055,755	$ 15,633,653	$ 18,444,468
Total Net Debt Applicable to Limit	1,381,400	1,448,815	1,450,349	1,487,662	1,626,425	1,763,694	1,940,440	1,922,797	2,006,660	2,058,315
Legal Debt Margin	$ 7,316,921	$ 7,798,371	$ 8,981,807	$ 9,956,919	$ 10,807,174	$ 11,501,097	$ 12,148,234	$ 13,132,958	$ 13,626,993	$ 16,386,153
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.9%	15.7%	13.9%	13.0%	13.1%	13.3%	13.8%	12.8%	12.8%	11.2%

Note: 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)

	Municipal Drainage Utility System				Starbright Industrial Development Corporation			
Fiscal Year	Municipal Drainage Utility System Revenue	Debt Service Principal	Debt Service Interest	Coverage	Pledged Revenue	Debt Service Principal	Debt Service Interest	Coverage
2014	$ 39,279	$ 3,245	$ 3,312	6.0	$ 331,717	$ -	$ 733	452.5
2015	39,919	3,390	3,170	6.1	332,068		733	453.0
2016	42,955	3,515	3,045	6.6	331,847	825	733	213.0
2017	47,436	3,645	2,919	7.2	346,985	935	724	209.2
2018	50,167	3,785	2,770	7.7	371,136	950	710	223.6
2019	51,730	3,965	2,596	7.9	358,789	965	693	216.4
2020	53,100	4,165	2,392	8.1	342,787	985	674	206.6
2021	53,293	4,375	2,179	8.1	352,975	1,010	650	212.6
2022	53,424	4,605	1,954	8.1	385,887	1,035	623	232.7
2023	54,185	4,840	1,718	8.3	453,477	1,065	593	273.5

(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.

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Statistical Data
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars In Thousands)

Airport System

Fiscal Year	Airport System Revenues	Debt Service Principal	Debt Service Interest	Coverage
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
2020	93,896	7,530	5,978	7.0
2021	101,945	9,695	7,148	6.1
2022	153,085	10,115	6,748	9.1
2023	149,557	10,545	6,329	8.9

PFC Operations

Fiscal Year	PFC Beginning Fund Balance	PFC Revenues	Less: PFC Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2020	27,688	10,508		38,196	4,660	3,198	4.9
2021	28,125	12,343	586	39,882	7,160	4,770	3.3
2022	28,339	18,756	(586)	47,681	7,475	4,446	4.0
2023	32,330	20,595		52,925	7,835	4,107	4.4

CFC Operations [1]

Fiscal Year	CFC Beginning Fund Balance	CFC Revenues	Less: CFC Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015	$ -	$ 9,621	$ -	$ 9,621	$ -	$ -	-
2016		10,694		10,694		6,293	1.7
2017		10,676		10,676		6,823	1.6
2018		12,024		12,024		6,823	1.8
2019		14,263		14,263	700	6,823	1.9
2020		8,763		8,763	950	6,804	1.1
2021		9,380		9,380	1,150	6,773	1.2
2022		11,578		11,578	1,450	6,731	1.4
2023		12,695		12,695	1,735	6,674	1.5

(End of Schedule)

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] CFC Operations started in fiscal year 2015.

Statistical Data
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income [5]	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	1,409,000	$ 31,581,326	$ 22,414	33.0	407,047	5.8%
2014	1,436,723	32,790,329	22,823	33.2	401,771	4.7%
2015	1,469,824	34,905,380	23,748	33.1	403,558	3.8%
2016	1,492,494	35,701,949	23,921	33.5	401,867	3.8%
2017	1,511,913	37,230,858	24,625	33.6	410,625	3.5%
2018	1,532,212	37,821,121	24,684	33.7	411,539	3.4%
2019	1,547,250	41,506,529	26,826	34.4	411,357	3.1%
2020 [1, 2]	1,434,625	37,770,807	26,328	33.8	410,917	7.4%
2021 [3]	1,451,863	41,900,766	28,860	34.1	372,075	5.2%
2022 [4]	1,481,496	45,615,262	30,790	34.1	380,736	3.1%

Sources: Information provided by the Planning Department, City of San Antonio. Population, personal income, per capita income, median age, and school enrollment are produced using the 2022 American Community Survey one-year estimates. The unemployment rate is produced from data by the Bureau of Labor Statistics and the Texas Workforce Commission.

[1] Population produced using the 2020 Decennial Census.

[2] Personal income, per capita income, median age, and school enrollment are produced using the 2016-2020 U.S. Census Bureau American Community Survey five-year estimates. Five-year estimate reports were utilized given the drop in population with the decennial census.

[3] Population shown on December 31, 2021 was derived from the 2020 Decennial Census and showcases a more accurate account of total population to date, which, the 2021 American Community one-year Survey is based from. The difference in data between each year is caused by constraints from the COVID-19 pandemic as data collectors from the Census Bureau were not able to complete their traditional month to month survey process due to 2020 restrictions. A statement on the difference can be viewed here: https://www.census.gov/newsroom/press-releases/2021/statement-differences-between-2020-census-and-acs-1-year.html.

[4] Population for December 31, 2022 was calculated using growth rate from 2021 to 2022 times five months or 0.0144. Calendar year 2021 is based on the total population from the American Community Survey (ACS) one-year estimates and 2022 is based on the total population from the 2022 ACS one-year estimates.

[5] Personal income reported in thousands.

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Statistical Data
Principal Employers
Current Year and Nine Years Ago

	2023			2014		
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	82,639	1	7.09%	80,165	1	8.86%
H.E.B. Food Stores	20,000	2	1.72%	20,000	2	2.21%
United Services Automobile Association	18,100	3	1.55%	16,000	3	1.77%
City of San Antonio	14,500	4	1.24%	11,326	5	1.25%
Northside Independent School District	12,900	5	1.11%	13,000	4	1.44%
Methodist Healthcare System	12,000	6	1.03%	8,118	7	0.90%
North East Independent School District	8,208	7	0.70%	9,141	6	1.01%
University of Texas Health Science	7,930	8	0.68%			
San Antonio Independent School District	7,500	9	0.64%	7,425	8	0.82%
Baptist Health Systems	7,291	10	0.63%	7,205	9	0.80%
Wells Fargo				6,500	10	0.72%
Total	191,068		16.39%	178,880		19.78%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2023, and Department of Defense personnel statistics.

[1] Percent based on an Employment Estimate of 1,165,900 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of September 2023. Figure provided by the U.S. Bureau of Labor Statistics.

[2] Percent based on an Employment Estimate of 905,100 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2014. Figure provided by the Texas Workforce Commission.

Statistical Data

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program:										
Mayor and Council	18	15	15	18	18	13	17	18	25	29
City Manager	18	15	20	18	18	15	15	13	17	17
Animal Care Services	109	112	116	121	123	133	131	130	130	172
Arts and Culture [4]	20	24	18	17	16	16	12	18	18	21
Aviation Civilian Employees	322	349	353	368	408	427	364	340	358	362
Aviation Uniformed - Fire and Rescue	49	31	28	30	30	32	47	43	40	47
Building & Equipment Services [1, 12]	155	156	157	169	166	173	183	171	175	206
Center City Development [4, 10]	121	114	132	136	132	139	146	122	134	136
City Attorney	84	84	83	79	79	81	75	80	80	88
City Auditor	21	22	24	21	21	22	21	23	21	21
City Clerk	30	28	29	29	32	31	31	27	32	37
Code Enforcement Services	137	133	141	142	146	149	142	137	142	146
Communications and Public Affairs [8]	56	50								
Communications & Engagement [13]									37	43
Convention and Visitors Bureau [7]	80	81	76							
Convention, Sports and Entertainment Facilities [12]	297	283	285	312	322	330	159	200	248	292
Customer Services/311 System [8]					37	36	34	34	41	46
Development Services	221	231	233	255	261	273	283	271	297	324
Diversity, Equity and Inclusion [14]									13	16
Eastpoint [10]	15	15	3	4	2					
Economic Development [2]	24	23	29	35	34	33	28	29	34	44
Finance [5]	145	147	143	134	131	131	128	131	146	146
Firefighters and EMS	1,655	1,601	1,616	1,714	1,719	1,734	1,738	1,746	1,732	1,757
Fire Department Civilian Employees [15]	112	153	158	264	163	146	119	120	160	202
Government Affairs [13]									5	5
Government and Public Affairs [3, 8, 13]			59	69	34	35	35	32		
Health	292	306	312	354	364	372	390	456	661	646
Historic Preservation	12	16	15	18	16	19	19	17	19	20
Human Resources [12]	105	102	105	112	74	77	101	93	108	114
Human Services	255	297	296	312	310	305	298	332	365	395
Information Technology Services	309	309	314	317	322	320	315	306	300	313
Innovation [6]				8	5	9	8	10	10	11
Intergovernmental Relations [2]	7	7								
Library	297	297	308	310	321	322	317	308	320	324
Management and Budget [11]	26	24	24	18	16	19	18	18	14	19
Military & Veteran Affairs [13]									3	3
Municipal Court	175	168	160	114	124	122	117	111	109	117
Municipal Court Detention Center				41	38	35	36	32	35	35
Neighborhood and Housing Services [9]					51	70	67	66	78	111
Non Departmental [14, 16]	35	36	28	40	29	35	37	36	37	40
Parks and Recreation	566	594	606	474	464	469	461	425	460	501
Parks Police				160	174	185	181	170	160	151
Planning [9]	52	56	55	62	18	22	22	20	21	23
Police Officers	2,333	2,191	2,199	2,201	2,240	2,311	2,410	2,332	2,367	2,407
Police Department Civilian Employees [15]	506	541	551	815	773	838	730	723	701	781
Public Works [11]							777	727	737	790
Risk Management [5]				19	17	24	23	22	21	23
Solid Waste Management [1, 12]	578	606	609	649	684	694	737	704	735	757
Transportation [11]	698	741	740	758	794	809	10	9	9	12
Total	**9,935**	**9,958**	**10,040**	**10,717**	**10,726**	**11,006**	**10,782**	**10,602**	**11,155**	**11,750**

(Continued)

Statistical Data
Full-Time Equivalent City Government Employees by Function/Program (Continued)
Last Ten Fiscal Years

Source: City of San Antonio, Texas. Figures account for actual employment positions filled.

[1] In fiscal year 2015, some Fleet employees were reclassed from Building & Equipment Services into Solid Waste Management.

[2] In fiscal year 2016, the International Relations Office was combined with the Economic Development Department.

[3] In fiscal year 2016, the Communications and Public Affairs Department was combined into the Government and Public Affairs Department.

[4] In fiscal year 2016, some employees were reclassed from Arts and Culture into Center City Development.

[5] In fiscal year 2017, Risk Management split from the Finance Department.

[6] In fiscal year 2017, Office of Innovation split from Office of Management and Budget (OMB).

[7] In fiscal year 2017, the Convention and Visitors Bureau transitioned to the independent, non-profit corporation, Visit San Antonio (VSA).

[8] In fiscal year 2018, Customer Services/311 Systems split from Government and Public Affairs Department.

[9] In fiscal year 2018, some employees were reclassed from Planning to Neighborhood and Housing Services Department.

[10] In fiscal year 2019, Eastpoint was combined with Center City Development.

[11] In fiscal year 2020, Public Works split from Transportation (Formerly "Transportation and Capital Improvements").

[12] In fiscal year 2020, reductions were made within Convention, Sports and Entertainment Facilities due to COVID-19, thus employees were transitioned to Building & Equipment Services, Human Resources and Solid Waste Management.

[13] In fiscal year 2022, Government and Public Affairs split into Communications & Engagement, Government Affairs, Military & Veteran Affairs.

[14] In fiscal year 2022, Diversity, Equity and Inclusion was split from Non Departmental.

[15] Fire Department Civilian Employees and Police Department Civilian Employees include cadets before completing Academy training.

[16] Non Departmental includes Office of Sustainability, Energy Efficiency, Carver Community Center, Equity, Spanish Governors Palace, Mission Drive In, Film Commission, and Collections and Compliance divisions.

Statistical Data
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program:										
Police:										
Physical Arrests [1]	180,667	188,212	116,382	103,443	103,318	54,173	43,339 [2]	25,036 [2]	45,539 [2]	40,859
Parking Violations	76,128	74,716	77,694	92,678	73,561	61,202	53,190 [2]	40,806 [2]	58,444 [2]	74,060
Traffic Violations	215,164	182,237	183,140	166,659	178,759	144,358	106,259 [2]	66,381 [2]	92,247 [2]	105,442
Fire:										
Fire Incidents	99,191	114,483	142,358	160,520	167,977	174,701	175,185	190,454	201,504	194,506
Fires Extinguished	2,371	2,046	2,512	3,155	2,881	2,756	3,057	3,719	5,032	4,637
Inspections	24,517	24,668	24,300	29,693	32,222	31,659	35,563	27,536	26,539	24,532
Solid Waste:										
Refuse Collected (tons per day)	1,084	1,219	1,225	1,305	1,247	1,230	1,333	1,324	1,220	1,214
Recyclables Collected (tons per day)	504	581	627	628	592	678	716	866	763	679
Other Public Works:										
Street Resurfacing (miles)	241	270	271	241	275	300	404	329	339	373
Potholes Repaired	12,955	29,401	57,679	75,127	85,443	100,520	91,910	80,937	80,761	88,684
Parks and Recreation:										
Athletic Field Permits Issued	5,043	4,116	3,919	3,634	4,166	4,026	2,184 [3]	3,258	3,955	4,305
Community Center Reservations	2,097	2,173	2,114	2,550	3,172	3,124	1,166 [3]	0 [5]	0 [5]	120
Library:										
Volumes in Collection	2,139,234	2,179,598	2,214,770	2,066,789	2,083,989	2,016,804	1,986,648 [4]	1,984,612	2,021,538	1,992,325
Volumes in Circulation	7,177,889	7,362,800	7,330,691	7,282,570	7,384,064	8,001,230	5,398,180 [4]	5,751,098	7,548,649	8,323,061
Water:										
Customers	367,408	373,920	378,365	488,705	496,543	505,627	515,981	529,392	544,991	556,151
Water Main Breaks	1,863	2,018	2,151	1,194	1,843	2,329	2,357	2,494	1,599	3,148
Average Daily Consumption (millions of gallons)	189.1	191.3	194.2	240.5	245.6	233.1	232.1	234.0	223.2	249.4
Maximum Daily Consumption (millions of gallons)	270.2	261.0	292.9	359.9	302.8	301.1	328.6	315.0	442.4	336.1
Wastewater:										
Amount Treated Peak Day (millions of gallons)	221.0	196.0	286.0	311.0	245.0	235.0	187.0	198.0	213.0	191.0

Sources: Various City departments and San Antonio Water System.

[1] City Class "C" offenses.

[2] Decrease is due to the stay at home orders, remote working and social distancing related to the COVID-19 pandemic.

[3] Decrease is due to the closures of facilities during the year due to the COVID-19 pandemic.

[4] Physical library locations were closed due to COVID-19 pandemic from Mar 14 - June 15 and reopened with contact-free pickup service at 29 locations and had public computers at nine locations.

[5] Community Center Reservations were not available due to COVID-19 pandemic.

Statistical Data
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	716	716	719	769	768	768	772	773	783	799
Fire:										
Fire Stations	51	51	51	53	53	54	54	54	54	54
Solid Waste:										
Collection Vehicles [1]	349	360	377	377	377	383	387	389	388	417
Other Public Works:										
Streets (miles)	4,066	4,066	4,081	4,081	4,152	4,155	4,161	4,190	4,201	4,239
Highways (miles)	1,180	1,180	1,180	1,180	1,180	1,219	1,219	1,219	1,219	1,219
Streetlights	71,877	71,834	74,010	77,521	79,290	79,936	80,448	81,075	81,826	82,407
Traffic Signals	1,366	1,385	1,397	1,402	1,419	1,422	1,438	1,444	1,459	1,469
Parks and Recreation:										
Acreage	14,866	15,469	15,572	15,933	15,942	15,994	16,251	16,384	16,385	16,456
Playgrounds	180	182	183	186	186	188	189	190	192	196
Baseball/Softball Diamonds	130	129	129	129	129	129	129	129	129	129
Soccer/Football Fields	94	94	100	100	100	114	114	114	114	114
Golf Courses	7	8	8	8	8	8	8	8	8	8
Swimming Pools	30	30	29	29	29	30	30	30	30	30
Community Centers	30	30	30	30	30	30	30	28	28	29
Water:										
Water Mains (miles)	5,072	5,259	5,315	6,961	7,060	7,144	7,260	7,391	7,511	7,649
Fire Hydrants	28,323	28,753	29,530	39,998	40,872	41,553	42,513	43,345	44,305	45,446
Storage Capacity (millions of gallons)	197.4	220.6	221.0	269.2	277.2	287.6	287.6	308.4	308.4	308.4
Wastewater:										
Sewer Mains (miles)	5,238	5,247	5,322	5,375	5,482	5,535	5,629	5,699	5,795	5,894
Storm Sewers (miles)	700.0	700.0	700.0	574.0	646.0	623.0	648.0	800.0	800.0	800.0
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] The City has Collection Vehicles, which serve as garbage, recycling, organics, brush and bulky collection vehicles.

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FEDERAL SECTION

Summary Schedule of Federal Awards by Type

Last Two Fiscal Years

Grant Type	Fiscal Year 2023	Fiscal Year 2022 (Restated)	Variance Increase (Decrease)
Federal Categorical Grants:			
Air Transportation	$ 41,192,771	$ 20,429,424	$ 20,763,347
Criminal Justice	4,344,753	3,856,242	488,511
Emergency Management	10,600,169	4,845,876	5,754,293
Environmental Quality	1,253,097	372,000	881,097
Public Health	40,820,546	20,471,147	20,349,399
Public Works	10,620,152	25,766,676	(15,146,524)
Recreation and Culture	88,426	315,086	(226,660)
Social Services	191,724,446	210,433,760	(18,709,314)
Total Federal Categorical Grants	$ 300,644,360	$ 286,490,211	$ 14,154,149
Federal Block Grants:			
Community Development Block Grant	$ 12,848,225	$ 13,556,693	$ (708,468)
HOME Program Block Grant	6,190,784	25,571,994	(19,381,210)
Total Federal Block Grants	$ 19,039,009	$ 39,128,687	$ (20,089,678)
Total Federal Grants	$ 319,683,369	$ 325,618,898	$ (5,935,529)

Air Transportation increase of $20.7 million is due to an increase in funding of $20 million for Airport Improvement Program (AIP) for the expansion of Terminal A ground load facility that will add three ground gates.

Criminal Justice increase of $488 thousand is due to $1.7 million awarded to Selective Traffic Enforcement Program (STEP) program in current year offset by $1 million awarded for BJA Byrne in fiscal year 2022.

Emergency Management increase of $5.7 million is due to four grants awarded in fiscal year 2023; $2.1 million in Urban Areas Security Initiative, $1.3 million in FEMA funds for the February 2021 Freeze (Winter Storm Uri), $1.2 million in 2021 Assistance to Firefighters grant and $855 thousand in 2024 SHSP.

Environmental Quality increase of $881 thousand is due to receipt of a $1 million multi-year grant from the Environmental Protection Agency to address climate pollution reduction.

Public Health increase of $20.3 million is due to award of a $22 million grant from the Center of Disease Control and Prevention for Collaboration with Academia to Strengthen Public Health.

Public Works decrease of $15.1 million is due to the City having been awarded five Texas Department of Transportation Advanced Funding Agreements in fiscal year 2022, including an $18.8 million grant alone that was not repeated in fiscal year 2023. The City received three agreements in fiscal year 2023 totaling $10.6 million.

Summary Schedule of Federal Awards by Type (Continued)

Last Two Fiscal Years

Recreation and Culture decrease of $226 thousand is due to a one-time Texas State Library and Archives Commission System (TSLAC) ARPA grant of $180 thousand awarded in fiscal year 2022. Additionally, a $50 thousand Historical African American Neighborhoods Survey Grant was awarded in fiscal year 2022 but not in fiscal year 2023.

Social Services decrease of $18.7 million is due to a $36 million decrease in Child Care Services COVID-19 funding, $2.9 million on Department of Labor Apprenticeship Building America grant, $2.4 million in Eviction Protection Grant Program, and a $2 million in Senior Nutrition Program awarded in fiscal year 2022 that were not renewed in fiscal year 2023; offset by Child Care Services Program $24.2 million.

Community Development Block Grants decreased $708 thousand in CDBG COVID-19 Emergency Housing Assistance funding that was awarded in fiscal year 2022 and not in fiscal year 2023.

HOME Program Block Grant decreased $19.3 million due to ARPA HOME funds awarded in fiscal year 2022 that addressed homeless needs by creating affordable housing and providing tenant-based rental assistance and was not awarded in fiscal year 2023.

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.

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Schedule of Expenditures of Federal Awards by Grantor, Federal Program and Grant Number

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM		FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U. S. Department of Agriculture:						
Pass Through - Texas Health and Human Services Commission:						
WIC Special Supplemental Nutrition Program for Women, Infants, and Children:						
WIC 2021-2022		10.557	HHS000806100001	22-01636122	$ -	$ 433,129
WIC 2022-2023		10.557	HHS000806100001	22-01636146		6,953,511
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children					$ -	$ 7,386,640
SNAP Cluster:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:						
WIC 2021-2022		10.561	HHS000806100001	22-01636122	$ -	$ 608
WIC 2022-2023		10.561	HHS000806100001	22-01636146		9,748
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					$ -	$ 10,356
Total SNAP Cluster					$ -	$ 10,356
Total U.S. Department of Agriculture					$ -	$ 7,396,996
U.S. Department of Housing and Urban Development:						
Direct Programs:						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grants/Entitlement Grants:						
Community Development Program - 41st Year		14.218	B15MC480508	28-041000	$ 7,586	$ 11,913
Community Development Program - 42nd Year		14.218	B16MC480508	28-242000	2,193	44,786
Community Development Program - 43rd Year		14.218	B17MC480508	28-243000	490,214	492,241
Community Development Program - 44th Year		14.218	B18MC480508	28-244000		249,797
Community Development Program - 45th Year		14.218	B19MC480508	28-245000		352,099
Community Development Program - 46th Year		14.218	B20MC480508	28-246000	764,922	1,598,078
Community Development Program - 47th Year		14.218	B21MC480508	28-247000	2,114,813	4,971,248
Community Development Program - 48th Year		14.218	B22MC480508	28-248000	3,199,498	7,784,621
CDBG Investment Partnerships Program Outstanding Loans		14.218	Various	Various		9,317,500
Neighborhood Stabilization Grant Program Outstanding Loans		14.218	Various	Various		2,555,283
Subtotal Community Development Block Grants/Entitlement Grants					$ 6,579,226	$ 27,377,566
COVID-19 Community Development Block Grants/Entitlement Grants:						
Community Development Program - 46th COVID-19 FY21		14.218	B20MW480508	21-28000002	$ 97,757	$ 219,953
Total CDBG - Entitlement Grants Cluster					$ 6,676,983	$ 27,597,519
Emergency Solutions Grant Program:						
ESG 2021-2023		14.231	E21MC480508	22-05438022	$ 28,579	$ 92,100
ESG 2022-2024		14.231	E22MC480508	22-05438025	780,422	959,333
Subtotal Emergency Solutions Grant Program					$ 809,001	$ 1,051,433
COVID-19 Emergency Solutions Grant Program:						
ESG 2020 COVID-19		14.231	E20MW480508	21-03800001	$ 3,113,293	$ 3,428,309
Total Emergency Solutions Grant Program					$ 3,922,294	$ 4,479,742
HOME Investment Partnerships Program:	*					
HOME Program Grant - 13th Year		14.239	M04MC480508	25-013000	$ -	$ 13,346
HOME Program Grant - 25th Year		14.239	M16MC480508	25-225000		129,000
HOME Program Grant - 26th Year		14.239	M17MC480508	25-226000		42,282
HOME Program Grant - 27th Year		14.239	M18MC480508	25-227000		100,462
HOME Program Grant - 28th Year		14.239	M19MC480508	25-228000		75,403
HOME Program Grant - 29th Year		14.239	M20MC480508	25-229000		722,451
HOME Program Grant - 30th Year		14.239	M21MC480508	25-230000		1,118,647
HOME Program Grant - 31st Year		14.239	M22MC480508	25-231000		922,925
HOME Investment Partnerships Program Outstanding Loans		14.239	Various	Various		33,117,949
Subtotal HOME Investment Partnerships Program					$ -	$ 36,242,465
COVID-19 HOME Investment Partnerships Program:	*					
FY22 HOME ARP FUNDS		14.239	M-21-MP-48-0508	21-25000001	$ -	$ 9,837
Total HOME Investment Partnerships Program					$ -	$ 36,252,302
Housing Opportunities for Persons with AIDS:						
HOPWA 2021-2024		14.241	TXH21F005	22-05438023	$ 211,404	$ 231,601
HOPWA 2022-2025		14.241	TXH22F005	22-05438026	2,601,242	2,640,861
Total Housing Opportunities for Persons with AIDS					$ 2,812,646	$ 2,872,462
Economic Development Initiative, Community Project Funding, and Miscellaneous grants:						
SAAH - Economic Development Initiative HUD		14.251	B-22-CP-TX-0862	22-05700001	$ -	$ 945
Eviction Protection Grant Program:						
Eviction Protection		14.537	EP-22-TX-0009	22-05457006	$ -	$ 828,494
Lead Hazard Reduction Demonstration Grant Program:						
Lead Hazard Reduction Demonstration 2020-2023		14.905	TXLHD0321-19	22-05457004	$ -	$ 363,282
Total U.S. Department of Housing and Urban Development					$ 13,411,923	$ 72,394,746

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of the Interior:					
Pass Through - Alamo Area Council of Governments:					
Historic Preservation Fund Grants-In-Aid:					
FY21 CLG Grant Survey	15.904	TX-21-005	22-00641005	$ -	$ 4,868
2021 HPF URC-San Ant	15.904	P22AP00301	22-00641010		10,000
Total Historic Preservation Fund Grants-In-Aid				$ -	$ 14,868
Total U.S. Department of the Interior				$ -	$ 14,868
U.S. Department of Justice:					
Direct Programs:					
Coronavirus Emergency Supplemental Funding Program:					
COVID-19 San Antonio PD Emergency Supplemental Funding	16.034	2020-VD-BX-1203	21-01700001	$ -	$ 242,310
Community-Based Violence Prevention Program:					
Supporting Victims of Gang Violence-19	16.123	2019-MU-MU-0008	22-02817012	$ -	$ 102,081
Services for Trafficking Victims:					
Enhanced Collaborative Model to Combat Human Trafficking	16.320	2020-VT-BX-K035	22-02817015	$ -	$ 187,822
Public Safety Partnership and Community Policing Grants:					
Cops CHRP Grant 2020-2023	16.710	2020ULWX0051	22-02817017	$ -	$ 1,117,034
De-Escalation Training	16.710	15JCOPS-21-GG	22-02817022		125,000
Total Public Safety Partnership and Community Policing Grants				$ -	$ 1,242,034
Pass-Through - Bexar County:					
Edward Byrne Memorial Justice Assistance Grant Program:					
JAG 2020-2023	16.738	2020-DJ-BX-0643	22-02817019	$ -	$ 9,052
JAG 2021-2024	16.738	15PBJA21GG01897	22-02817023		186,340
JAG 2022-2025	16.738	15PBJA22GG02098	22-02817027		128,777
Total Edward Byrne Memorial Justice Assistance Grant Program				$ -	$ 324,169
Pass-Through - Office of Justice Programs:					
Criminal and Juvenile Justice and Mental Health Collaboration Program:					
SAPD Juvenile Mental Health 2020	16.745	2020-MO-BX-0018	22-02817021	$ -	$ 169,285
Congressionally Recommended Awards:					
2022 Mental Health	16.753	15PBJA-22GG-00058-BRND	22-02817025	$ -	$ 241,745
Direct Program:					
Equitable Sharing Program:					
Airport Federal Account	16.922	N/A	29-037000	$ -	$ 14,816
HIDTA Federal Account	16.922	N/A	29-046000		2,016
HIDTA Federal Treasury	16.922	N/A	29-046001		207,369
Total Equitable Sharing Program				$ -	$ 224,201
Total U.S. Department of Justice				$ -	$ 2,733,647
U.S. Department of Labor:					
Direct Program:					
Apprenticeship USA Grants:					
Apprenticeship Building America USA	17.285	AP-38629-22-60-A-48	22-00049001	$ -	$ 359,035
Total U.S. Department of Labor				$ -	$ 359,035
U.S. Department of Transportation:					
Direct Program:					
Airport Improvement Program:					
Airfield Pavement Management and Maintenance Plan	20.106	3-48-192-108-2022	22-05833032	$ -	$ 110,413
Construct Taxiway Pkg 6	20.106	3-48-0192-092-2019	22-05833014		160,280
Environmental Review Record Reconstruction-PKG 4	20.106	3-480-192-111-2022	22-05833034		2,900,320
Master Plan Update, PH II	20.106	3-48-0192-093-2019	22-05833016		169,645
Master Plan Update, PH III	20.106	3-48-0192-100-2020	22-05833022		(462,841)
Reconstruct & Decouple Runway 13R/31L	20.106	3-48-0192-110-2022	22-05833035		411,521
Rehabilitate Taxiway R	20.106	3-48-192-101-2021	22-05833026		6,059,720
Rehabilitate Taxiway R Phase II	20.106	3-48-0192-097-2020	22-05833019		155,800
Stinson-Master Plan	20.106	21ALSTON	22-05833029		203,327
Stinson Taxiway E	20.106	2115STSON	22-05833024		761,546
Taxiway H Reconstruction Phase 1	20.106	3-48-0192-109-2022	22-05833031		799,838
Taxiway R Rehabilitation, Phase 4	20.106	3-48-0192-098-2020	22-05833021		410,746
West Apron Taxilane Reconstruction	20.106	3-4801921122022	22-05833033		2,112,792
Subtotal Airport Improvement Program				$ -	$ 13,793,107
COVID-19 Airport Improvement Program:					
CARES Act Airport Grant Operations	20.106	3-48-0192-099-2020	21-03300000	$ -	$ 9,166,589
CARES Act Stinson	20.106	20CRSTSON	21-03300001		30,000
COVID-19 ARPA Operations	20.106	3-48-0192-104-2021	21-03300005		5,546,402
COVID-19 ARPA Concessions	20.106	3-48-0192-105-2022	21-03300007		4,201,964
COVID-19 COSA CIP CARES	20.106	N/A	21-03300008		3,387,594
COVID-19 COSA CIP ARPA	20.106	N/A	21-03300009		2,162,852
Subtotal COVID-19 Airport Improvement Program				$ -	$ 24,495,401
Total Airport Improvement Program				$ -	$ 38,288,508
Subtotal U.S. Department of Transportation				$ -	$ 38,288,508

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Transportation (Continued):					
Pass Through - Texas Department of Transportation:					
Highway Planning and Construction Program: *					
Congestion Mitigation and Air Quality Improvement (CMAQ) Fed 2020-2022 Traffic Signal	20.205	CSJ 0915-12-667	22-05923018	$ -	$ 1,656,090
Harry Wurzbach at Austin Highway	20.205	CSJ 0915-12-550	22-05923003		2,179,031
Intelligent Transportation Systems-2019	20.205	CSJ 0915-12-580	22-05923011		604,165
Multimodal Planning Study 2019	20.205	CSJ 0915-12-609	22-05923013		341,185
San Pedro Sidewalk and Improvement	20.205	CSJ 0915-12-610	22-05923007		259,969
Presa Road Streets	20.205	CSJ 0915-12-604	22-05923009		5,468,749
Intelligent Traffic System	20.205	CSJ 0915-12-668/674	22-05923020		1,025,659
CMAQ-Clean Air Educational	20.205	CSJ 0915-12-670/ 677/683	22-05946001		25,347
Total Highway Planning and Construction Program				$ -	$ 11,560,195
Direct Program:					
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements:					
High Priority - Commercial Motor Vehicles FY 2020-2022	20.237	69A3602040567MHP0TX	22-02817016	$ -	$ 134,274
Pass Through - Texas Department of Transportation:					
Highway Safety Cluster:					
State and Community Highway Safety:					
Operation Slowdown 2023	20.600	2023-SanAntPD-OpSlow-00008	22-05917016	$ -	$ 27,159
STEP Comprehensive FY22	20.600	2022-SanAntPD-S-1YG-00038	22-05917009		(244)
STEP Comprehensive FY23	20.600	2023-SanAntPD-S-1YG-00038	22-05917013		842,959
Total State and Community Highway Safety				$ -	$ 869,874
National Priority Safety Programs:					
Click It or Ticket 2023	20.616	2023-SanAntPD-CIOT-00013	22-05917015	$ -	$ 18,248
Impaired Driver Mobilization 2023	20.616	2023-SAPDIDM-11	22-05917014		43,653
Total National Priority Safety Programs				$ -	$ 61,901
Total Highway Safety Cluster				$ -	$ 931,775
Total U.S. Department of Transportation				$ -	$ 50,914,752
Department of Treasury:					
Pass Through - Bexar County:					
COVID-19 Emergency Rental Assistance Program: *					
COVID-19 Bexar County Funds Emergency Rental Assistance 1	21.023	N/A	21-05700007	$ -	$ 2,645,809
COVID-19 Bexar County Funds Emergency Rental Assistance 2	21.023	N/A	21-05700001		7,268
Subtotal Bexar County COVID-19 Emergency Rental Assistance Program				$ -	$ 2,653,077
Pass Through - Texas Department of State Health and Human Services: *					
COVID-19 Housing Stability Services Program Emergency Rental Assistance 2	21.023	N/A	21-05700008	$ -	$ 2,851,079
Direct Programs: *					
COVID-19 Emergency Rent Assistance 1	21.023	ERA-2101060202	21-05700002	$ -	$ 2,063,507
COVID-19 Emergency Rent Assistance 2	21.023	ERA2-0076	21-05700004		4,981,217
Subtotal Direct COVID-19 Emergency Rental Assistance Program				$ -	$ 7,044,724
Total COVID-19 Emergency Rental Assistance Program				$ -	$ 12,548,880
COVID-19 Coronavirus State and Local Fiscal Recovery Funds: *					
Coronavirus State and Local Fiscal Recovery Fund	21.027	SLT-0591	Various	$ -	$ 51,548,332
Total Department of Treasury				$ -	$ 64,097,212
National Aeronautics and Space Administration:					
Pass Through - Space Science Institute:					
Science:					
NASA Grant	43.001	NNX16AE30A	22-01804009	$ -	$ 6,836
Total National Aeronautics and Space Administration				$ -	$ 6,836
Institute of Museum and Library Services:					
Pass Through - Texas State Library and Archives Commission:					
Grants to States:					
Interlibrary Loan Grant 2023	45.310	LS-252486-OLS-22	22-01804010	$ -	$ 63,426
COVID-19 Grants to States:					
COVID-19 ARPA Competitive Grants	45.310	LS-250239-OLS-21	21-00400002	$ -	$ (4,906)
Total Institute of Museum and Library Services				$ -	$ 58,520
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:					
HEAL 2022-2023	93.045	539-16-0020-0001	22-01138006	$ -	$ 1,569,903
Nutrition Services Incentive Program:					
HEAL 2022-2023	93.053	539-16-0020-0001	22-01138006	$ -	$ 518,166
Total Aging Cluster				$ -	$ 2,088,069
Pass Through - Texas Department of State Health Services:					
Public Health Emergency Preparedness:					
Bio-Terrorism Preparation 2022-2023	93.069	537-18-0179-00001	22-01636132	$ -	$ 811,475
Bio-Terrorism Preparation 2023-2024	93.069	HHS001311200043	22-01636150		262,730
Cities Readiness Initiative 2023	93.069	537-18-0191-00001	22-01636133		185,589
Cities Readiness Initiative 2024	93.069	HHS001311300019	22-01636151		66,932
Laboratory Response Network 2023	93.069	537-18-0148-00001	22-01636131		200,362
Laboratory Response Network 2024	93.069	HHS001311400006	22-01636149		43,750
Total Public Health Emergency Preparedness				$ -	$ 1,570,838
Subtotal U.S. Department of Health and Human Services				$ -	$ 3,658,907

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Pass Through - Texas Department of State Health Services:					
Environmental Public Health and Emergency Response:					
ASTHMA 2022-2023	93.070	HHS000701300001	22-01636141	$ -	$ 197,166
ASTHMA 2023-2024	93.070	HHS000701300001	22-01636157		14,555
Total Environmental Public Health and Emergency Response				$ -	$ 211,721
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:					
Special T.B. Team Project 2022	93.116	HHS001096400024	22-01636123	$ -	$ 86,947
Special T.B. Team Project 2023	93.116	HHS001096400024	22-01636147		237,105
Special T.B. Team Project 2024	93.116	HHS001096400024	22-01636160		26,749
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs				$ -	$ 350,801
COVID-19 Community Programs to Improve Minority Health Grant Program:					
COVID-19 Health Literacy	93.137	1 CPIMP211274	21-03600012	$ -	$ 2,321,102
Substance Abuse and Mental Health Services Projects of Regional and National Significance:					
Pathway to Prevention FY 22	93.243	5H79SP082118-02	22-01636121	$ -	$ (80)
Pathway to Prevention FY 23	93.243	5H79SP082118-03	22-01636144		199,785
Pathway to Prevention FY 24	93.243	5H79SP082118-04	22-01636166		15,072
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance				$ -	$ 214,777
Direct Programs:					
Immunization Cooperative Agreements:					
Immunization Program 317 - 2022	93.268	5 NH23IP922584-04-00	22-02236013		$ 2,840,480
Immunization Program 317 - 2023	93.268	5 NH23IP922584-04-00	22-02236016		1,380,459
Subtotal Immunization Cooperative Agreements				$ -	$ 4,220,939
COVID-19 Immunization Cooperative Agreements:					
COVID-19 Immunization Information System Supplement FY23	93.268	6 NH23IP922584-04	21-03600021	$ -	$ 141,301
COVID-19 Immunization NCIRD Cooperative Agreements (Round 1)	93.268	5 NH23IP922584-02-00	21-03600003		228,011
COVID-19 Immunization NCIRD Cooperative Agreements (Round 2)	93.268	6 NH23IP922584-02-01	21-03600005		294,348
COVID-19 Immunization NCIRD Cooperative Agreements (Round 3)	93.268	6 NH23IP922584-02-04	21-03600008		2,671,116
COVID-19 Immunization NCIRD Cooperative Agreements (Round 4)	93.268	6 NH23IP922584-02-05	21-03600011		3,654,907
Subtotal COVID-19 Immunization Cooperative Agreements				$ -	$ 6,989,683
Total Immunization Cooperative Agreements				$ -	$ 11,210,622
COVID-19 Racial and Ethnic Approaches to Community Health:					
COVID-19 Racial and Ethnic Approaches to Community Health	93.304	6 NU58DP006589-03-05	21-03600009	$ -	$ 97,007
Pass Through - Texas Health and Human Services Commission:					
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):					
COVID-19 Public Health Emergency	93.323	HHS000812700013	21-03600004	$ -	$ 1,343,936
Pass Through - Texas Department of State Health Services:					
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
Monkeypox Virus Crisis	93.354	6NU90TP22204	22-02238020	$ -	$ 11,313
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
COVID-19 PH Workforce	93.354	HHS001082800001	21-03600013	$ -	$ 703,757
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				$ -	$ 715,070
Direct Program:					
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Health Crises:					
COVID-19 Health Disparities	93.391	NH75OT000083	21-03600010	$ -	$ 8,926,740
COVID-19 Community Health Workers For Public Health Response and Resilient:					
COVID-19 Community Health Workers 2022	93.495	1NU58DP00700901	21-03600014	$ -	$ 1,527
COVID-19 Community Health Workers 2023	93.495	5NU58DP00700902	21-03600018		1,854,259
COVID-19 Community Health Workers 2024	93.495	6NU58DP0070090302	21-03600026		373,963
Total COVID-19 Community Health Workers For Public Health Response and Resilient				$ -	$ 2,229,749
Pass Through - Texas Department of Housing and Community Affairs:					
Community Services Block Grant:					
CSBG - 2022	93.569	61200003439	22-06038011	$ -	$ 786,133
CSBG - 2023	93.569	61220003631	22-06038014		1,683,695
CSBG - 2023 Discretionary	93.569	61220003902	22-06038016		22,672
Total Community Services Block Grant				$ -	$ 2,492,500
Subtotal U.S. Department of Health and Human Services				$ -	$ 30,114,025

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Pass Through - Workforce Solutions Alamo:					
CCDF Cluster:					
Child Care and Development Block Grant:					
CCDS - 2020-2021	93.575	2017CCS-03	22-03938009	$ -	$ (5,853)
CCDS - 2021-2022	93.575	2017CCS-03	22-03938011		4,918,813
CCDS - 2022-2023	93.575	2021SRV024	22-03938012		80,862,902
Child Care Quality - 2022-2023	93.575	2021-SRC-001	22-03938015		2,137,446
Subtotal Child Care and Development Block Grant				$ -	$ 87,913,308
COVID-19 Child Care and Development Block Grant:					
COVID-19 CCS 2020 FY22	93.575	2017CCS-03 Renewal 2-3	21-03800018	$ -	$ 1,296,613
COVID-19 CCS 2020 FY23	93.575	2021SRV024	21-03800025		3,376,659
Subtotal COVID-19 Child Care and Development Block Grant				$ -	$ 4,673,272
Total Child Care and Development Block Grant				$ -	$ 92,586,580
Child Care Mandatory and Matching Funds of the Child Care and Development Fund:					
CCDS - April - September 2021	93.596	2017CCS-03	22-03938010	$ -	$ (1,871)
Total CCDF Cluster				$ -	$ 92,584,709
Direct Programs:					
Head Start Cluster:					
Head Start:					
Early Head Start 2022-2023	93.600	06CH011533/03	22-02238016	$ 618,893	$ 856,984
Early Head Start CCP 2020-2021	93.600	06HP000255-02	22-02238010		(570)
Early Head Start CCP 2021-2022	93.600	06HP000255-03	22-02238014		(711)
Early Head Start CCP 2022-2023	93.600	06HP000255-04	Various		2,597,621
Early Head Start CCP 2023-2024	93.600	06HP000255-05	22-02238021		527,118
Head Start Program 2019-2020	93.600	06CH010821-01	22-02238006		(5)
Head Start Program 2021-2022	93.600	06CH010821-03	22-02238011		1,050
Head Start Program 2022-2023	93.600	06CH010821-04	22-02238015	7,485,027	10,975,635
Head Start Program 2023-2024	93.600	06CH010821-05	22-02238019	12,303,435	17,988,241
Subtotal Head Start				$ 20,407,355	$ 32,945,363
COVID-19 Head Start:					
COVID-19 Early Head Start Program 2022-2023	93.600	06CH011533-03	21-03800020	$ -	$ 18,625
COVID-19 Head Start Program 2021-2022	93.600	06HE001066-01	21-03800017	1,822,581	3,180,050
COVID-19 Head Start Program 2022-2023	93.600	06CH010821-04	21-03800019		216,266
Subtotal COVID-19 Head Start				$ 1,822,581	$ 3,414,941
Total Head Start Cluster				$ 22,229,936	$ 36,360,304
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds:					
Reach Healthy Neighborhoods FY22	93.738	5 NU58DP006589	22-01636117	$ -	$ 9,012
Reach Healthy Neighborhoods FY23	93.738	5NU58DP00658905	22-01636137		853,976
Subtotal PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds				$ -	$ 862,988
COVID-19 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds:					
COVID-19 Reach Flu Supplement FY23	93.738	5NU58DP00658905	21-03600020	$ -	$ 455,749
Total PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds				$ -	$ 1,318,737
Healthy Start Initiative:					
Healthy Start Initiative 2022-2023	93.926	6 H49MC00101-22-01	22-02236012	$ -	$ 422,169
Healthy Start Initiative 2023-2024	93.926	6 H49MC00101-23-01	22-02236015		444,067
Total Healthy Start Initiative				$ -	$ 866,236
Pass Through - Texas Department of State Health Services:					
HIV Prevention Activities Health Department Based:					
Ending the HIV Epidemic (EHE) FY23	93.940	HHS000897700002	22-01636127	$ -	$ 633,478
Ending the HIV Epidemic (EHE) FY24	93.940	HHS000897700002	22-01636155		68,992
STD Staff Support Program 2023	93.940	HHS000288900006	22-01636129		78,744
STD Staff Support Program 2024	93.940	HHS000288900006	22-01636152		5,093
Total HIV Prevention Activities Health Department Based				$ -	$ 786,307
COVID-19 CDC's Collaboration with Academia to Strengthen Public Health:					
COVID-19 PH Infrastructure	93.967	NE11OE000068	21-03600024	$ -	$ 962,326
Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD Staff Support Program 2023	93.977	HHS000288900006	22-01636129	$ -	$ 465,223
STD Staff Support Program 2024	93.977	HHS000288900006	22-01636152		30,141
Subtotal Sexually Transmitted Diseases (STD) Prevention and Control Grants				$ -	$ 495,364
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD Staff Support Program 2022	93.977	HHS001120300013	21-03600016	$ -	$ 254,785
STD Staff Support Program 2023	93.977	HHS001120300013	21-03600023		332,392
Subtotal COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants				$ -	$ 587,177
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants				$ -	$ 1,082,541
Subtotal U.S. Department of Health and Human Services				$ 22,229,936	$ 133,961,160

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM		FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):						
Pass Through - Texas Department of State Health Services:						
Preventive Health and Health Services Block Grant:						
Federal Triple OOO FY 2023		93.991	HHS001028800001	22-01636135	$ -	$ 83,740
Federal Triple OOO FY 2024		93.991	HHS001028800001	22-01636165		9,359
Total Preventive Health and Health Services Block Grant					$ -	$ 93,099
Maternal and Child Health Services Block Grant to the States:						
DSHS Healthy Texas Babies 2022		93.994	HHS000066400001	22-01636106	$ -	$ (42)
DSHS Healthy Texas Babies 2023		93.994	HHS001130300007	22-01636142		6,323
Title V CHS - Dental Services 2023		93.994	HHS000136500028	22-01636145		188,494
Title V CHS - Dental Services 2024		93.994	HHS000136500028	22-01636168		3,044
Total Maternal and Child Health Services Block Grant to the States					$ -	$ 197,819
Total U.S. Department of Health and Human Services					$ 22,229,936	$ 168,025,010
Executive Office of the President:						
Direct Program:						
High Intensity Drug Trafficking Areas Program:						
Office of National Drug Control Policy:						
HIDTA Initiative San Antonio 2021		95.001	G21SS0009A	22-02817020		$ 168,927
HIDTA Initiative San Antonio 2022		95.001	G22SS0009A	22-02817024		1,138,490
HIDTA Initiative San Antonio 2023		95.001	G23SS0009A	22-02817026		916,316
Total High Intensity Drug Trafficking Areas Program					$ -	$ 2,223,733
Total Executive Office of the President					$ -	$ 2,223,733
U.S. Department of Homeland Security:						
Pass Through - United Way National Board:						
Emergency Food and Shelter National Board Program:						
Emergency Food and Shelter Program Human Relief		97.024	N/A	Various	$ 170,779	$ 15,787,123
Pass Through - Texas Division of Emergency Management:						
Disaster Grants-Public Assistance (Presidentially Declared Disasters):	*					
February 2021 Freeze		97.036	Various	Various	$ -	$ 260,341
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters):	*					
COVID-19 2019 Novel Coronavirus		97.036	Various	Various	$ 672,709	$ 14,004,087
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)					$ 672,709	$ 14,264,428
Assistance to Firefighters Grant:						
Assistance to Firefighters Grant 2019		97.044	EMW2019-FG06856	22-05620027	$ -	$ (3,482)
Pass Through - Texas Office of the Governor - Homeland Security Grants Division:						
Homeland Security Grant Program:						
SHSP 2018		97.067	EMW-2018-SS-00022-S01	22-06520007	$ -	$ 380
SHSP 2019		97.067	EMW-2019-SS-00034-S01	22-05620023		1,060
SHSP 2020		97.067	EMW-2020-SS-00054	22-05620024		72,817
SHSP 2021		97.067	EMW-2021-SS-00062	22-05620031		259,095
SHSP 2022		97.067	EMW-2022-SS-00021	22-05620034		114,193
UASI 2018		97.067	EMW-2018-SS-00022	22-06520006		4,356
UASI 2019		97.067	EMW-2019-SS-00034-S01	22-05620021		4,512
UASI 2020		97.067	EMW-2020-SS-00054	22-05620025		1,169,626
UASI 2021		97.067	EMW-2021-SS-00062	22-05620030		828,819
UASI 2022		97.067	EMW-2022-SS-00021	22-05620033		389,807
UASI 2024		97.067	EMW-2023-SS-00025	22-05620036		1,878
Total Homeland Security Grant Program					$ -	$ 2,846,543
Direct Programs:						
Homeland Security BioWatch Program:						
BioWatch Fed Air Monitoring 2022		97.091	150HBIO00027-07	22-01636108	$ -	$ (10)
BioWatch Fed Air Monitoring 2023		97.091	150HBIO00027-08	22-01636134		220,071
BioWatch Fed Air Monitoring 2024		97.091	150HBIO00027-09	22-01636148		106,030
Total Homeland Security BioWatch Program					$ -	$ 326,091
Regional Catastrophic Preparedness Grant Program:						
Regional Catastrophic Preparedness Grant Program 2020		97.111	EMT-2020-CA-00049-S01	22-05620028	$ -	$ 467,614
Regional Catastrophic Preparedness Grant Program 2021		97.111	EMT-2020-CA-00049-S01	22-05620032		104,912
Total Regional Catastrophic Preparedness Grant Program					$ -	$ 572,526
Shelter and Services Program:						
Shelter & Services		97.141	EMW2023SP05059	22-05438031	$ -	$ 480,170
Total U.S. Department of Homeland Security					$ 843,488	$ 34,273,399
TOTAL EXPENDITURES OF FEDERAL AWARDS					$ 36,485,347	$ 402,498,754

* Major Program

Notes to the Schedule of Expenditures of Federal Awards

Year-Ended September 30, 2023

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*, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule of Expenditures 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, 2023, the City recorded net HOME Program Notes Receivable of $29,717,003, which includes the estimated allowances for the doubtful accounts of $26,770,625. These are loans that are made for renovation or construction of apartment complexes that provide rental assistance 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 $33,117,949 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.

3. As of September 30, 2023, the City recorded net CDBG Program Notes Receivable of $8,201,778, which includes the estimated allowances for the doubtful accounts of $13,320,572. 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 $9,317,500 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.

4. As of September 30, 2023, the City recorded net NSP Program Notes Receivable of $72,235, which includes estimated allowances for doubtful accounts of $3,099,833. 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 $2,555,283 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.

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Report 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* – Independent Auditor’s Report

FORV/S

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Report 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*

Independent Auditor's Report

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

We have audited, in accordance with the 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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 27, 2024.

Our report includes an emphasis of matter paragraph for changes in accounting principles.

Our report also includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, Prosper West San Antonio, 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 component units); San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation (discretely presented component units). 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 SA Energy Acquisition Public Facility Corporation and San Antonio Bexar County Soccer Public Facility Corporation, component units included in the financial statements of the aggregate discretely presented component units and City of San Antonio Council Aides Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, Prosper West San Antonio, San Antonio Economic Development Corporation, and Visit San Antonio, component units included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with those component units or that are reported on separately by those auditors who audited the financial statements of Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, San Antonio Fire and Police Pension Fund, Retiree Health & Wellness San Antonio Fire and Police Fund, and San Antonio Water System.

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

Report on 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) as a basis for designing 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 the City's 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 entity'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 internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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*.

Purpose of This Report

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Houston, Texas
March 27, 2024

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor’s Report

FORVIS

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of San Antonio, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. 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.

The City's basic financial statements include the operations of the San Antonio Water System (SAWS) and Port Authority of San Antonio dba Port San Antonio (Port SA), discretely presented component units, and San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, a blended component unit, which collectively expended $15,929,612 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2023. Our audit, described below, did not include the operations of SAWS and San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA because they engaged other auditors to perform an audit in accordance with the Uniform Guidance and Port SA engaged FORVIS to perform a separate audit in accordance with the Uniform Guidance.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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*

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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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

FORVIS, LLP

Houston, Texas
March 27, 2024

Schedule of Findings and Questioned Costs Federal

Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiencies identified?	_____	Yes	X	None Reported

Noncompliance material to financial statements noted?	_____	Yes	X	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiencies identified?	_____	Yes	X	None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)?	___	Yes	X	No

Identification of major Federal programs:

AL Number(s)	Name of Federal Program or Cluster
14.239	HOME Investment Partnerships Program
20.205	Highway Planning and Construction Program
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: $3,000,000

Auditee qualified as low-risk auditee?	X	Yes	_____	No

Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2023

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

None

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Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2023

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None

Corrective Action Plan
Federal

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Corrective Action Plan
Federal Grants
Year-Ended September 30, 2023

None

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Summary Status of Prior Year Findings Federal

Summary Status of Prior Year Findings
Federal Grants
Year-Ended September 30, 2023

Finding: 2022-001

Other Noncompliance and Significant Deficiency

Recommendation:

We recommend that the City of San Antonio Department of Human Services incorporate procedures to address tracking of subaward amendments to ensure timely reporting to FSRS.

Status:

Corrected

The Department of Human Services has implemented procedures to document information needed to provide to Finance for timely reporting to FSRS; implemented a shared tracking system between program, fiscal, and contract staff to enhance transparency for any contractual agreements; and held four training sessions with various DHS staff between April and September of 2023 to train on new process of tracking.

Responsible Person

Melody Woolsey, Director
Department of Human Services

STATE SECTION

Summary Schedule of State Awards by Type

Last Two Fiscal Years

Grant Type	Fiscal Year 2023	Fiscal Year 2022	Variance Increase (Decrease)
State Categorical Grants:			
Air Transportation	$ 50,000	$ 50,000	$ -
Criminal Justice	6,438,265	1,371,608	5,066,657
Public Health	2,064,635	1,969,606	95,029
Public Works	644,621	6,647,891	(6,003,270)
Recreation and Culture	101,800	83,224	18,576
Social Services	6,825,108	6,901,747	(76,639)
Total State Categorical Grants	$ 16,124,429	$ 17,024,076	$ (899,647)

Criminal Justice increase of $5 million is due to the award of the Texas Anti-Gang Grant in fiscal year 2023. This grant supports law enforcement partnerships at local, state, and federal levels, combatting gang violence and violent crime through the coordination of gang intervention and suppression activities.

Public Health increase of $95 thousand is due to the Triple OOO Health Service grant awarded in fiscal year 2023, and not in fiscal year 2022.

Public Works decrease of $6 million is from fiscal year 2022 awards not awarded in 2023 for the Defense Economic Adjustment Assistance Grant and indirect cost for the South Zarzamora overpass project.

Recreation and Culture increase of $18 thousand is from Alamo Area Council of Governments grants that support environmental efforts related to recycling, solid waste stream reduction and municipal enforcement of anti-dumping laws.

Social Services decrease of $77 thousand is due to the City not being awarded the Youth Set Aside grant in fiscal year 2023.

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.

Schedule of Expenditures of State Awards by Grantor, State Program and Grant Number

Schedule of Expenditures of State Awards
Year-Ended September 30, 2023

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	N/A	29-043000	$ 27,610
New State Account	N/A	29-038000	411,480
Total State Confiscated Property			$ 439,090
Total Texas Attorney General's Office			$ 439,090
Texas Commission on Environmental Quality:			
Pass Through - Alamo Area Council of Governments:			
Regional Solid Waste Management Program:			
Deconstruction	22-18-05	22-00641007	$ 25,224
Material Innovation Center Equipment	22-18-04	22-00641006	28,747
Innovation Center Improvements	23-18-05	22-00641011	80,950
Total Texas Commission on Environmental Quality			$ 134,921
Texas Department of Housing and Community Affairs:			
Direct Program			
Texas Homeless Housing and Services Program:			
FY 2021 Texas Ending Homelessness Fund	30215000001	22-06038009	$ 30,918
Texas Homeless Housing and Services Program 2023	18235000001	22-06038013	260,768
TDHCA-HHSP21 SUPPL	18215000011	22-06038015	74,116
TDHCA-HHSP24	18245000001	22-06038017	3,263
Total Texas Department of Housing and Community Affairs			$ 369,065
Texas Department of State Health Services:			
Direct Programs			
Diabetes Prevention & Control Program:			
Diabetes Prevention and Control 2023	HHS000727800001	22-01636140	$ 117,949
Diabetes Prevention and Control 2024	HHS000727800001	22-01636156	15,981
Total Diabetes Prevention & Control Program			$ 133,930
Emerging and Acute Infectious Disease Branch:			
IDCU/Surveillance Epidemiology Ebola 2023	HHS000436300023	22-01636138	$ 127,648
IDCU/Surveillance Epidemiology Ebola 2024	HHS001315700013	22-01636164	12,502
IDCU/FLU 2023	HHS000442100005	22-01636139	4,965
Total Emerging and Acute Infectious Disease Branch			$ 145,115
HIV Surveillance & Prevention Programs:			
HIV Surveillance Program 2023	HHS0011863000004	22-01636128	$ 126,277
HIV Surveillance Program 2024	HHS0011863000004	22-01636153	13,380
Total HIV Surveillance & Prevention Programs			$ 139,657
Immunization Grants:			
Inner-City School Immunization 2022	HHS000119700021	22-01636119	$ (42)
Inner-City School Immunization 2023	HHS000119700021	22-01636125	607,096
Inner-City School Immunization 2024	HHS001331300016	22-01636163	46,395
Total Immunization Grants			$ 653,449
Lactation Support Program:			
Lactation Support 2023	HHS000455500001	22-01636130	$ 168,456
Lactation Support 2024	HHS000455500001	22-01636162	8,449
Total Lactation Support Program			$ 176,905
Maternal and Child Health Services Block Grant to the States			
DSHS Healthy Texas Babies 2023	HHS000066400007	22-01636142	$ 35,479
DSHS Healthy Texas Babies 2024	HHS000066400007	22-01636158	5,657
Total Maternal and Child Health Services Block Grant to the States			$ 41,136
Milk Sample Lab Tests:			
Milk Group - 2023	537-18-0162-00001	22-01636143	$ 36,978
Milk Group - 2024	537-18-0162-00001	22-01636159	2,942
Total Milk Sample Lab Tests			$ 39,920
Preventive Health and Health Services Block Grant:			
Fed Triple OOO 2023	HHS001028800001	22-01636135	$ 99,619
Fed Triple OOO 2024	HHS001028800001	22-01636165	7,867
Total Preventive Health and Health Services Block Grant			$ 107,486
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:			
Special T.B. Team Project 2022	HHS001096400024	22-01636123	$ 9,117
Special T.B. Team Project 2023	HHS001096400024	22-01636147	24,860
Special T.B. Team Project 2024	HHS001096400024	22-01636160	2,805
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs			$ 36,782
Sexually Transmitted Diseases (STD) Prevention and Control Grants: *			
STD Staff Support Program 2023	HHS000288900006	22-01636129	$ 726,093
STD Staff Support Program 2024	HHS000288900006	22-01636152	47,049
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			$ 773,142
TB Prevention and Control:			
TB Prevention and Control 2021-2022	HHS000484100001	22-01636115	$ (120)
TB Prevention and Control 2022-2023	HHS001182200023	22-01636136	699,032
TB Prevention and Control 2023-2024	HHS001182200023	22-01636154	66,336
Total TB Prevention and Control			$ 765,248
Total Texas Department of State Health Services			$ 3,012,770

* Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards

Schedule of Expenditures of State Awards
Year-Ended September 30, 2023

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM		GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES
Texas Department of Transportation:				
Pass Through - Motor Vehicle Crime Prevention Authority:				
Regional Auto Crimes Team:				
Regional Auto Crimes Team 2021-2022		608-22-SPD0000	22-03117006	$ (15,089)
Regional Auto Crimes Team 2022-2023		608-23-SPD0000	22-03117008	692,393
Regional Auto Crimes Team 2023-2024		608-24-SPD0000	22-03117010	75,474
Total Regional Auto Crimes Team				$ 752,778
Direct Programs				
Airport Improvement Program:				
Stinson Ramp - 2023		M2315STSO	22-05833036	$ 50,000
Highway Planning and Construction:				
Harry Wurzbach/Austin Highway		CSJ 0915-12-550	22-05923002	$ 234,246
Total Texas Department of Transportation				$ 1,037,024
Texas Division of Emergency Management:				
Direct Program				
Aug 2020 Tropical Weather		00140438 (TX)	22-05680007	$ 1,360
Total Texas Division of Emergency Management				$ 1,360
Office of the Texas Governor:				
Direct Programs				
Criminal Justice Division:				
DNA-Test Kit Analysis 2021		3970503	22-03117009	$ 73,038
Texas Anti-Gang Program 2024		2024-TA-ST-0002	22-05517007	72,033
Truancy Intervention & Prevention Program 2022		3291106	22-05303006	318,834
Truancy Intervention & Prevention Program 2023		3291107	22-05303007	21,819
Total Criminal Justice Division				$ 485,724
Texas Military Preparedness Commission:	*			
Defense Economic Adjustment Assistance Grant		DEAAG 2022-01-11	26-03248006	$ 1,471,882
Total Office of the Texas Governor				$ 1,957,606
Texas Workforce Commission:				
Pass Through - Alamo Workforce Development, Inc.:				
Child Care Service:	*			
CCS - 2022-2023		2022SRC-001	22-03938011	$ (6,058)
CCS - 2023-2024		2021SRV024	22-03938013	5,847,464
CCS - 2023-2024 Bexar		2021SRV024	22-03938018	23,246
Total Texas Workforce Commission				$ 5,864,652
TOTAL EXPENDITURES OF STATE AWARDS				$ 12,816,488

* Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards

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Notes to the Schedule of Expenditures of State Awards

Year-Ended September 30, 2023

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 *Texas Grant Management Standards* ("TxGMS"). 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. For the year ended September 30, 2023, the City provided state awards to subrecipients in the amount of $1,659,758 of which $1,471,882 was for the Defense Economic Adjustment Assistance Grant and $187,876 was for the Texas Homeless Housing and Services Program 2023.

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Independent Auditor's Report

FORVIS

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Report 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*

Independent Auditor's Report

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

We have audited, in accordance with the 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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 27, 2024.

Our report includes an emphasis of matter paragraph for changes in accounting principles.

Our report also includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, Prosper West San Antonio, 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 component units); San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation (discretely presented component units). 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 SA Energy Acquisition Public Facility Corporation and San Antonio Bexar County Soccer Public Facility Corporation, component units included in the financial statements of the aggregate discretely presented component units and City of San Antonio Council Aides Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, Prosper West San Antonio, San Antonio Economic Development Corporation, and Visit San Antonio, component units included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with those component units or that are reported on separately by those auditors who audited the financial statements of Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, San Antonio Fire and Police Pension Fund, Retiree Health & Wellness San Antonio Fire and Police Fund, and San Antonio Water System.

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

Report on 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) as a basis for designing 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 the City's 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 entity'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 internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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*.

Purpose of This Report

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Houston, Texas
March 27, 2024

Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance – Independent Auditor's Report

FORVIS

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Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of San Antonio, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the *Texas Comptroller of Public Accounts, State of Texas Grant Management Standards,* which includes the State of Texas Single Audit Circular (TxGMS) that could have a direct and material effect on each of the City's major state programs for the year ended September 30, 2023. 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.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*; and the audit requirements of the TxGMS. Our responsibilities under those standards and the TxGMS are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with TxGMS and which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address the audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be a significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 TxGMS. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

Houston, Texas
March 27, 2024

Schedule of Findings and Questioned Costs State

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2023

<u>SECTION I – SUMMARY OF AUDITOR'S RESULTS</u>

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Internal control over financial reporting:

Material weakness(es) identified?	___	Yes	X	No
Significant deficiencies identified?	___	Yes	X	None Reported
Noncompliance material to financial statements noted?	___	Yes	X	No

State Awards

Internal control over State major programs:

Material weakness(es) identified?	___	Yes	X	No
Significant deficiencies identified?	X	Yes	___	None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with the *State of Texas Single Audit Circular?*	X	Yes	___	No

Identification of major State programs:

Grant Numbers	**Name of State Program or Cluster**
2022SRC-001, 2021SRV024,	Child Care Service
HHS000288900006	Sexually Transmitted Diseases (STD) Prevention and Control Grants
DEAAG 2022-01-11	Defense Economic Adjustment Assistance Grant

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee?	X	Yes	___	No

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2023

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

None

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2023

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS

Finding #2023-001

Program Title: Texas Military Preparedness (TMP) Commission: Defense Economic Adjustment Assistance Grant
State Award Number: TMP Commission Contract No. 2022-01-11
State Award Year: 10/1/2022 – 9/30/2023
State Agency: State of Texas Office of the Governor (OOG)
Reporting and Cash Management
Type of Finding: Significant Deficiency

Criteria:

Under the provisions of the Texas Grant Management Standards, the local government must establish and maintain effective internal control over the state award that provides reasonable assurance that the local government is managing the state award in compliance with statutes, rules, and the terms and conditions of the state award.

Condition:
For the two Quarterly Project Status Reports tested, the same individual prepared and authorized the report for submission to the State (OOG).

Questioned Costs:
None

Context:
We tested two of the four Quarterly Project Status Reports that were filed during the year.

Effect:
A lack of proper review of the reports, prior to submission, could result in erroneous information being submitted to the State.

Cause:
Lack of a secondary review of reports was due to the department's inexperience with grant funding and staffing issues.

Repeat Finding:
No

Recommendation:
The City should ensure proper internal controls and procedures to assure a secondary review of program reports is performed prior to submission to the State.

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2023

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS (Continued)

Views of responsible officials:
Department will implement internal controls to ensure segregation of duties for review and authorization of Project Status Reports, and reimbursement requests.

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2023

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS (Continued)

Finding #2023-002

Program Title: Texas Military Preparedness (TMP) Commission: Defense Economic Adjustment Assistance Grant
State Award Number: TMP Commission Contract No. 2022-01-11
State Award Year: 10/1/2022 – 9/30/2023
State Agency: State of Texas Office of the Governor (OOG)
Cash Management
Type of Finding: Significant Deficiency and Other Noncompliance

Criteria:
Under the provisions of the Texas Grant Management Standards (TxGMS), when the reimbursement method is used, the pass-through entity must make payment to the subrecipient within 30 calendar days after receipt of a complete and correct request for payment. Additionally, the local government must establish and maintain effective internal control over the state award that provides reasonable assurance that the local government is managing the state award in compliance with statutes, rules, and the terms and conditions of the state award.

Condition:
For the two subrecipient requests for reimbursement tested, the City did not process payment to the subcontractor within 30 days. Payments to the subcontractor were processed 139 and 49 days after the receipt of reimbursement request from the subrecipient.

Questioned Costs:
None

Context:
We tested 2 of the 5 subrecipient requests for reimbursement that were made during the year.

Effect:
Noncompliance with TxGMS provisions regarding payments to subrecipients.

Cause:
Lack of timely review of vendor request for payment forms and processing of payment was due to the department's inexperience with grant funding and staffing issues.

Repeat Finding:
No

Recommendation:
The City should ensure proper internal controls and procedures to assure Vendor Request for Payment forms from subrecipients are reviewed and payment processed within a reasonable timeframe.

Views of responsible officials:
Department will implement internal controls to ensure that Grant Reimbursements are processed within 30 days.

Corrective Action Plan
State

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Corrective Action Plan
State Grants
Year-Ended September 30, 2023

Finding #2023-001
Type of Finding: Significant Deficiency

Responsible Person
Juan G. Ayala, Director
Military and Veteran Affairs

Implementation Date
April 1, 2024

Views of responsible officials and planned corrective actions
The Military and Veteran Affairs Department (MVAD) will modify processes to allow for segregation of duties between the preparer of the report and the reviewer of the report.

MVAD's Assistant to the Director will prepare the report and reimbursement request. Once completed, the report and documentation will be forwarded to the Department Fiscal Administrator for their second review.

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Finding #2023-002
Type of Finding: Significant Deficiency and Other Noncompliance

Responsible Person
Juan G. Ayala, Director
Military and Veteran Affairs

Implementation Date
April 1, 2024

Views of responsible officials and planned corrective actions
The Military and Veteran Affairs Department (MVAD) will strengthen internal controls to ensure timely process of grant reimbursements to subrecipients.

Once the subgrantee submits a report and reimbursement request to the City, MVAD's Assistant to the Director will complete a review of the report within 10 days, allowing time for any follow ups. Once the report is approved, the Assistant to the Director will forward all documentation to the Department Fiscal Administrator for a second review. If there are discrepancies, report will be provided back to the Assistant to the Director with correction submitted back within 5 working days. If there are no discrepancies, the Department Fiscal Administrator will then proceed with payment.

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Summary Status of Prior Year Findings State

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Summary Status of Prior Year Findings
State Grants
Year-Ended September 30, 2023

Finding: 2022-002
Other Noncompliance and Significant Deficiency

Recommendation:
We recommend that the SAMHD incorporate internal controls and procedures to assure the program spending plan is maintained and adjusted appropriately to satisfy the level of effort requirement of the grant contract.

Status:
Corrected

The San Antonio Metro Health District provided the following documentation to support implementation:

- Sample monthly grant variance reports and emails to Executive Leadership, Administrators, and Program Managers to assist in monitoring of program activity. These reports include explanations regarding variance to spend plan and variance to budget.

- Sample monthly scheduled staff meetings and agendas to discuss spending impediments, etc. with assigned portfolios.

- Sample internal procurement deadline notices sent 45 days prior to grant end date, to help ensure timely encumbrance clearances, invoice processing, mileage reimbursements, and review of grant renewals.

- Assignment of a Public Health Administrator position (3/2023) to assist with workforce turnover, alleviating future salary savings created by vacancies.

- Documentation of FY2023 departmental overview demonstrating a vacancy rate decrease from 20% as of October 1, 2022, to 8% as of June 1, 2023.

Responsible Person
Claude Jacob, Director
Director Metro Health Department

PASSENGER FACILITY CHARGE REPORT

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance by *Government Auditing Standards* – Independent Auditor’s Report

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Report 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*

Independent Auditor's Report

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

We have audited, in accordance with the 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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 27, 2024.

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

Report on 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) as a basis for designing 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 the City's 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 entity'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 internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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*.

Purpose of This Report

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Houston, Texas
March 27, 2024

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Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over Compliance – Independent Auditor's Report

FORVIS

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Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over Compliance

Independent Auditor's Report

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

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the City of San Antonio, Texas' (the City) compliance 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, 2023.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the PFC program for the year ended September 30, 2023.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the PFC program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, and rules applicable to the City's PFC Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the PFC program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 PFC 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 PFC 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 PFC 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

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

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

FORVIS, LLP

Houston, Texas
March 27, 2024

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Schedule of Revenues and Expenditures of Passenger Facility Charges

CITY OF SAN ANTONIO, TEXAS
SCHEDULE OF REVENUES AND EXPENDITURES OF PASSENGER FACILITY CHARGES
Year Ended September 30, 2022 and Each Quarter During the year ended September 30, 2023 with Cumulative Totals as of September 30, 2022 and 2023

	SEPTEMBER 30, 2022 PROGRAM TOTAL	QUARTER 1 OCTOBER THROUGH DECEMBER	QUARTER 2 JANUARY THROUGH MARCH	QUARTER 3 APRIL THROUGH JUNE	QUARTER 4 JULY THROUGH SEPTEMBER	YEAR ENDED SEPTEMBER 30, 2023 TOTAL	SEPTEMBER 30, 2023 PROGRAM TOTAL
Revenue:							
Collections	$ 294,539,080	$ 4,067,580	$ 5,668,238	$ 5,424,428	$ 5,432,219	$ 20,592,465	$ 315,131,545
Interest	9,035,521	194,305	248,657	282,871	323,921	1,049,754	10,085,275
Total Revenue	$ 303,574,601	$ 4,261,885	$ 5,916,895	$ 5,707,299	$ 5,756,140	$ 21,642,219	$ 325,216,820
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	23,817,381		117,841		1,050,294	1,168,135	24,985,516
Project ID 1.11-Reconstruct Per. Rd.	464,840						464,840
Application 03-02-U-00-SAT							
Project ID 1.10 Concourse B	130,083,036		1,408,909		6,250,262	7,659,171	137,742,207
Application 04-03-U-00-SAT							
Project ID 1.1 Residential Noise Attenuation	20,264,885		234,829		927,564	1,162,393	21,427,278
Application 05-04-C-00-SAT							
Project ID 4.1 Terminal Elevated Roadway	32,141,700		324,015		1,737,415	2,061,430	34,203,130
Project ID 4.2 Central Plant Upgrade	9,068,893		106,349		461,424	567,773	9,636,666
Project ID 4.3 Apron Replacement	2,963,191		15,670		95,059	110,729	3,073,920
Project ID 4.4 New Utilities -Terminal Expansion	8,835,235		108,495		489,732	598,227	9,433,462
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	24,345,502		371,976		1,425,735	1,797,711	26,143,213
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	1,183,940						1,183,940
Total Disbursements	$ 264,533,364	$ -	$ 2,688,084	$ -	$ 12,437,485	$ 15,125,569	$ 279,658,933
Net PFC Revenue	$ 39,041,237	$ 4,261,885	$ 3,228,811	$ 5,707,299	$ (6,681,345)	$ 6,516,650	$ 45,557,887
PFC Account Balance	$ 39,041,237	$ 43,303,122	$ 46,531,933	$ 52,239,232	$ 45,557,887	$ 45,557,887	$ 45,557,887

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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, 2023

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, 2023

General (Continued)

- On February 24, 2021, the FAA approved an amendment to PFC Applications 01-01-C-04-SAT, 05-04-C-03-SAT, and 07-05-C-02-SAT. The approved impose authority decreased in Application 01-01-C-05-SAT by $24,556,313 from $314,079,345 to $289,523,032. This amendment is referenced as 03-02-U-05-SAT. The approved imposed and use authority decreased in Application 01-01-C-05-SAT by $3,991,429 from $34,443,758 to $30,452,329. Also, as a result of this amendment, the approved impose and use authority decreased in 05-04-C-04-SAT by $1,031,573 from $92,075,656 to $91,044,083 and increased in 07-05-C-03-SAT by $41,786 from $39,865,919 to $39,907,705.

  The February 24, 2021 FAA approval of amendment to PFC Application 01-01-C-04-SAT, 05-04-C-03-SAT, and 07-05-C-02-SAT included the decrease in PFC authority due to the application of $8,162,469 of CARES Act funding toward eligible PFC debt. The decrease in PFC authority resulted in a change to project disbursement balances and required credit adjustments to the Schedule of Revenues and Expenditures of Passenger Facility Charges reporting to align project balances to the approved change in PFC authority amounts.

- On June 6, 2023, the FAA approved an amendment to PFC Applications 05-04-C-05-SAT, and 07-05-C-04-SAT. The approved impose and use authority decreased in Application 05-04-C-05-SAT by a total net effect of $409,405 from $93,974,314 to $93,564,909. The approved impose and use authority decreased in Application 07-05-C-04-SAT by $6,474,523 from $52,944,581 to $46,470,058.

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, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1.	Type of report issued on PFC financial statements.	_X_Unmodified	___Qualified	
2.	Type of report on PFC compliance.	_X_Unmodified	___Qualified	
3.	Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.	_X_ Yes	___ No	
4.	PFC revenue and interest is accurately reported on FAA Form 5100-127.	_X_ Yes	___ No	
5.	The Public Agency maintains a separate financial accounting record for each application.	_X_ Yes	___ No	
6.	Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the project.	_X_ Yes	___ No	
7.	Monthly carrier receipts were reconciled with quarterly carrier reports.	_X_ Yes	___ No	
8.	PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds.	_X_ Yes	___ No	
9.	Serving carriers were notified of PFC program actions/changes approved by the FAA.	_X_ Yes	___ No	
10.	Quarterly reports were transmitted (or available via website) to remitting carriers.	_X_ Yes	___ No	
11.	The Public Agency is in compliance with Assurances 5, 6, 7, and 8.	_X_ Yes	___ No	
12.	Project design and implementation is carried out in accordance with Assurance 9.	_X_ Yes	___ No	
13.	Program administration is carried out in accordance with Assurance 10.	_X_ Yes	___ No	
14.	For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence.	_X_ Yes	____No	__N/A

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO PASSENGER FACILITY CHARGE PROGRAM

No matters are reportable.

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Summary Status of Prior Year Findings Passenger Facility Charges

Summary Status of Prior Year Findings
Passenger Facility Charge Program
Year-Ended September 30, 2023

None

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CITY OF SAN ANTONIO, TEXAS