Disclaimer

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

FISCAL YEAR - ENDED SEPTEMBER 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

— AND OTHER REPORTS —

CITY OF
SAN ANTONIO
— TEXAS —

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

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Association of the United States and Canada

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March 8, 2021

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

It is my pleasure to present the City of San Antonio's (City) Comprehensive Annual Financial Report (Annual Report) and Other Reports for the fiscal year-ended September 30, 2020. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of BKD, LLP. As reflected in the Independent Auditor's Report, the City's financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

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

CITY PROFILE

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

The City has 26 component units that are considered part of the City's operations and, therefore, included in its annual financial statements. Fourteen of these entities are blended component units of the City; two entities are fiduciary, while the remaining ten entities are discretely presented. Based on the size and significance of four component units (CPS Energy, San Antonio Water System, San Antonio Fire and Police Pension Fund, and San Antonio Fire and Police Retiree Health Care Fund), the City has included excerpts of these entities' footnotes within the Annual Report. For additional details on all of the City's component units and the basis for their respective presentation in our financial report, please refer to the Financial Section, Note 1 Summary of Significant Accounting Policies.

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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 eleven 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 City is located 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, mild weather, and superb recreation choices, including: championship golf courses, 69 miles of linear greenway trails, theme parks, historical attractions, museums, professional sporting attractions, and a lively performing arts environment. Geographically, the City of San Antonio covers more than 507 square miles and serves as the county seat for Bexar County in south central Texas. The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.5 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2010, the City's metropolitan area grew 15.0% and is projected to grow by an additional 1.0 million people through the year 2040. 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, Methodist Healthcare System, Northside, North East, and San Antonio Independent School Districts, Baptist Health Systems, and Wells Fargo.

ECONOMIC CONDITIONS AND OUTLOOK

The COVID-19 global pandemic has brought unprecedented challenges to our community, neighborhoods, businesses, and economy. According to the Bureau of Labor Statistics, national unemployment for September was 7.9%. Texas has fared slightly worse with a statewide unemployment rate of 8.3% in September according to the Federal Reserve Bank of Dallas. More than 2.9 million Texans have filed for unemployment relief since mid-March. At a local level, the San Antonio area unemployment rate for September fell to 8.0%, down from 11.7% in May, as reported by the Federal Reserve Bank of Dallas.

Consistent with national trends, the pandemic has resulted in various levels of impacts to businesses and reduced serving capacity throughout the spring and summer resulting in a decline in local economic activity. This impact was acutely felt in San Antonio by tourism related businesses such as area hotels and restaurants during what would normally have been one of their busiest times of the year for tourism with events such as Spring Break, Easter, and the annual Fiesta San Antonio celebration all being canceled. Due to this decline, City revenues impacted included sales tax, hotel occupancy tax, liquor by the drink tax, and other tourist-driven revenues such as river barge tours, and activity at the San Antonio International Airport.

As a result of the impact to the local economy and a reduction in City revenues, City Council approved a Mid-Year Budget Adjustment to maintain a balanced budget. This included an $85.0 million reduction in the General Fund by decreasing expenditures deferring or suspending programs and projects including street maintenance, economic development incentives, as well as instituting a civilian hiring freeze.

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ECONOMIC CONDITIONS AND OUTLOOK (Continued)

One of the areas most impacted by the COVID-19 pandemic is the Hotel Occupancy Tax Fund (HOT), with a projected loss of revenue of $60.1 million at the City's Mid-Year. In order to address the significant and sudden drop in revenue, the City made several adjustments to increase available funds to provide greater flexibility to the HOT fund. Under the City's HOT fund policy adopted in 2012, the City established contingency funds that can be utilized to assist in adapting to changing financial conditions to include extending the time horizon for making operational adjustments. The City created a Redemption and Capital Reserve Fund that captures excess HOT revenues under the structure and these excess HOT revenues to date have been primarily utilized for the cash funding of capital improvements at the Convention Center and Alamodome. In addition, the City established a HOT Operating Contingency in the amount of $15 million that can be strategically utilized to assist in addressing operating revenue shortfalls. To address impacts to the HOT Fund in fiscal year 2020, several capital projects that were planned to be paid for from the HOT Redemption and Capital Reserve Fund are being deferred and/or temporarily shifted to and paid for from the City's property tax debt plan.

The City also made several adjustments to reduce operating expenditures within the HOT Fund to include the difficult decision to temporarily furlough approximately 270 City staff, adjustments to building controls resulting in reduced utility expenses, and reduced contractual support. Visit San Antonio, the separate convention and visitors promotion arm of the City (whose operations are primarily funded with HOT revenues), also instituted employee furloughs and implemented reductions to their operating expenses. To balance the HOT Fund for fiscal year 2020 in conjunction with operational adjustments, approximately $23.2 million in one-time resources were utilized, being primarily comprised of $14.2 million from the HOT Redemption and Capital Reserve Fund and $7.5 million from the HOT Operating Contingency. These actions are consistent with the HOT Fund policy adopted by the City in 2012. As of August 1, 2020, all furloughed employees returned to their positions at the Alamodome and Convention Center or have been redeployed to other departments. There was no layoff of City employees.

San Antonio International Airport realized a drastic decrease in passenger activity due to COVID-19. In comparison to fiscal year 2019, the Airport experienced a 46.1% decrease in enplanements resulting in significant financial impacts to the Airport Fund. The Airport was a recipient of federal funding to support airports which helped to offset the loss of revenue due to decline in travel. To further address the financial impact, the City also implemented a hiring freeze, suspended temporary staffing, suspended or slowed operating expenses such as marketing, utilities, and non-essential building maintenance, and deferred or suspended non-critical capital projects, and reduced project transfers of excess revenues to the Airport's Capital Improvement or Surplus Funds.

COVID-19 RESPONSE

The first appearance of the coronavirus occurred in late 2019 in Wuhan, China. By March 11, 2020 the Novel Coronavirus Disease, COVID-19, was declared a pandemic by the World Health Organization. On March 13, 2020 a national emergency was declared in the United States concerning the COVID-19 Outbreak. As of August 5, 2020, authorities in 214 countries and territories have reported about 18.7 million COVID-19 cases and 705 thousand deaths since China reported its first cases to the World Health Organization (WHO) in December. Within a few short months, the virus' pathogenicity and transmissibility caused untold suffering in both its health and financial impacts, globally and locally. In the United States, a total of 20 million cases have been reported and over 346 thousand deaths as of the end of 2020.

COVID-19 RESPONSE (Continued)

San Antonio's response to COVID-19 began on February 7, 2020 when 91 Americans who were evacuated from Wuhan China arrived at Joint Base San Antonio-Lackland. The City's first emergency order was issued on March 2, requiring those quarantined for the coronavirus at Lackland remain within the confines of the facility during the entire quarantined period following their exposure to the virus. On March 13, the date of the first confirmed travel-related case in Bexar County, Mayor Ron Nirenberg issued a second emergency order prohibiting gathering in excess of 500 people.

On March 19 Governor Greg Abbott closed schools, bars and dine-in restaurants across the state. An Emergency Order was issued for the City and the County which established Stay Home/Work Safe measures requiring individuals living within the City and County to stay at home unless working or engaging in activities specifically exempted by the order including procuring necessary supplies such as food or medicine, obtaining healthcare services, outdoor exercise (using social distancing), financial, governmental, childcare, or any other sector/business deemed critical by the National Cybersecurity and Infrastructure Agency. This order stayed in place until it was superseded by Governor Abbott's Open Texas plan that began with opening stores, restaurants, movie theaters and malls with limited occupancy. Subsequent orders from the Governor continued to implement this phased reopening with occupancy limits periodically being increased.

Recovery and Resiliency Plan Recognizing the urgency of the situation and with the receipt of federal funds to assist in response to the COVID-19 pandemic, the City developed a Response Plan and a Recovery and Resiliency Plan. City Council took quick action to assist those in need by funding programs for vulnerable and affected populations with both local and federal dollars. On April 23, Council approved the creation of the Emergency Housing Assistance Program which initially allocated $25.0 million to provide rental or mortgage assistance to those impacted by COVID-19. This would provide some immediate relief to those in need; however, the City Council provided the City Manager with direction to create a plan leveraging the available grant funding to address the immediate needs in our community and build a stronger San Antonio moving forward.

On June 4th, City Council adopted a $190.8 million Response Plan in conjunction with a $190.9 million Recovery and Resiliency Plan, both of which leverage local and federal funds.

The Recovery and Resiliency Plan assists residents and businesses negatively impacted by the pandemic including steps to address second-order effects impacting the San Antonio community. This plan was developed using the following Guiding Principles:

- **Public Health and Safety:** Ensure continued COVID-19 related public health and safety while building resilience and fostering economic stability for households, non-profits and businesses.
- **Equity:** Imbed equity in policy decisions and distribution of resources.
- **Braided Funding:** Appropriately integrate local, state and federal resources to achieve maximum impact.
- **Community Resilience:** Ensure households and businesses affected by COVID-19 have the resources and tools to become financially resilient and better prepared to withstand future economic challenges.
- **Well-Being:** Strengthen generational family well-being built upon a solid foundation of thriving non-profit organizations.

COVID-19 RESPONSE (Continued)

The plan is framed around four pillars:

- **Workforce Development**
  - Providing workforce training and support services with a focus on high-demand jobs
- **Housing Security**
  - Providing access to programs and services aimed at addressing emergency housing and financial needs while also investing in long-term solutions to improve our community's resiliency
- **Small Business Support**
  - Providing access to programs and services small businesses need immediately to re-open in a COVID-19 environment and thrive in the future
- **Digital Inclusion**
  - Expanding access to technology in the most marginalized communities

Workforce Development As part of the support for workforce development, the City created Train for Jobs SA as an immediate short-term approach to rebuilding the San Antonio economy. A total of $75 million was invested in this program to focus on providing subsidized training and certificates to in-demand occupations for up to 10,000 residents. The target population for Train for Jobs SA is displaced workers with an educational attainment level of high school diploma or equivalency or less. Participants of Train for Jobs SA will receive intake, assessment, referral and wraparound case management services, along with a living wage stipend while in training of $15/hour. The program is implemented collaboratively with the following workforce development partners: Alamo Colleges, Chrysalis Ministries, Family Services, Project QUEST, Restore Education, SA Works, and Workforce Solutions Alamo.

Housing Security Of the $50.5 million invested in Housing Security pillar, the cornerstone initiative is the City's Emergency Housing Assistance Program ($25.6 million) which provides direct rental/mortgage, utility and cash assistance to those negatively impact by COVID-19. Other initiatives within this pillar include the expansion of domestic violence prevention and intervention programs ($3.3 million); door to door engagement with households ($500,000); direct cash assistance and financial counseling through the Family Independence Initiative ($4 million); a virtual and place-based recovery hub to connect residents to low cost financial products ($4.1 million); and homeless emergency shelter and alternative housing options ($9.2 million).

Small Business Support As part of support for small businesses, the City created several ongoing programs to support businesses and non-profit organizations facing the immediate health and economic stressors brought on by the pandemic. The 6 distinct programs were: Micro Business Grants and Support ($27.0 million) which provided individual grants for micro businesses; Business Outreach and Engagement ($1.3 million) which provides resource referral assistance to small and micro businesses; Virtual and Place-Based Hubs ($200 thousand) which supported the increased needs of small businesses; the purchase and provision of personal protective equipment (PPE) ($2.0 million) to be distributed to local businesses and non-profits; On-the-Job Training Support for Small Businesses ($5.0 million); and, Arts and Arts Non-Profit Grants ($2.6 million).

Digital Inclusion The Connected Beyond the Classroom ($27.3 million) initiative seeks to help mitigate digital divide issues in our community, specifically in student populations, by building a collaborative, citywide, multi-government agency network between the City and other governmental entities to expand fiber capability and student access in San Antonio. The 50 priority neighborhoods were selected with digital equity in mind and by the use of findings from the CoSA's Digital Inclusion Survey and Assessment on broadband access, the City's Equity Atlas Maps, technical infrastructure map, and feedback from key stakeholders.

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City Employees In line with the Emergency Stay at Home/Work Safe Orders, the City had to quickly shift and change its operations. Over 2,300 employees were assigned to remote work; several City departments closed operations to the public or temporarily reduced services; while still other departments had to alter and enhance existing services or develop new ones in ordered to respond to the changing community needs. At the same time the Resiliency and Recovery Plan was presented to City Council, staff presented for Council authorization the recommended allocation of federal funds to fund necessary costs for the Response Plan to include City personnel, equipment, services, contracts and supplies to provide emergency response efforts within the community. These costs also included retrofitting City facilities with needed partitions, touchless technology and reconfiguration of work spaces as well as providing personal protective equipment in order to ensure safe social distancing for both employees and members of the community.

To minimize the impact to services and to keep as many employees working as possible, Human Resources worked with departments and City leadership to identify key programs in need of staffing assistance and deployed employees to fulfill those needs. Furloughed and non-essential employees were deployed into critical vacancies impacted by the hiring freeze or were assigned to assist with COVID-19 response and recovery efforts, such as contact tracing with SA Metro Health, homeless shelter and food distribution efforts.

Grab and Go Meal Service The Parks and Recreation Department quickly responded to meet the needs of hungry families at the beginning of the pandemic by partnering with the San Antonio Food Bank. Grab and Go lunches, snacks, and suppers were served for ten weeks, at 18 community centers throughout the City. At the conclusion of this segment of the program, over 100,000 meals had been served and over 9,000 families received commodities. Beginning in June, the Parks and Recreation Department was eligible to utilize the Summer Food Service Program grant funding and expand the Grab Go service to an additional 18 locations city wide. Over the next twelve weeks, more than 111,000 meals were served to children throughout San Antonio, through both the Summer Youth Day Camps and Grab and Go meal service.

Homeless Connections In response to COVID-19, the Department of Human Services (DHS) played a key role in coordinating the response of the homeless system. DHS launched the Homeless Connections Hotline, which served approximately 2,000 individuals seeking shelter in fiscal year 2020. The hotline evolved with the pandemic to respond to client needs, schedule individuals and families for shelter intake, and provide shelter diversion services. Staff visited service providers on-site to give training on appropriate COVID-19 prevention protocols and developed a system with the San Antonio Fire Department and Office of Emergency Management to provide isolation shelter to people experiencing homelessness who tested positive for COVID-19. The City also set up homeless resource hubs in four locations across the community and in collaboration with nonprofits, provided meals to people experiencing unsheltered homelessness who were most affected by the pandemic.

Senior Services DHS manages one of the largest senior services programs in the nation. In response to the COVID-19 pandemic, the Senior Services program transitioned to a hybrid program model that included a blend of curbside pickup, delivery and online program options. These changes effectively adapted programming to fit a new environment while combatting new challenges created by the COVID-19 pandemic, including: increased food insecurity, social isolation, and increased risk for elder fraud and abuse. Services went from in-house, full day programming with a congregate hot meal to virtual programming and curbside frozen meal distribution and home delivery. The centers launched virtual Senior Centers with online guided workouts, recreation activities, parking lot activities, wellness calls and activity booklets for those with technology barriers. During this period, the Senior Services team provided 404,117 meals curbside and made 28,368 Wellness Calls.

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COVID-19 RESPONSE (Continued)

City Libraries The Library's early response to the COVID-19 pandemic included creating an internal taskforce to conduct research and review best practices to develop a phased approach to the reopening of Library services. The Library conducted contact-free pickup at 29 locations. There have been 103,000 pickups since contact-free pickup began with a total of 404,000 items circulated. Library staff worked quickly to develop and launch responsive online programs for all ages during the Library's response to the COVID-19 crisis. Programs offered through the Library included Here for You LibGuide and Library social media pages. Additional programs include story times, artist and author talks, crafts, how-to, fitness and video gaming.

Convention and Tourism In 2020, the Convention and Tourism industry saw unprecedented effects from the COVID-19 pandemic bringing business levels to a historical low. The Convention & Sports Facilities Department (CSF), which operates the Henry B. Gonzalez Convention Center and Lila Cockrell Theatre, the Alamodome, and the Carver Community Cultural Center, experienced a drastic decrease in events and revenue. On average, the Convention Center holds almost 300 events per year and the Alamodome hosts approximately 115 event days annually. As a result of the pandemic, the Convention Center held 129 events and the Alamodome had 53 event days in fiscal year 2020. To mitigate the impact, the Convention & Sports Facilities has developed new initiatives that not only provide a safe venue for guests, employees, and surrounding community but also innovative ways to service them.

Alamodome Similar to the Convention Center's Re-opening plan, the comprehensive plan addresses sanitation, and screening and physical distancing measures that safely welcomes guests back to the Alamodome. The Alamodome installed a new parking Point-Of-Sale system and ticket scanner kiosks that provide contactless services to guests. In coordination with partners, a mobile food and beverage application was developed to order and pay for food. The Alamodome is large enough to easily accommodate events with proper social distancing of six feet between guests and reduced seating capacity dependent on state and local orders.

Henry B Gonzalez Convention Center The comprehensive Re-opening plan addresses building sanitation, retrofitting, set ups and social distancing and safety measures. This included participating in the Global BioRisk Advisory Council Accreditation program which assessed the cleaning and disinfection practices and infectious disease prevention. The Convention Center has been retrofitted with touchless fixtures, uses new technology aimed at minimizing the spread of the COVID-19 virus including thermal imaging cameras that take temperature checks, UV disinfectant lighting on all hand rails, and a mobile UV disinfectant robot that disinfects conference rooms and small meeting spaces faster. The Convention Center is working closely with Visit San Antonio, partners and stakeholders to maintain and generate new business such as strategically targeting smaller groups in the regional and neighboring states that are considered a "drive market" meaning they are in close proximity to drive instead of flying.

MAJOR INITIATIVES – CAPITAL PROGRAMS

City Hall Renovations In the summer of 2018, City Council approved renovation of City Hall. The facility was built in 1889 and has not undergone renovations since 1927 when the fourth floor addition was constructed. An assessment of the building confirmed the need for mechanical, electrical, plumbing, and elevator system repairs and replacements. Renovations to the 44,500 square foot facility include improved office spaces, new meeting rooms and restrooms, new elevators, and a new ADA accessible ramp on the east side entrance. The renovation is expected to be complete by March 2021. Upon completion City Hall will house the City Manager's Office, and the offices of the Mayor and City Councilmembers.

MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

City Tower The City purchased the downtown Frost Tower building in 2016 as part of the City's broader effort to redevelop downtown San Antonio; and more efficiently run City operations by consolidating 22 departments with approximately 1,500 employees into one facility. The acquisition, construction, renovation, and operation of City Tower will be budget neutral to the City's Operating Budget while providing a more efficient and synergistic service to City staff and customers. City staff will occupy 12 of the 21 floors to include the concourse and street levels. The remaining floors will be utilized as leased office and retail space. Street level upgrades include retail space, lobby, and staff offices with the concourse level to include a conference center, gym, new restrooms/showers, HR training center and an IT service desk. Design was modified and completed in 2020, with concurrent construction starting in January 2020 and substantial completion projected for September 2022. City Personnel will begin moving into the new building starting in July 2021.

Linear Creekway Trail System The Howard W. Peak Greenway Trail System is an ever-growing system of multi-use hike and bike trails along San Antonio creeks and rivers that reaches through and into all sides of the City and all socio-economic communities. During fiscal year 2020, the City completed construction on an additional 10.2 miles of greenway trails bringing the cumulative miles for the Trail System to 80. The Medina and Espada trails run through the City's south side and provide a link from adjacent communities to the San Antonio Missions, a World Heritage Site that draws thousands of visitors annually.

MAJOR INITIATIVES – COMMUNITY FOCUS

Homeless Initiative In fiscal year 2020, the City led a community strategic planning process to develop a 5-year plan for addressing homelessness in San Antonio. City staff and a consultant engaged with hundreds of stakeholders, including people who experienced homelessness and open forums for the community. The assessment identified gaps and the development of a strategic plan to address these gaps. As a result of the assessment a reserve fund was created to expand support for homeless services across the community. The strategic planning process was adjusted in light of the COVID-19 pandemic and an influx of $16.9 million in federal grant funds to the City to serve people experiencing homelessness. Funds were given to support Haven for Hope operations and services provided to the homeless community in line with the City's strategic plan. This funding provided shelter and services to appropriately serve emergency overflow families, including additional case management, services for children, security, and facility costs that has increased due to the pandemic.

Mayor's Housing Policy In September 2018, Council accepted San Antonio's Housing Policy Framework. The Framework is a report created by the Mayor's Housing Policy Task Force (Task Force) to create a model on how to proactively address housing affordability. The Task Force relied heavily on community input by working with more than 550 community members to develop a housing policy to increase housing opportunities for San Antonians. Five key actions areas were identified in relation to implementing the Housing Policy, develop a coordinated housing system; increase City investment in housing with a ten year funding plan; increase affordable housing production, rehabilitation, and preservation; protect and promote neighborhoods; and ensure accountability to the public. In 2019, the City re-established the Housing Commission to oversee the implementation of the Framework and was selected to participate in the ForEveryoneHome initiative to focus on anti-displacement interventions. The City also determined that greater progress was being made against our affordable housing production and rehabilitation goals than had been anticipated. In response, the City launched the Strategic Housing Implementation Plan (SHIP) to build on the Framework by recalibrating the goals and identifying key strategies to fulfill the Task Force's vision. The SHIP builds on the Housing Policy Framework community input and is coordinated with partner agencies such as the San Antonio Housing Trust and San Antonio Housing Authority.

MAJOR INITIATIVES – EDUCATION

Pre-K 4 SA In November 2012, City voters approved funding for Pre-K 4 SA with an eighth-of-a-cent sales tax that finances the majority of the early childhood education organization's budget. Pre-K 4 SA is a comprehensive initiative designed to change San Antonio's education and workforce trajectory in one generation through high-quality early education. 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 one-eighth of one percent for the purpose of continued financing of authorized programs of the San Antonio Early Childhood Education Municipal Development Corporation for a maximum period of eight years.

Public Library CONNECT/SORA In order to provide access to reading and Library resources the San Antonio Public Library and OverDrive, the Library's eBook provider, have partnered to connect grades K through 12 students with age-appropriate items in the Library's Digital Collection via the SORA app, whether or regardless of them having a Library card. All students need is their school credentials to access the digital materials. Students access the digital materials through their school credentials. The Library piloted the program with one school district and now serves 12 of the area's 15 school districts.

MAJOR INITIATIVES – PLANNING AND COMMUNITY DEVELOPMENT

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

Comprehensive Plan recommends that the City capitalize on the unique economic geography, further economic diversification, workforce development, and business attraction and retention.

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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FINANCIAL INFORMATION (Continued)

City Council Goal Setting A budget goal-setting session was held on June 21, 2019. The purpose of the goal-setting session was for Mayor and City Council to discuss budget priorities and provide policy direction to staff for the development of the fiscal year 2020 Adopted Budget. At this session, City Council established four priorities that guided the development of the budget. These included streets, sidewalks, transportation/traffic management systems, filling police vacancies and expanding the mental health response unit, comprehensive domestic violence prevention, and comprehensive affordable housing strategy.

Budget Proposal 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 in order to achieve a balanced budget, while optimizing City service deliveries and addressing priorities of the City Council and residents.

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

Budget Adoption On September 12, 2019, City Council adopted the fiscal year 2020 Operating and Capital Budget. City Council must adopt a final budget each year no later than September 27th. The appropriated budget is prepared by fund (e.g., General Fund) and department (e.g., Finance Department). The legal level of budgetary control is approved by City Council at the individual fund and departmental level. Expenditures by department and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document.

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

As a means of managing the City's financial standing, the City established and maintains a budgeted financial reserve within the General Fund. The financial reserve provides budgetary flexibility for unexpected events, financial emergencies, or the unusual fluctuation in revenue-expenditure patterns that impact the ability of the City in the short-term to meet its obligations. With the adoption of the 2020 Budget the City continued to follow established Financial Policies. These Financial Policies include:

- Maintain a minimum General Fund ending balance of 15.0% of revenues
- Maintain Public Safety below 66.0% of the General Fund
- Manage structural balance in the General Fund
- Maintain a $1.0 million contingency in the General Fund and $3.0 million 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 home owners
- 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 in order to maintain a strong and solid financial position coupled with flexibility to adapt to changing economic conditions.

FINANCIAL INFORMATION (Continued)

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

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

GRANT FUNDS

The City also actively seeks and applies for Federal and State grants that are in line with the City's core operations and initiatives as an additional tool in providing services to the citizens of San Antonio. In 2020, the City was awarded $549.8 million in Federal assistance and $18.8 million in State assistance for a total of $568.6 million. The City would have been unable to appropriately respond to the COVID-19 pandemic resulting needs of the community during this time, construct specific public improvements and operate grant programs without the support of these funds.

AWARDS

OMB received the Annual Distinguished Budget Award from the Government Finance Officers Association of the United States and Canada (GFOA). This award recognizes outstanding achievement in preparation of the 2020 Operating and Capital Budget for the 37th consecutive year.

OMB additionally received the Performance Measurement Certificate of Excellence Award from the International City/County Management Association (ICMA) for the 9th year in a row. San Antonio is one of 25 jurisdictions receiving this highest level of recognition this year.

The Finance Department received the Achievement of Excellence in Procurement (AEP) award for the 23rd consecutive year in recognition of organizational excellence in public procurement.

The San Antonio Public Library received "Honorable Mention" for Library Journal's 2020 Library of the Year Award. The Library was recognized with this award as a role-model library for serving as a community anchor, eliminating barriers to access, and positioning the Library as an essential community resource.

The SA Climate Ready Climate Action and Adaptation Plan (CAAP) is a recipient of the 2020 Resilience Achievement Award – Gold by the American Planning Association-Texas Chapter, which recognizes a strategy that increases the ability of a community to recover from and adapt to things such as natural disasters, human-caused disasters and climate change, resulting in the community becoming stronger and better prepared than ever before. The plan was highlighted at the multi-state annual conference in October 2020.

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, 2019. This was the 44th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized 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 BKD, LLP. In addition to meeting the requirements set forth in State statutes and the City's Charter, the audit was also designed to meet the requirements of the Uniform Guidance, the State of Texas Single Audit Circular, and the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

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

The 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 Uniform 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

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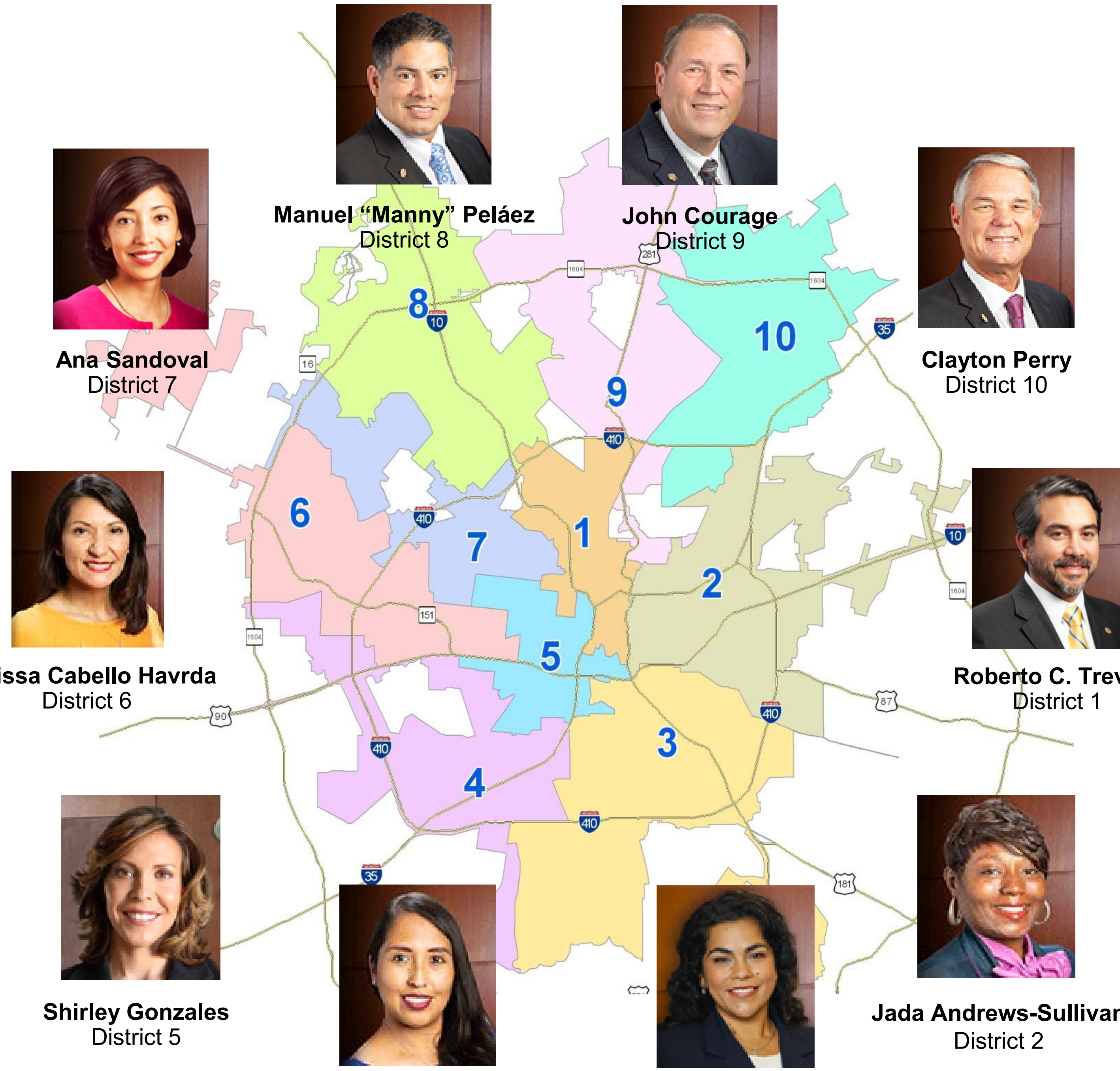
City of San Antonio Mayor and City Council

Ron Nirenberg
Mayor



Manuel "Manny" Peláez
District 8

John Courage
District 9

Ana Sandoval
District 7

Clayton Perry
District 10

Melissa Cabello Havrda
District 6

Roberto C. Treviño
District 1

Shirley Gonzales
District 5

Dr. Adriana Rocha Garcia
District 4

Rebecca J. Viagran
District 3

Jada Andrews-Sullivan
District 2

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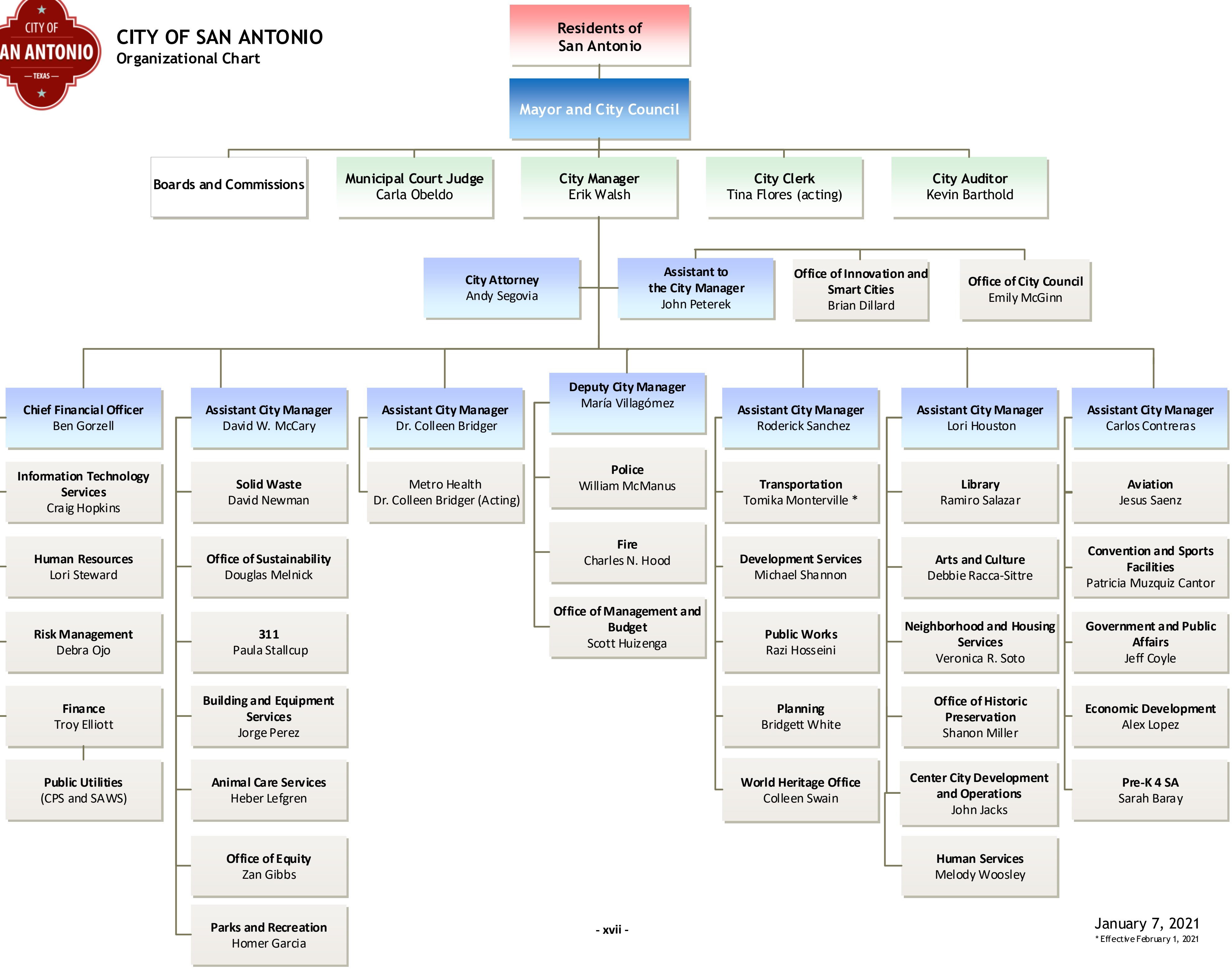
CITY OF SAN ANTONIO
Organizational Chart



January 7, 2021

* Effective February 1, 2021

FINANCIAL SECTION

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Independent Auditor's Report

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BKD
CPAs & Advisors

2700 Post Oak Boulevard, Suite 1500 | Houston, TX 77056-5829
713.499.4600 | Fax 713.499.4699 | bkd.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of San Antonio, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, 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 San Antonio Fire and Police Retiree Health Care Fund (fiduciary component units), which represent 76 percent, 83 percent and 40 percent, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information. We also did not audit the financial statements of CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance Corporation, discretely presented component units, which represent 98 percent, 98 percent and 99 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards

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applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance Corporation, component units included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, San Antonio Housing Trust Finance 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*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of San Antonio, Texas, as of September 30, 2020, 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.

Other Matters

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, and pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of San Antonio, Texas' basic financial statements. The introductory section, statistical section, and summary schedule of federal and state awards by type (other information) and 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 Uniform 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), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March 8, 2021, 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

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

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.

BKD, LLP

Houston, Texas
March 8, 2021

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, 2020. This discussion and analysis is intended to assist readers in focusing on significant financial issues and changes in the City's financial position, and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by $2,319,788 which is a decrease of $10,258 from prior year's net position. A deficit ending balance of $1,235,228 in unrestricted net position is primarily due to the City's $2,012,823 net pension and OPEB liability less related net unamortized deferred inflows and outflows of resources.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $1,464,636, a decrease of $15,837 compared to the fiscal year 2019 fund balance. Of this amount, $21,219 is nonspendable, $1,019,689 is restricted in use, $295,978 is committed, $7,344 is assigned and $120,406 is unassigned.
- The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. At the end of the current fiscal year, unassigned fund balance for the General Fund was $284,708 which is 24.5% of the total General Fund expenditures. The unassigned fund balance includes $126,522 in financial reserves. City Council approved financial policies which require the City to maintain a budgeted financial reserve of 10.0% of budgeted revenues. In addition, at the end of fiscal year 2020, $79,697, or 6.5% of budgeted revenues, was reserved for a two-year balanced budget. The General Fund available ending balance is $20,207 better than anticipated when compared to re-estimated fiscal year 2020 budget.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of the cash flows. Therefore, revenues and expenses reported in this statement for some items will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused annual leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, sanitation, health services, culture and recreation, convention and tourism, urban redevelopment and housing, welfare, education, economic development and opportunity, and environmental. The business-type activities of the City include the Airport System, Development Services, Market Square, Parking System, and Solid Waste Management.

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

Fund Financial Statements

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

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

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

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

The City maintains five individual governmental fund types for financial reporting purposes. The governmental fund types are General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Permanent Funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service, COVID-19 Response & Relief Fund, Convention Center Hotel Finance Corporation (CCHFC), and 2017 General Obligation Bonds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation labeled Nonmajor Governmental Funds. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The City maintains two types of proprietary funds. *Enterprise Funds* are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Airport System, Development Services, Market Square, Parking System, and Solid Waste Management. *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions, including, self-insurance programs, information services, other internal services, City Tower, and capital management services. The services provided by these funds predominantly support the governmental rather than the business-type functions. They have been included within the governmental activities in the government-wide financial statements and are reported alongside the enterprise funds in the fund financial statements. Information is presented separately in the proprietary funds' statement of net position and in the proprietary funds' statement of revenues, expenses, and changes in fund net position for the Airport System and Solid Waste Management, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation labeled "Nonmajor Enterprise Funds". Individual fund data for each nonmajor enterprise fund and each internal service fund is provided in the form of respective combining statements elsewhere in this report. The Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements.

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

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

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

Government-Wide Financial Statement Analysis

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year-ended September 30, 2020.

Net Position
As of September 30, 2020
(With Comparative Totals for September 30, 2019)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
Current and Other Assets	$ 2,368,517	$ 2,141,355	$ 263,963	$ 287,675	$ 2,632,480	$ 2,429,030
Capital Assets	5,223,836	5,064,770	798,196	811,833	6,022,032	5,876,603
Total Assets	7,592,353	7,206,125	1,062,159	1,099,508	8,654,512	8,305,633
Total Deferred Outflows of Resources	472,156	597,677	39,452	40,425	511,608	638,102
Current and Other Liabilities	758,067	565,292	63,747	62,359	821,814	627,651
Long-term Liabilities	5,054,723	5,124,314	659,458	693,175	5,714,181	5,817,489
Total Liabilities	5,812,790	5,689,606	723,205	755,534	6,535,995	6,445,140
Total Deferred Inflows of Resources	284,563	160,039	25,774	8,510	310,337	168,549
Net Position:						
Net Investment in Capital Assets	3,017,372	2,957,493	317,220	331,455	3,334,592	3,288,948
Restricted	68,775	45,376	151,649	169,981	220,424	215,357
Unrestricted (Deficit)	(1,118,991)	(1,048,712)	(116,237)	(125,547)	(1,235,228)	(1,174,259)
Total Net Position	$ 1,967,156	$ 1,954,157	$ 352,632	$ 375,889	$ 2,319,788	$ 2,330,046

*Amounts have been restated – see Note 20 Prior Period Adjustments / Restatement for more information.

As of September 30, 2020, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $2,319,788. Investment in capital assets representing the largest portion of the City's net position, $3,334,592, 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

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provide services to the citizens of San Antonio and are not available for further spending. Although the City's investment in capital assets is reported net of related debt and any related deferred outflows of resources, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate liabilities. The restricted portion of the total net position totaling $220,424 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, 2020
(With Comparative Totals for September 30, 2019)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
Revenues:						
Program Revenues:						
Charges for Services	$ 204,923	$ 234,562	$ 247,722	$ 285,247	$ 452,645	$ 519,809
Operating Grants and Contributions	362,730	184,117	10,480		373,210	184,117
Capital Grants and Contributions	52,855	61,254	27,473	47,296	80,328	108,550
General Revenues:						
Property Taxes	653,263	617,045			653,263	617,045
Other Taxes	485,113	544,577			485,113	544,577
Revenues from Utilities	373,426	377,652			373,426	377,652
Investment Earnings	26,116	39,682	3,923	6,605	30,039	46,287
Miscellaneous	113,606	116,883	7,860	5,663	121,466	122,546
Total Revenues	2,272,032	2,175,772	297,458	344,811	2,569,490	2,520,583
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	142,073	137,479			142,073	137,479
Public Safety	932,262	846,878			932,262	846,878
Public Works	319,114	327,811			319,114	327,811
Sanitation	11,521	7,507			11,521	7,507
Health Services	82,349	75,978			82,349	75,978
Culture and Recreation	182,630	208,092			182,630	208,092
Convention and Tourism	63,981	82,251			63,981	82,251
Urban Redevelopment and Housing	99,542	56,855			99,542	56,855
Welfare	188,256	164,042			188,256	164,042
Education	74,133	83,331			74,133	83,331
Economic Development and Opportunity	73,298	34,137			73,298	34,137
Environmental	302	930			302	930
Bond Issuance Costs	10,148	3,008			10,148	3,008
Interest on Long-Term Debt	80,130	91,909			80,130	91,909
Business-Type Activities:						
Airport System			137,308	147,216	137,308	147,216
Development Services			37,982	38,184	37,982	38,184
Market Square			1,914	2,535	1,914	2,535
Parking System			12,446	10,051	12,446	10,051
Solid Waste Management			131,175	123,390	131,175	123,390
Total Expenses	2,259,739	2,120,208	320,825	321,376	2,580,564	2,441,584
Change in Net Position Before Transfers	12,293	55,564	(23,367)	23,435	(11,074)	78,999
Transfers	706	2,956	110	(3,501)	816	(545)
Net Change in Net Position	12,999	58,520	(23,257)	19,934	(10,258)	78,454
Beginning, Net Position (Previously Reported)	1,954,157	1,896,318	375,889	355,955	2,330,046	2,252,273
Other Restatement		(681)				(681)
Beginning Net Position, Restated	1,954,157	1,895,637	375,889	355,955	2,330,046	2,251,592
Ending, Net Position	$ 1,967,156	$ 1,954,157	$ 352,632	$ 375,889	$ 2,319,788	$ 2,330,046

*Amounts have been restated – see Note 20 Prior Period Adjustments / Restatement for more information.

The City's total revenues were $2,569,490 for fiscal year-ended September 30, 2020. Revenues from Governmental Activities totaled $2,272,032 (88.4%) and revenues from Business-Type Activities totaled $297,458 (11.6%). Expenses for the City totaled $2,580,564; Governmental Activity expenses totaled $2,259,739 (87.6%) and Business-Type Activity expenses totaled $320,825 (12.4%).

Governmental Activities

Overall governmental activities increased the City's net position by $12,999.

Revenues for Governmental Activities were $2,272,032 compared to prior year's revenues of $2,175,772. The increase of $96,260 is due to the following:

- Charges for Services for governmental activities decreased $29,639, primarily attributed to spring and summer event cancellations at the Alamodome and Convention Center and decreased River Barge revenues, as a result of COVID-19.
- Operating Grants and Contributions revenue increased by $178,613, primarily attributed to the following:
  - Public Safety increased by $113,088 for reimbursement of time and expense Police and Fire personnel spent responding to COVID-19 activities including increased medical calls, coordinating testing sites, enforcing emergency orders, and purchase of Personal Protective Equipment for Fire and EMS.
  - Health Services increased by $6,026 due to the Medicaid waiver fund, Metro Health met the reported metrics which resulted in an increase to the intergovernmental transfer payments processed.
  - Urban Redevelopment and Housing increased by $48,568 as a result of providing housing (rental and mortgage), utility, internet, and cash assistance to over 14,000 households that were negatively impacted by the pandemic.
  - Welfare increased by $10,164 for personnel spent assisting eligible households in accessing basic essential services such as food, water, medications, medical care, and emergency shelter due to COVID-19.
- Capital Grant and Contributions revenue decreased by $8,399, largely due to:
  - Culture and Recreation decreased by $14,686 due to prior year contributions from Bexar County and Texas Public Radio for projects at the Alameda Theater, which did not occur in fiscal year 2020.
  - Public Works increased by $11,278 due to CPS Energy and SAWS' contributions for several projects including Rittiman Road and the Broadway Street Corridor.
- Property Tax Revenues increased by $36,218 due to a 1.6% increase in new construction and a 4.0% increase in appraisal values on existing properties, the increase was mitigated by existing waivers and property freezes as well as a newly implemented $5 homestead exemption. Residential Property assessed value has increased by $4,332; Commercial Property has increased by $3,499. The City's property tax rate remained at 55.827 cents per $100 of valuation in fiscal year 2020.
- Other Taxes Revenues decreased by $59,464. This is due to the negative impact COVID-19 had on the travel and leisure industry and its related hotel occupancy resulting in a $42,471 reduction in Occupancy Taxes. The General Sales and Use Taxes decrease of $7,356, is due to the negative impact COVID-19 had on operational revenues for the restaurants and entertainment and professional and financial services sectors. There is a pandemic-accelerated market share shift from in-store to online shopping which caused an increase from retail trade industry that helped drive sales tax revenues and mitigate the financial impact to the City's revenues.

- Investment Earnings reflected a decrease of $13,566 due to declining yields as a result of the stalling economy and the Federal Reserve Bank's policy of lower rates over the course of the year; average portfolio rate decreased to 1.5% in fiscal year 2020 versus 2.5% in fiscal year 2019.
- Miscellaneous Revenues decreased by $3,277 because the revenue the City recaptures for expenditures from the component unit, Pre-K 4 SA, decreased. The recapture of expenditures decreased due to debt being paid off in Feb 2020.

Expenses for Governmental Activities were $2,259,739 compared to prior year's expenses of $2,120,208. The increase of $139,531 is due to the following:

- The increase of $85,384 in Public Safety expenses is primarily due to increased personnel expenses and increases in Uniform net pension and OPEB liabilities resulting from the Uniform Police's 3.0% annual increase dictated by their collective bargaining agreement and a lump sum of $10,406 to Uniform Fire employees paid out upon the passage of their collective bargaining agreement in 2020.
- The decrease of $8,697 in Public Works expenses is largely due to decreased civilian net pension and OPEB liabilities in the amount of $10,277.
- The decrease of $25,462 in Culture and Recreation expense is primarily due to a decrease in Civilian net pension and OPEB liabilities in the amount of $17,294. Community and Visitors' Facilities expenses decreased by $6,974 due to cancellation of events at the Alamodome and their positions being furloughed because of COVID-19 related business closure or reduced capacity orders. The Alamodome planned 115 events where as actual events held were 53. All furloughed employees returned to work by August 3rd into critical vacancies across the City due to an earlier implemented hiring freeze or were assigned to assist with COVID-19 response and recovery efforts. Expenses related to the City's summer park programs decreased due to their cancellations because of COVID-19 related closure or reduced capacity orders.
- The decrease of $18,270 in Convention and Tourism is primarily due to Visit San Antonio's operational response to COVID-19 by suspending marketing programming**.** Community and Visitors' Facilities decrease in personnel expenses at Convention Facilities is due to the cancellation of convention center events, closure of the facilities, and furloughed positions, as a result of COVID-19. The Convention Center planned 295 events where as actual events held were 129. All furloughed employees returned to work by August 3rd into critical vacancies across the City due to an earlier implemented hiring freeze or were assigned to assist with COVID-19 response and recovery efforts.
- The increase of $42,687 in Urban Redevelopment and Housing are related to expenses associated with the housing and utility assistance program funded primarily through grants in the COVID-19 Response & Relief Fund.
- The increase of $24,214 in Welfare is primarily due to expenses assisting eligible households in accessing basic essential services such as food, water, medications, medical care, and emergency shelter due to COVID-19.
- The decrease of $9,198 in Education expense is primarily due to the temporary closure of the Pre-K 4 SA education centers due to COVID-19. Staff were deployed to assist with food drives, resulting in their personnel expenses being moved to the COVID-19 Response & Relief Fund.
- The increase of $39,161 in Economic Development Opportunity is primarily due to expenses incurred awarding grants to non-profit and micro-businesses who were negatively impacted by COVID-19 and its associated business closure or reduced capacity orders. Expenses were also incurred providing Personal Protective Equipment to small business negatively impacted by the pandemic to aid in their continued operations.
- The decrease of $11,779 in Interest on Long-term Debt is due to debt issuances strategically refunded in order to best utilize funds, take advantage of favorable market conditions and reduce interest costs in the overall debt service.
- The decrease of $2,250 in Transfers, Net is primarily due to transfers for Historic and Preservation reduced to offset decreased Hotel Occupancy Tax collections. Improvement Project transfers have decreased due to less funds received from the General Fund for street maintenance.

Business-Type Activities

Business-Type Activities decreased the City's net position by $23,257.

Revenues for Business-Type Activities totaled $297,458 compared to prior year's revenues of $344,811. The decrease of $47,353 is due to the following:

- Charges for Services for business-type activities decrease of $37,525, primarily driven by $29,507 from the Airport System. The San Antonio International Airport reported a 45.7% decrease in passenger activity due to COVID-19 impacting: aviation parking fees, landing fees, car rental fees, and concessions at the airport. Solid Waste Management revenues decreased by $4,618 due to a .50 cent decrease in the environmental fee, which was reallocated to the Parks Environmental Fund.
- Operating Grants and Contributions increase of $10,480 primarily due to receipts from the federal government to the Airport Fund of $9,070 for reimbursement of allowable expense including: personnel, maintenance, janitorial and other miscellaneous expenses.
- Capital Grant and Contributions revenue decreased by $19,823, largely due to:
    - Capital Contributions decreased by $15,121 due to COVID-19 affecting passenger travel at San Antonio International Airport, Passenger Facility Charge contributions decreased by $9,622 and the Customer Facility Charge contributions decreased by $5,499. PFC and CFC revenue is utilized to fund ongoing improvements at the airport.
    - Categorical Grant-in aid decreased by $4,702 due to decreased spending in the residential acoustical treatment program and Runway 12R Rehabilitation.
- Investment Earnings reflected a decrease of $2,682 due to declining yields as a result of the stalling economy and the Federal Reserve Bank's policy of lower rates over the course of the year; average portfolio rate decreased to 1.5% in fiscal year 2020 versus 2.5% in fiscal year 2019.

Expenses for Business-Type Activities were $320,825 compared to prior year's expenses of $321,376. The decrease of $551 is due to the following:

- The decrease of $9,908 in the Airport System expenses is attributed to a decrease of $10,854 in interest and debt expense due to the issuance of refunding debt in 2020 to best utilize funds, take advantage of favorable market conditions and reduce interest costs in the overall debt service.
- The decrease of Market Square of $621 is attributed to event cancellations, which significantly decreased expenses for events and entertainment, cleaning services, security services, and maintenance.
- The increase of $2,395 in Parking System expenses is attributed to a contribution to VIA Metro Transit Service for $2,000 in fiscal year 2020.
- The increase of $7,785 in Solid Waste Management expenses is attributed to an increase in disposal services, caused by increase in tonnage, and increased expenses in maintenance and repair relating to the community stay home/work safe COVID-19 resulting in a larger volume of service to the residential community.
- The increase of $3,611 in Transfers, Net is primarily attributed to Solid Waste Management for capital projects related to the Leslie and Southeast Service Centers.

Financial Analysis of Governmental Funds

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

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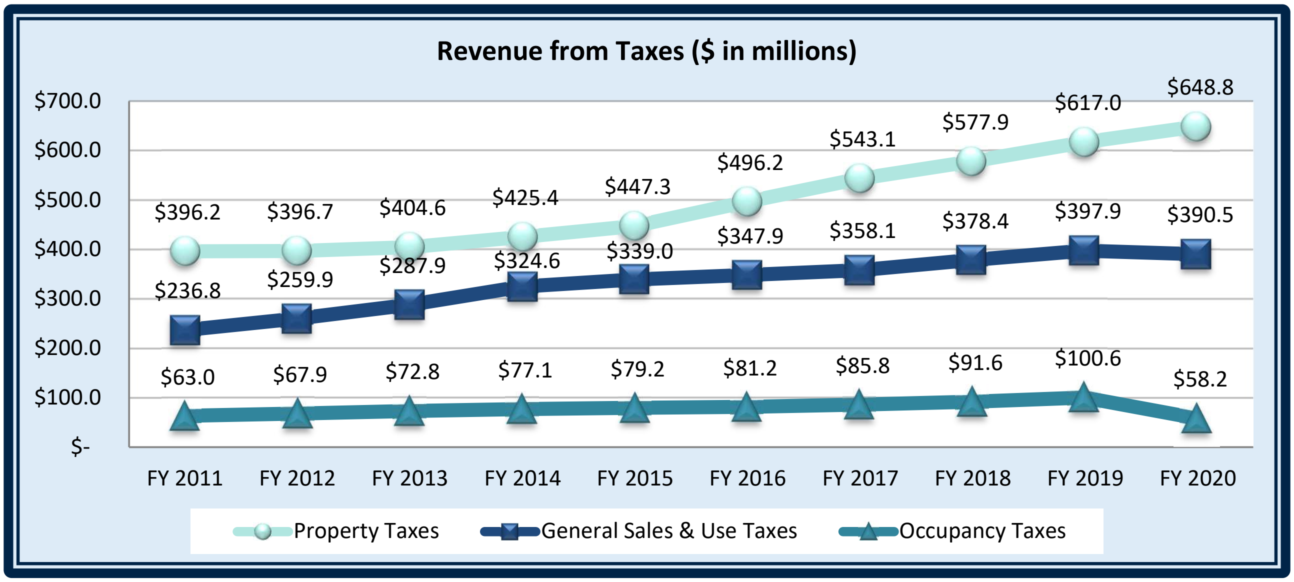
Revenues from taxes decreased by $23,246, which is primarily attributable to: (1) a $42,471 decrease in occupancy taxes, (2) a $7,356 decrease in general sales and use tax revenues, mitigated by (3) a $36,218 increase in property tax revenues. The decrease in occupancy taxes is due to the hotel and travel industry being severely impacted by COVID-19. The decrease in general sales and use taxes is a result of the adverse economic impact of COVID-19 on the local economy in the sectors of restaurant and entertainment, retail sales, and professional and financial services. The increase in property taxes is due to a 4.0% increase in value for existing property values, while new property values increased by approximately 1.6%.



The total fund balance of the General Fund at year-end was $342,349, a decrease of $22,693 from the total fund balance of $365,042 in fiscal year 2019. The fund balance is categorized as follows; $7,814 in nonspendable, $49,821 in committed, $6 in assigned, and $284,708 in unassigned fund balances. The unassigned fund balance includes $126,522 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 $79,697 reserve for Two-Year Budget Plan. The $22,693 decrease in fund balance is due to decreased River Barge revenues of $5,108 related to the COVID-19 closures and reduced capacity on barges, and one-time Self Insurance Rebates of $16,790 rebated to General Fund in fiscal year 2019.

The total fund balance of the Debt Service Fund at year-end was $41,787, an increase of $9,321 from the total fund balance of $32,466 in fiscal year 2019. The entire fund balance is restricted for payment of debt service. The increase in fund balance is attributed to the reduction in principal and interest expenditures as compared to last year due to strategic investments completed in order to best utilize funds.

The COVID-19 Response & Relief Fund has a total deficit fund balance of $3,630. The COVID-19 Response & Relief Fund is restricted for disbursements related to the City's response to the COVID-19 pandemic, including its health implementation plan and spending in the following four pillars: Workforce Development, Small Business Support, Digital Divide, and Housing Security. The City anticipates receiving reimbursement from federal grants in fiscal year 2021 for these costs.

Convention Center Hotel Finance Corporation had an ending fund balance of $3,734 for fiscal year 2020, a decrease of $2,705 from the total fund balance of $6,439 in fiscal year 2019. Due to COVID-19, the Grand Hyatt Hotel suspended operations for several months, impacting Convention Center Hotel Finance Corporation revenue. The fund balance is restricted for debt service expenditures related to the Grand Hyatt San Antonio.

The total fund balance of the 2017 General Obligation Bonds at year-end was $438,264, an increase of $53,602 from the total fund balance of $384,662 in fiscal year 2019. The increase is from the fourth year of sales of obligation bonds issued to support capital expenditures associated with the $850,000 bond program approved by voters in fiscal year 2017.

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General Fund Budgetary Highlights

Variances in Budget Appropriations
Year-Ended September 30, 2020
(Budgetary Basis)
General Fund

	Original Budget	Final Budget	Actual Results	Variances Budget	Variances Final to Actual
Resources (Inflows):					
Taxes	$ 728,614	$ 710,400	$ 709,823	$ (18,214)	$ (577)
Licenses and Permits	9,276	8,970	9,130	(306)	160
Intergovernmental	4,981	109,478	110,137	104,497	659
Revenues from Utilities	382,914	373,439	373,426	(9,475)	(13)
Charges for Services	70,862	55,025	59,142	(15,837)	4,117
Fines and Forfeits	10,316	6,848	6,256	(3,468)	(592)
Miscellaneous	10,657	13,686	16,678	3,029	2,992
Investment Earnings	7,506	4,983	5,678	(2,523)	695
Contributions			491		491
Transfers from Other Funds	21,381	13,720	14,081	(7,661)	361
Total	$ 1,246,507	$ 1,296,549	$ 1,304,842	$ 50,042	$ 8,293
Charges to Appropriations (Outflows):					
General Government	$ 87,513	$ 89,695	$ 87,825	$ 2,182	$ 1,870
Public Safety	794,862	808,403	807,643	13,541	760
Public Works	71,823	71,663	70,990	(160)	673
Health Services	31,604	30,470	29,731	(1,134)	739
Welfare	43,975	42,515	40,208	(1,460)	2,307
Culture and Recreation	122,078	126,949	120,402	4,871	6,547
Economic Development and Opportunity	10,098	15,446	14,267	5,348	1,179
Urban Redevelopment and Housing	27,159	25,604	24,343	(1,555)	1,261
Debt Service:					
Principal Retirement	3,335	3,335	3,335		
Interest	39	39	39		
Transfers to Other Funds	64,901	176,024	175,104	111,123	920
Total	$ 1,257,387	$ 1,390,143	$ 1,373,887	$ 132,756	$ 16,256

Changes from the adopted budget to the final amended budget resulted in a net increase of $50,042. This increase can be summarized by the following:

- Increase in Intergovernmental is due to the receipts from the federal government to reimburse the City for costs associated with the fire department's response to medical calls from March through September.
- Decrease in Taxes is composed of a $16,789 decrease in Sales Tax due to the negative operational impact of COVID-19 to restaurants, entertainment, and professional and financial services. This decrease was offset by an increase of $4,037 in Telecommunications Access Lines Tax from delayed implementation of SB1152 which resulted in 3 months of unplanned revenue ($1,056) from cable/telecom franchise fees. In addition, AT&T's decision to file with the state as a telecommunication company rather than as a cable provider resulted in approximately $1,500 in revenue which was not anticipated in the fiscal year 2020 Budget.
- Revenues from Utilities decreased due to lower than anticipated CPS revenues during the first half of the fiscal year resulting from mild weather and lower fuel rates. Revenues were further impacted as a result of reduction in commercial sales usage and an increase in bad debt expense as a result of the pandemic.

- Charges for Services decreased by $15,831 of which $5,781 is for ambulance service fees, due to projected impact of COVID on the collection of ambulance transport fees. $5,051 of this budget was decreased due to the River Barge halting operations on March 19, 2020 in response to the COVID-19 pandemic and the projected continued social distancing occurring through the summer. Passport and birth certificate budgets were decreased $1,180, due to closures of facilities, and anticipated decreased travel. Parks and Recreation's revenue budgets were decreased $956, due to the various COVID closures relating to community centers, natatoriums, and park pavilions.
- Decrease in Transfers from Other Funds are primarily due to decreased transfers from the City's HOT funds for Historic and Preservation expenses, due to the impact of COVID decreasing tourism activity.

Final budgeted revenue appropriations for the General Fund were $1,296,549 while actual revenues on a budgetary basis were $1,304,842, creating a favorable variance of $8,293. Variance explanations are listed below:

- Intergovernmental revenues are higher than final budgeted amounts due to revenues received from an interlocal agreement with the City of Windcrest related to a property tax repayment and better sales taxes collected than anticipated.
- Charges for services are higher than the final budgeted amount due to higher volume of EMS transports occurring than anticipated.
- Miscellaneous revenues are higher than final budgeted amounts due to increased vehicle sales from the City's impounded vehicles.
- Investment earnings are higher than final budgeted amounts due to actual rates averaging 1.5% versus budgeted 1.4%.

Changes in original expenditure budget appropriations to the final amended budget appropriations resulted in a net $132,756 increase in appropriations. This increase can be summarized by the following:

- Public Safety increased by $6,150 to account for the City's funding related to the passage of the 2020 Fire Collective Bargaining Agreement. An additional increase of $3,569 occurred to capture prior year carryforwards for various Law Enforcement and Fire Protection encumbrances.
- Culture & Recreation budget increased by $4,946 to capture prior year carryforwards of $4,959 for the Inner-City Incentive program.
- Economic Development budget increased by $5,902 to capture prior year carryforwards for the Economic Development Incentive Fund, for multi-year incentive agreements with multiple entities.
- Transfers to Other Funds increased to account for the City's funding towards its Recovery and Resilience Program, in response to the COVID pandemic.

Final budgeted expenditure appropriations for the General Fund were $1,390,143 while actual expenditures on a budgetary basis were $1,373,887, creating a favorable variance of $16,256. Variance explanations are listed below:

- General Government recognized savings due to vacancy savings in personnel services.
- Public Works savings are attributed to contractual services savings from traffic signal repair and traffic markings, due to utilizing City staff to work on these projects versus hiring contractual labor.
- Welfare recognized savings of $2,162 due to direct welfare costs being funded from new grants, and savings incurred from closures of senior centers and school districts after school programs in the fall due to COVID.
- Culture and Recreation recognized savings of $6,542 due to personnel service savings due to both vacancies and closures in Parks and Libraries, and savings due to program delays for certain incentive programs.
- Economic Development and Opportunity recognized savings of $1,348 due to termination and disputes of tax rebates, a separate tax rebate being paid from the Tax Increment Reinvestment Zone (TIRZ) funds, and due to uncommitted carryforwards from previous year not being spent.
- Urban Redevelopment and Housing recognized savings of $1,103 from vacancy savings, reduced vacant lot clean up expenditures, and reduced capital outlay spending.
- Transfers to Other Funds savings are due to savings of $640 in traffic calming, pedestrian, and pavement marking projects; and $359 in various deferred maintenance savings, from projects coming in under budget.

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Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to $6,022,032 (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 $145,429, which is comprised of an increase of $159,066 in governmental activities and a decrease of $13,637 in business-type activities.

Capital Assets
September 30, 2020
(With Comparative Totals for September 30, 2019)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019 (Restated)*	2020	2019	2020	2019 (Restated)*
Land	$ 1,426,346	$ 1,418,662	$ 15,796	$ 15,796	$ 1,442,142	$ 1,434,458
Construction in Progress	376,761	271,543	27,145	23,267	403,906	294,810
Non-Depreciable Intangible Assets	220,790	206,062			220,790	206,062
Depreciable Intangible Assets	170	252	182	252	352	504
Buildings	906,823	906,324	383,755	397,223	1,290,578	1,303,547
Improvements	619,969	624,507	338,047	343,965	958,016	968,472
Infrastructure	1,420,845	1,391,372			1,420,845	1,391,372
Machinery and Equipment	252,132	246,048	33,271	31,330	285,403	277,378
Total	$ 5,223,836	$ 5,064,770	$ 798,196	$ 811,833	$ 6,022,032	$ 5,876,603

*Amounts have been restated – see Note 20 Prior Period Adjustments / Restatement for more information.

During fiscal year 2020, the City transferred $239,084 of construction in progress for completed capital projects, mainly comprised of city-wide streets and drainage projects, parks improvements, and municipal facilities.

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

Change in Capital Assets
Year-Ended September 30, 2020

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$ 5,064,770	$ 811,833	$ 5,876,603
Additions	419,957	35,414	455,371
Deletions	(37,373)	(2,008)	(39,381)
Accumulated Depreciation	(223,518)	(47,043)	(270,561)
Ending Balance	$ 5,223,836	$ 798,196	$ 6,022,032

Additional information on the City's capital assets can be found in Note 6 Capital Assets.

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Debt Administration

Standard & Poor's, Moody's, and Fitch's underlying ratings for City obligations during fiscal year 2020 were as follows:

Bond Ratings Year-Ended September 30, 2020	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	BBB+	A3	BBB+
Municipal Drainage Utility System Revenue Bonds	AA+	Aa2	AA+

Long-Term Obligations

At the end of the current fiscal year, the City had a total of $3,393,523 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, 2020
(With Comparative Totals for September 30, 2019)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Bonds Payable:						
Tax-Exempt General Obligation Bonds	$ 1,140,625	$ 1,408,385	$ 1,750	$ 1,950	$ 1,142,375	$ 1,410,335
Taxable General Obligation Bonds	437,420	4,135	6,275	6,870	443,695	11,005
Tax-Exempt Certificates of Obligation	318,745	372,640	37,395	38,725	356,140	411,365
Taxable Certificates of Obligation	80,290	68,560			80,290	68,560
Tax Notes	68,210	57,135			68,210	57,135
Revenue Bonds	799,714	814,164	388,390	418,560	1,188,104	1,232,724
Bonds from Direct Placements	64,310	50,765	36,000	36,000	100,310	86,765
Capital Appreciation Bonds (CAB)	14,399	12,242			14,399	12,242
Total	$ 2,923,713	$ 2,788,026	$ 469,810	$ 502,105	$ 3,393,523	$ 3,290,131

Governmental Activities

On October 29, 2019, the City issued $6,065 in Texas Municipal Facilities Corporation Contract Revenue Notes, Taxable Series 2019 to pay costs related to the redevelopment of two buildings at Brooks City Base.

On January 29, 2020, the City issued $11,300 in Texas Public Property Finance Contractual Obligations, Series 2020 to refund outstanding lease purchased equipment including helicopters, breathing apparatus, thermal imaging cameras, bunker gear, ambulances, direct capture filtration and fire trucks.

On June 30, 2020, the City issued $27,895 in General Improvement Refunding Bonds, Series 2020. The bonds allocated $125 from proceeds to Solid Waste Management and the remaining $27,770 was allocated to governmental activities.

On June 30, 2020, the City issued $443,695 in General Improvement Refunding Bonds, Taxable Series 2020. The governmental portion of the proceeds of $437,420 was used to fund an escrow account for the redemption discharge and defeasance of the refunded obligations; the remaining proceeds of $6,275 were allocated to the Parking System.

On August 25, 2020, the City issued $145,565 in General Improvement Bonds, Series 2020; $40,500 in Combination Tax and Revenue Certificates of Obligation, Series 2020; $15,440 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2020; and $43,795 in Tax Notes, Series 2020.

The General Improvement Bonds, Series 2020 were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks recreation, and open spaces; library, museum and cultural facilities; and public safety facilities.

The Combination Tax and Revenue Certificates of Obligation, Series 2020 were issued to finance improvements to public safety; streets; municipal facilities; and funding for capital contingency.

The Combination Tax and Revenue Certificates of Obligation, Taxable Series 2020 proceeds were issued to finance improvements to the Alamodome, Witte Museum, and other municipal facilities.

The Tax Note, Series 2020 were issued to finance improvements for fire, parks, information technology, deferred maintenance, and street maintenance projects.

Business-Type Activities

On November 20, 2019, the City issued $47,255 in Airport System Revenue Refunding Bonds (GARB), Series 2019A (AMT); $36,280 in Airport System Revenue Refunding Bonds, Taxable Series 2019B; $63,405 in Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding (PFC) Bonds, Series 2019A (AMT); and $31,535 in Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding Bonds, Taxable Series 2019B.

On June 30, 2020, $6,275 of the $443,695 in General Improvement Refunding Bonds, Taxable Series 2020 was allocated to the Parking System, and were issued for the redemption, discharge, and defeasance of the refunded obligations.

Additionally, on June 30, 2020, $125 of the $27,895 in General Improvement Refunding Bonds, Series 2020 was allocated to Solid Waste Management.

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 21 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.

Basic Financial Statements

Statement of Net Position
As of September 30, 2020
(In Thousands)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Assets:				
Current Assets:				
Cash and Cash Equivalents	$ 250,686	$ 43,087	$ 293,773	$ 297,711
Investments	299,550	36,321	335,871	676,118
Receivables, Net	149,638	15,680	165,318	343,427
Materials and Supplies, at Cost	10,356	1,098	11,454	228,781
Internal Balances	4,992	(6,258)	(1,266)	
Due From Other Governmental Agencies, Net	3,760	219	3,979	1,744
Deposits	357		357	
Prepaid Expenses	1,057	459	1,516	114,986
Other Assets				1,452
Restricted Assets:				
Cash and Cash Equivalents	814,273	121,418	935,691	508,882
Investments	480,517	49,403	529,920	1,286,518
Receivables, Net	98,732	2,142	100,874	7,878
Materials and Supplies, at Cost	4,772		4,772	
Deferred Charges				54,918
Deposits	2		2	
Prepaid Expenses	2,910	278	3,188	
Due From Other Governmental Agencies, Net	43,950	116	44,066	
Total Current Assets	2,165,552	263,963	2,429,515	3,522,415
Noncurrent Assets:				
Capital Assets:				
Non Depreciable	2,023,897	42,941	2,066,838	2,063,378
Depreciable, Net	3,199,939	755,255	3,955,194	12,381,077
Investments				
Receivables, Net	202,965		202,965	
Prepaid Expenses				135,024
Pension Regulatory Asset				234,477
Other Noncurrent Assets				210,486
Total Noncurrent Assets	5,426,801	798,196	6,224,997	15,024,442
Total Assets	7,592,353	1,062,159	8,654,512	18,546,857
Total Deferred Outflows of Resources	472,156	39,452	511,608	947,912
Liabilities:				
Current Liabilities:				
Accounts Payable and Other Current Liabilities	86,646	16,823	103,469	507,061
Accrued Interest	40	8	48	
Unearned Revenue	2,078	799	2,877	2,235
Current Portion of Long-Term Obligations	124,991	5,504	130,495	97,361
Due To Other Governmental Agencies	62		62	
Liabilities Payable From Restricted Assets:				
Accounts Payable and Current Liabilities	122,504	9,691	132,195	61,073
Accrued Interest on Bonds and Certificates	16,015	5,167	21,182	22,021
Unearned Revenue	183,847		183,847	
Due To Other Governmental Agencies	271		271	
Current Portion of Long-Term Obligations	221,613	25,755	247,368	284,270
Total Current Liabilities	758,067	63,747	821,814	974,021
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Obligations	5,054,723	659,458	5,714,181	11,049,280
Total Noncurrent Liabilities	5,054,723	659,458	5,714,181	11,049,280
Total Liabilities	5,812,790	723,205	6,535,995	12,023,301
Total Deferred Inflows of Resources	284,563	25,774	310,337	150,305
Net Position:				
Net Investment in Capital Assets	3,017,372	317,220	3,334,592	5,478,415
Restricted for:				
Debt Service	40,897	37,280	78,177	91,655
Capital Projects	8,545	114,369	122,914	759,199
Operating and Other Reserves	1,110		1,110	58,408
Perpetual Care:				
Expendable	12,970		12,970	
Nonexpendable	5,253		5,253	
Unrestricted (Deficit)	(1,118,991)	(116,237)	(1,235,228)	933,486
Total Net Position	$ 1,967,156	$ 352,632	$ 2,319,788	$ 7,321,163

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

Statement of Activities

Year-Ended September 30, 2020

(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	$ 142,073	$ 13,951	$ 3,650	$ 5,199	$ (119,273)	$ -	$ (119,273)	
Public Safety	932,262	156,745	22,808		(752,709)		(752,709)	
Public Works	319,114	65,469	19	38,688	(214,938)		(214,938)	
Sanitation	11,521	10,934	77		(510)		(510)	
Health Services	82,349	13,822	25,991		(42,536)		(42,536)	
Culture and Recreation	182,630	46,670	3,578	85	(132,297)		(132,297)	
Convention and Tourism	63,981		29	8,883	(55,069)		(55,069)	
Urban Redevelopment and Housing	99,542	929	69,034		(29,579)		(29,579)	
Welfare	188,256		126,414		(61,842)		(61,842)	
Education	74,133	677	4,762		(68,694)		(68,694)	
Economic Development and Opportunity	73,298		1,776		(71,522)		(71,522)	
Environmental	302	205	113		16		16	
Bond Issuance Costs	10,148				(10,148)		(10,148)	
Interest on Long-Term Debt	80,130				(80,130)		(80,130)	
Total Governmental Activities	2,259,739	309,402	258,251	52,855	(1,639,231)		(1,639,231)	
Business-Type Activities:								
Airport System	137,308	74,791	9,070	27,473		(25,974)	(25,974)	
Development Services	37,982	37,215				(767)	(767)	
Market Square	1,914	1,291				(623)	(623)	
Parking System	12,446	5,831				(6,615)	(6,615)	
Solid Waste Management	131,175	128,594	1,410			(1,171)	(1,171)	
Total Business-Type Activities	320,825	247,722	10,480	27,473		(35,150)	(35,150)	
Total Primary Government	$ 2,580,564	$ 557,124	$ 268,731	$ 80,328	(1,639,231)	(35,150)	(1,674,381)	
Discretely Presented Component Units:								
CPS Energy	$ 2,554,046	$ 2,569,178	$ -	$ 59,507				$ 74,639
SAWS	619,102	733,179		177,274				291,351
Port Authority of San Antonio	42,285	43,800		236				1,751
SABC Soccer Public Facility Corporation	1,149	127						(1,022)
SA Energy Acquisition Public Facility Corporation	47,076	44,525						(2,551)
San Antonio Housing Trust Finance Corp.	1,746	989						(757)
Total Discretely Presented Component Units	$ 3,265,404	$ 3,391,798	$ -	$ 237,017				363,411
General Revenues:								
Taxes:								
Property					653,263		653,263	
General Sales and Use					390,513		390,513	
Selective Sales and Use					6,876		6,876	
Gross Receipts Business					25,455		25,455	
Occupancy					58,177		58,177	
Penalties and Interest on Delinquent Taxes					4,092		4,092	
Revenues from Utilities					373,426		373,426	
Investment Earnings					26,116	3,923	30,039	168,640
Miscellaneous					113,606	7,860	121,466	2,420
Adjustment for STP Pension Cost								(18,668)
Transfers, net					706	110	816	
Total General Revenues, Special Items and Transfers					1,652,230	11,893	1,664,123	152,392
Change in Net Position					12,999	(23,257)	(10,258)	515,803
Net Position - Beginning of Fiscal Year (restated/adjusted)					1,954,157	375,889	2,330,046	6,805,360
Net Position - End of Fiscal Year					$ 1,967,156	$ 352,632	$ 2,319,788	$ 7,321,163

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

Balance Sheet
Governmental Funds
As of September 30, 2020
(In Thousands)

	MAJOR FUNDS						
	GENERAL	DEBT SERVICE	COVID-19 RESPONSE & RELIEF FUND	CONVENTION CENTER HOTEL FINANCE CORP.	2017 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:							
Cash and Cash Equivalents	$ 87,184	$ -	$ -	$ -	$ -	$ 62,227	$ 149,411
Investments	169,889					43,763	213,652
Receivables, Net	147,041					1,843	148,884
Materials and Supplies, at Cost	7,160					280	7,440
Prepaid Expenditures	654					188	842
Due From Other Funds	30,720						30,720
Due From Other Governmental Agencies, Net	2,182					499	2,681
Restricted Assets:							
Cash and Cash Equivalents		38,708	142,091	16,258	228,492	387,665	813,214
Investments			50,289		209,202	220,110	479,601
Receivables, Net	33,202	10,322	250	169,688	570	87,665	301,697
Materials and Supplies, at Cost			2,417			2,355	4,772
Deposits						2	2
Prepaid Expenditures						2,910	2,910
Due From Other Funds		3,062	2,514			7,243	12,819
Due From Other Governmental Agencies, Net	15		15,899			28,036	43,950
Total Assets	$ 478,047	$ 52,092	$ 213,460	$ 185,946	$ 438,264	$ 844,786	$ 2,212,595
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):							
Liabilities:							
Vouchers Payable	$ 15,962	$ -	$ -	$ -	$ -	$ 1,255	$ 17,217
Accounts Payable - Other	9,168					9,244	18,412
Accrued Payroll	27,000					115	27,115
Accrued Leave Payable	7,688						7,688
Unearned Revenue	2,009					57	2,066
Due To Other Funds	2,887					148	3,035
Due To Other Governmental Agencies	62						62
Liabilities Payable From Restricted Assets:							
Vouchers Payable	5		14,316			45,167	59,488
Accounts Payable - Other	7		4,258			41,598	45,863
Accrued Payroll			102			4,527	4,629
Accrued Leave Payable						23	23
Unearned Revenue			179,896			4,096	183,992
Amounts Held in Trust				12,524			12,524
Due To Other Funds		65	14,888			28,789	43,742
Due To Other Governmental Agencies						271	271
Total Liabilities	64,788	65	213,460	12,524		135,290	426,127
Deferred Inflows of Resources	70,910	10,240	3,630	169,688		67,364	321,832
Fund Balances (Deficits):							
Nonspendable	7,814		2,417			10,988	21,219
Restricted		41,787		3,734	438,264	535,904	1,019,689
Committed	49,821					246,157	295,978
Assigned	6					7,338	7,344
Unassigned	284,708		(6,047)			(158,255)	120,406
Total Fund Balances (Deficits)	342,349	41,787	(3,630)	3,734	438,264	642,132	1,464,636
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 478,047	$ 52,092	$ 213,460	$ 185,946	$ 438,264	$ 844,786	$ 2,212,595

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, 2020
(In Thousands)

Fund Balances - Total Governmental Funds		$ 1,464,636
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	1,426,346	
Construction In Progress	376,761	
Non-Depreciable Intangible Assets	220,790	
Depreciable Intangible Assets	4,058	
Buildings	1,419,778	
Improvements	1,078,944	
Infrastructure	3,687,735	
Machinery and Equipment	403,453	
Less: Accumulated Depreciation	(3,531,304)	
Total Governmental Capital Assets		5,086,561
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		321,977
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.		117,647
Deferred outflows of resources related to pensions, OPEB, loss on bond refunding, and asset retirement obligations not reported in the Governmental Funds		448,965
Deferred inflows of resources related to pensions and OPEB not reported in the Governmental Funds		(267,348)
Long-term liabilities are not due and payable in the current year, therefore are not reported in the governmental funds.		
Governmental Bonds Payable	(2,918,773)	
Unamortized Discount/(Premium) on Bonds, Net	(181,243)	
Capital Lease Liability	(5,751)	
Notes Payable	(7,341)	
Net OPEB and Pension Liability	(1,850,119)	
Accrued Interest Payable	(16,015)	
Pollution Remediation Payable	(1,176)	
Accrued Leave Payable	(224,851)	
Other Payable	(13)	
		(5,205,282)
Net Position of Governmental Activities		$ 1,967,156

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year-Ended September 30, 2020
(In Thousands)

	MAJOR FUNDS						
	GENERAL	DEBT SERVICE	COVID-19 RESPONSE & RELIEF FUND	CONVENTION CENTER HOTEL FINANCE CORP.	2017 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:							
Taxes:							
Property	$ 379,887	$ 232,123	$ -	$ -	$ -	$ 36,825	$ 648,835
General Sales and Use	297,804					92,709	390,513
Selective Sales and Use	6,876						6,876
Gross Receipts Business	22,838					2,617	25,455
Occupancy						58,177	58,177
Penalties and Interest on Delinquent Taxes	2,418	1,475				199	4,092
Licenses and Permits	9,130						9,130
Intergovernmental	110,137		6,366			218,114	334,617
Revenues from Utilities	373,426						373,426
Charges for Services	59,142					115,592	174,734
Fines and Forfeits	6,256					214	6,470
Miscellaneous	16,678	59	83			50,159	66,979
Investment Earnings	5,678	707	854	46	5,546	10,259	23,090
Contributions	491		128	10,284		34,679	45,582
Total Revenues	1,290,761	234,364	7,431	10,330	5,546	619,544	2,167,976
Expenditures:							
Current:							
General Government	80,334	518	5,211			8,188	94,251
Public Safety	802,769		9,384			29,334	841,487
Public Works	65,077		333			55,619	121,029
Health Services	28,458		17,033			32,210	77,701
Sanitation			322			10,929	11,251
Welfare	39,479		15,201			130,220	184,900
Culture and Recreation	114,732		4,327			39,812	158,871
Convention and Tourism			521			46,460	46,981
Urban Redevelopment and Housing	21,867		32,534			43,000	97,401
Education			77			69,700	69,777
Economic Development and Opportunity	6,638		30,125			35,913	72,676
Environmental						226	226
Capital Outlay						417,118	417,118
Debt Service:							
Principal Retirement	3,335	157,805		4,435		18,002	183,577
Interest	39	76,799		8,937		22,979	108,754
Issuance Costs		8,227			935	986	10,148
Total Expenditures	1,162,728	243,349	115,068	13,372	935	960,696	2,496,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,033	(8,985)	(107,637)	(3,042)	4,611	(341,152)	(328,172)
Other Financing Sources (Uses):							
Issuance of Long-Term Debt					145,565	117,100	262,665
Refunding Debt Issued		465,190					465,190
Payments to Refunded Bond Escrow Agent		(463,795)					(463,795)
Issuance of Notes and Loans						1,558	1,558
Premium on Long-Term Debt		1,293			30,404	13,050	44,747
Transfers In	14,081	15,618	104,007	337		524,421	658,464
Transfers Out	(164,807)				(126,978)	(364,709)	(656,494)
Total Other Financing Sources (Uses), Net	(150,726)	18,306	104,007	337	48,991	291,420	312,335
Net Change in Fund Balances	(22,693)	9,321	(3,630)	(2,705)	53,602	(49,732)	(15,837)
Fund Balances October 1 (adjusted)	365,042	32,466		6,439	384,662	691,864	1,480,473
Fund Balances (Deficit) September 30	$ 342,349	$ 41,787	$ (3,630)	$ 3,734	$ 438,264	$ 642,132	$ 1,464,636

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, 2020

(In Thousands)

Net change in Fund Balances - Total Governmental Funds		$ (15,837)
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 outlays exceed depreciation in the current year.		
Expenditures for Capital Assets	379,262	
Pollution Remediation Capitalization	226	
Donated Capital Assets	129	
Less: Current Year Depreciation	(202,901)	
Less: Current Year Deletions	(22,310)	
		154,406
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		85,714
The issuance of long-term debt (e.g. bonds, notes and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond, Note and Loan Amounts Issued	(729,413)	
(Premium)/Discount on Long-term Debt	(44,747)	
Payments to Escrow Agent	463,795	
Amortization of Bond Premiums/Discounts and Deferred Charges, Net	29,616	
Principal Payments	183,577	
		(97,172)
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	(538)	
Accrued Leave Payable	(9,898)	
Net OPEB and Pension Expenses	(91,004)	
Pollution Remediation	(800)	
Principal Amounts on Leases	1,682	
Other Expenses	(13)	
		(100,571)
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.		(13,541)
Change in Net Position of Governmental Activities		$ 12,999

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

Statement of Net Position
Proprietary Funds
As of September 30, 2020
(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	$ 15,573	$ 11,974	$ 15,540	$ 43,087	$ 101,275
Investments	13,780	9,236	13,305	36,321	85,898
Receivables, Net	3,150	10,082	2,448	15,680	754
Materials and Supplies, at Cost	938	29	131	1,098	2,916
Deposits					357
Prepaid Expenses			459	459	215
Due From Other Funds					13
Due From Other Governmental Agencies, Net	218		1	219	1,079
Total Unrestricted Assets	33,659	31,321	31,884	96,864	192,507
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	42,760	961	1,205	44,926	1
Investments			179	179	
Receivables, Net			37	37	
Construction Accounts:					
Cash and Cash Equivalents	7,563	449	56	8,068	1,058
Investments	6,423		56	6,479	916
Prepaid Expenses	278			278	
Receivables, Net	24		8	32	
Due From Other Funds			4,648	4,648	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	67,801		583	68,384	
Investments	42,240		505	42,745	
Receivables, Net	1,583		2	1,585	
Other Restricted Assets:					
Cash and Cash Equivalents	40			40	
Receivables, Net	488			488	
Due From Other Governmental Agencies, Net	116			116	
Total Restricted Assets	169,316	1,410	7,279	178,005	1,975
Total Current Assets	202,975	32,731	39,163	274,869	194,482
Noncurrent Assets:					
Capital Assets:					
Land	5,323	1,107	9,366	15,796	
Buildings	542,208	11,147	27,136	580,491	179
Improvements	598,891	9,529	14,276	622,696	715
Machinery and Equipment	30,084	30,558	23,131	83,773	302,409
Depreciable Intangible	352			352	250
Construction in Progress	21,253	661	5,231	27,145	
Total Capital Assets	1,198,111	53,002	79,140	1,330,253	303,553
Less: Accumulated Depreciation	470,983	29,024	32,050	532,057	166,278
Net Capital Assets	727,128	23,978	47,090	798,196	137,275
Total Noncurrent Assets	727,128	23,978	47,090	798,196	137,275
Total Assets	930,103	56,709	86,253	1,073,065	331,757
Total Deferred Outflows of Resources	16,802	13,788	8,862	39,452	23,191

(Continued)

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

Statement of Net Position
Proprietary Funds (Continued)
As of September 30, 2020
(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	$ 951	$ 1,750	$ 225	$ 2,926	$ 11,890
Accounts Payable - Other	2,433	1,360	5,504	9,297	8,623
Claims Payable					23,422
Accrued Payroll	1,488	1,935	1,177	4,600	3,389
Accrued Interest	8			8	40
Current Portion of Accrued Leave Payable	2,030	1,736	1,328	5,094	3,285
Unearned Revenue	722	63	14	799	12
Current Portion of Capital Lease Liability	196			196	
Current Portion of Landfill Postclosure Costs		214		214	
Current Portion of Pollution Remediation					125
Current Portion of Asset Retirement Obligations					38
Total Payable from Current Unrestricted Assets	7,828	7,058	8,248	23,134	50,824
Payable from Current Restricted Assets:					
Vouchers Payable	2,275		1,691	3,966	
Accrued Interest	4,856	260	51	5,167	
Current Portion of Bonds and Certificates (net of premium/discount)	21,991	1,876	1,888	25,755	186
Due To Other Funds	2,689			2,689	
Other Payables	2,712	415	2,598	5,725	
Total Payable from Current Restricted Assets	34,523	2,551	6,228	43,302	186
Total Current Liabilities	42,351	9,609	14,476	66,436	51,010
Noncurrent Liabilities:					
Bonds and Certificates (net of current portion & discount/premium)	422,909	34,981	11,446	469,336	4,841
Claims Payable (net of current portion)					39,569
Accrued Leave Payable (net of current portion)	1,125	987	132	2,244	2,552
Capital Lease Liability (net of current portion)	1,146			1,146	
Net OPEB and Pension Liabilities	64,531	74,367	45,355	184,253	129,422
Pollution Remediation (net of current portion)	1,274			1,274	250
Asset Retirement Obligations (net of current portion)	543			543	659
Landfill Postclosure Costs (net of current portion)		662		662	
Total Noncurrent Liabilities	491,528	110,997	56,933	659,458	177,293
Total Liabilities	533,879	120,606	71,409	725,894	228,303
Total Deferred Inflows of Resources	8,993	10,437	6,344	25,774	17,215
Net Position (Deficit):					
Net Investment in Capital Assets	295,360	(12,387)	34,247	317,220	132,552
Restricted:					
Debt Service	35,216	694	1,370	37,280	1,935
Capital Projects	112,801		1,568	114,369	
Unrestricted (Deficit)	(39,344)	(48,853)	(19,823)	(108,020)	(25,057)
Total Net Position (Deficit)	$ 404,033	$ (60,546)	$ 17,362	$ 360,849	$ 109,430
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(8,217)	
Net position of business-type activities				$ 352,632	

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, 2020
(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	$ 74,791	$ 128,594	$ 44,337	$ 247,722	$ 355,591
Total Operating Revenues	74,791	128,594	44,337	247,722	355,591
Operating Expenses:					
Personal Services	40,210	50,457	31,174	121,841	96,165
Contractual Services	15,973	37,484	6,819	60,276	48,126
Commodities	2,221	9,784	868	12,873	2,568
Materials					24,388
Claims					154,083
Other	9,408	26,639	7,857	43,904	30,665
Depreciation	40,933	3,889	3,500	48,322	33,565
Total Operating Expenses	108,745	128,253	50,218	287,216	389,560
Operating Income (Loss)	(33,954)	341	(5,881)	(39,494)	(33,969)
Nonoperating Revenues (Expenses):					
Investment Earnings	2,927	296	700	3,923	3,026
Other Nonoperating Revenue	15,413	1,924	1,003	18,340	13,067
Gain on Sale of Capital Assets					2,249
Interest and Debt Expense	(11,719)	(1,125)	(1,165)	(14,009)	(454)
Other Nonoperating Expense	(15,695)	(101)		(15,796)	
Total Nonoperating Revenues (Expenses), Net	(9,074)	994	538	(7,542)	17,888
Change in Net Position Before Capital Contributions and Transfers	(43,028)	1,335	(5,343)	(47,036)	(16,081)
Capital Contributions	27,473			27,473	
Transfers In (Out):					
Transfers In		668	5,203	5,871	1,238
Transfers Out	(96)	(1,472)	(4,193)	(5,761)	(2,502)
Total Transfers In (Out), Net	(96)	(804)	1,010	110	(1,264)
Change In Net Position	(15,651)	531	(4,333)	(19,453)	(17,345)
Net Position (Deficit) - October 1 (adjusted)	419,684	(61,077)	21,695		126,775
Net Position (Deficit) - September 30	$ 404,033	$ (60,546)	$ 17,362		$ 109,430
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(3,804)	
Change in Net Position of Business-Type Activities				$ (23,257)	

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

Statement of Cash Flows
Proprietary Funds
Year-Ended September 30, 2020
(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	$ 74,362	$ 129,038	$ 42,102	$ 245,502	$ 355,879
Cash Payments to Suppliers for Goods and Services	(30,381)	(73,814)	(15,293)	(119,488)	(256,553)
Cash Payments to Employees for Service	(36,468)	(45,243)	(27,936)	(109,647)	(87,219)
Cash Received from Other Cash Receipts	15,413	1,924	1,003	18,340	13,067
Net Cash Provided by (Used for) Operating Activities	22,926	11,905	(124)	34,707	25,174
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds		668	5,203	5,871	1,238
Transfers Out to Other Funds	(96)	(1,472)	(4,193)	(5,761)	(2,502)
Due To Other Funds	2,689			2,689	(625)
Due From Other Funds			(4,648)	(4,648)	(13)
Net Cash Provided By (Used for) Noncapital Financing Activities	2,593	(804)	(3,638)	(1,849)	(1,902)
Cash Flows from Capital and Related Financing Activities:					
Acquisitions and Construction of Capital Assets	(42,136)	(998)	(9,088)	(52,222)	(40,340)
Contributed Capital	27,473			27,473	
Debt Issuance Costs		(5)	(36)	(41)	
Interest and Fees Paid on Long-Term Debt	(12,440)	(1,148)	(1,195)	(14,783)	(455)
Interest Paid on Notes and Leases	(1)			(1)	
Principal Payments on Long-Term Debt	(188,443)	(1,821)	(963)	(191,227)	(177)
Principal Payments on Notes and Leases		(6,596)		(6,596)	
Proceeds from Issuance of Long-Term Debt	178,475	18		178,493	
Proceeds from Sale of Assets	29			29	4,365
Net Cash (Used for) Capital and Related Financing Activities	(37,043)	(10,550)	(11,282)	(58,875)	(36,607)
Cash Flows from Investing Activities:					
Purchases of Investment Securities	(58,278)	(8,620)	(13,107)	(80,005)	(81,022)
Maturity of Investment Securities	132,205	18,832	38,878	189,915	173,962
Investments Earnings	3,156	329	753	4,238	3,307
Net Cash Provided by Investing Activities	77,083	10,541	26,524	114,148	96,247
Net Increase in Cash and Cash Equivalents	65,559	11,092	11,480	88,131	82,912
Cash and Cash Equivalents, October 1	68,178	2,292	5,904	76,374	19,422
Cash and Cash Equivalents, September 30	$ 133,737	$ 13,384	$ 17,384	$ 164,505	$ 102,334
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used For) by Operating Activities:					
Operating Income (Loss)	$ (33,954)	$ 341	$ (5,881)	$ (39,494)	$ (33,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used for) by Operating Activities:					
Depreciation	40,933	3,889	3,500	48,322	33,565
Other Nonoperating Revenues	15,413	1,924	1,003	18,340	13,067
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	456	444	(2,060)	(1,160)	219
(Increase) Decrease in Due from Other Governmental Agencies	(148)		(1)	(149)	184
(Increase) Decrease in Materials and Supplies	(47)	5		(42)	(253)
(Increase) in Prepaid Expenses			(173)	(173)	(170)
(Decrease) in Deposits					(128)
(Decrease) in Vouchers Payable	(4,034)	(434)	(257)	(4,725)	(7,052)
(Decrease) in Claims Payable					7,646
Increase in Accounts Payable - Other	1,073	689	534	2,296	2,776
Increase in Accrued Payroll	168	397	188	753	559
Increase in Accrued Leave Payable	131	395	311	837	947
(Decrease) in Landfill Postclosure Liability		(167)		(167)	
(Decrease) in Net OPEB Liability and Pension Liability	(3,273)	(3,402)	(2,037)	(8,712)	(7,168)
Increase in Pollution Remediation Liability					375
Increase (Decrease) in Asset Retirement Obligations	229			229	(45)
Decrease in Deferred Outflows of Resources related to OPEB and Pension	1,093	631	328	2,052	2,378
Increase in Deferred Inflows of Resources related to OPEB and Pension	5,623	7,193	4,448	17,264	12,231
Increase (Decrease) in Unearned Revenue	(737)		(24)	(761)	12
(Decrease) in Due to Other Governmental Agencies			(3)	(3)	
Net Cash Provided (Used For) by Operating Activities	$ 22,926	$ 11,905	$ (124)	$ 34,707	$ 25,174

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

Statement of Fiduciary Net Position/Balance Sheet
Fiduciary Funds
As of September 30, 2020
(In Thousands)

	PENSION AND HEALTH CARE FUNDS	AGENCY FUNDS
Assets:		
Current Assets:		
Cash and Cash Equivalents	$ 99,198	$ 4,215
Security Lending Collateral	73,915	
Investments:		
Common Stock	1,415,477	
U.S. Government Securities	143,064	2,072
Corporate Bonds	515,175	
Foreign Bonds	184,804	
Mutual Funds	109,739	
Hedge Funds	308,327	
Real Estate	269,660	
Alternative	753,976	
Receivables:		
Accounts	10,037	245
Accrued Interest	4,910	7
Accrued Revenue	24,285	
Prepaid Expenses	15	
Total Current Assets	3,912,582	6,539
Capital Assets:		
Machinery and Equipment	669	
Buildings	1,845	
Total Capital Assets	2,514	
Less: Accumulated Depreciation	1,307	
Net Capital Assets	1,207	
Total Assets	$ 3,913,789	$ 6,539
Liabilities:		
Vouchers Payable	$ 6,949	$ 656
Accounts Payable - Other	14,342	5,883
Claims Payable	4,334	
Accrued Payroll	310	
Unearned Revenue	2	
Securities Lending Obligation	73,915	
Total Liabilities	99,852	$ 6,539
Net Position:		
Restricted for Pensions	3,408,689	
Restricted for Other Postemployment Benefits	405,248	
Total Net Position	$ 3,813,937	

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, 2020
(In Thousands)

	PENSION AND HEALTH CARE FUNDS
Additions:	
Contributions:	
Employer	$ 124,636
Employee	59,681
Other Contributions	1,571
Total Contributions	185,888
Investment Earnings:	
Net Increase in Fair Value of Investments	412,545
Real Estate Income, Net	12,843
Interest and Dividends	59,877
Securities Lending	2,348
Other Income	762
Total Investment Earnings	488,375
Less: Investment Expenses	
Investment Management Fees and Custodian Fees	(16,664)
Less: Securities Lending Expenses	
Borrower Rebates and Lending Fees	(2,079)
Net Investment Earnings	469,632
Total Additions	655,520
Deductions:	
Benefits	211,231
Refunds of Contributions	1,172
Administrative Expense	9,034
Total Deductions	221,437
Change in Net Position	434,083
Net Position - Beginning of Fiscal Year	3,379,854
Net Position - End of Fiscal Year	$ 3,813,937

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

Statement of Net Position
Discretely Presented Component Units
As of September 30, 2020
(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	$ 174,647	$ 107,746	$ 15,318	$ 297,711
Investments	296,237	366,112	13,769	676,118
Receivables, Net	256,833	77,454	9,140	343,427
Materials and Supplies, at Cost	223,048	5,733		228,781
Due from Other Governmental Agencies			1,744	1,744
Prepaid Expenses	80,374	6,130	28,482	114,986
Other Assets			1,452	1,452
Total Unrestricted Assets	1,031,139	563,175	69,905	1,664,219
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	1,944	77,630	14,007	93,581
Investments		5,313	6,822	12,135
Receivables, Net			76	76
Capital Projects Accounts:				
Cash and Cash Equivalents	54,251			54,251
Investments		277,804		277,804
Ordinance Accounts:				
Cash and Cash Equivalents	165,202			165,202
Investments	365,315			365,315
Other Restricted Accounts:				
Cash and Cash Equivalents	26,167	107,182	62,499	195,848
Investments	623,761	7,503		631,264
Receivables, Net	7,694		108	7,802
Deferred Charges			54,918	54,918
Total Restricted Assets	1,244,334	475,432	138,430	1,858,196
Total Current Assets	2,275,473	1,038,607	208,335	3,522,415
Noncurrent Assets:				
Capital Assets:				
Land	104,517	115,007	39,563	259,087
Land Easements and Water Rights	107,520	249,251		356,771
Depreciable Intangible Assets	320,094	1,354		321,448
Infrastructure			73,277	73,277
Buildings			258,210	258,210
Utility Plant in Service	13,319,860	6,392,212		19,712,072
Machinery and Equipment		422,793	9,161	431,954
Construction in Progress	702,054	673,633	71,833	1,447,520
Nuclear Fuel	1,077,859			1,077,859
Total Capital Assets	15,631,904	7,854,250	452,044	23,938,198
Less: Accumulated Depreciation	7,131,858	2,204,823	157,062	9,493,743
Net Capital Assets	8,500,046	5,649,427	294,982	14,444,455
Other Noncurrent Assets:				
Receivables, Net				
Prepaid Expenses			135,024	135,024
Pension Regulatory Asset	234,477			234,477
Other Noncurrent Assets	210,486			210,486
Total Other Noncurrent Assets	444,963		135,024	579,987
Total Noncurrent Assets	8,945,009	5,649,427	430,006	15,024,442
Total Assets	11,220,482	6,688,034	638,341	18,546,857
Deferred Outflows of Resources	806,747	140,132	1,033	947,912

(Continued)

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

Statement of Net Position
Discretely Presented Component Units (Continued)
As of September 30, 2020
(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	$ 423,812	$ 67,172	$ 16,077	$ 507,061
Unearned Revenues			2,235	2,235
Current Portion of Long-Term Lease/Notes Payable			2,390	2,390
Current Portion of Other Payables	86,659	8,312		94,971
Total Payable from Current Unrestricted Assets	510,471	75,484	20,702	606,657
Payable from Restricted Assets:				
Accounts Payable and Other Current Liabilities		61,073		61,073
Accrued Interest on Bonds and Certificates		15,563	6,458	22,021
Current Portion of Bonds and Certificates	161,160	86,445	32,610	280,215
Current Portion of Commercial Paper		4,055		4,055
Total Payable from Restricted Assets	161,160	167,136	39,068	367,364
Total Current Liabilities	671,631	242,620	59,770	974,021
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)	5,681,840	2,648,630	233,864	8,564,334
Commercial Paper (net of current portion)	95,000	277,760		372,760
Asset Retirement Obligations	1,029,485	35,084		1,064,569
Long-Term Lease/Notes Payable (net of current portion)			158,454	158,454
Net OPEB and Pension Liabilities	378,128	160,683		538,811
Other Payables (net of current portion)	329,129	20,080	1,143	350,352
Total Noncurrent Liabilities	7,513,582	3,142,237	393,461	11,049,280
Total Liabilities	8,185,213	3,384,857	453,231	12,023,301
Deferred Inflows of Resources	137,511	12,794		150,305
Net Position:				
Net Investment in Capital Assets	2,563,140	2,758,354	156,921	5,478,415
Restricted for:				
Debt Service	1,153	90,502		91,655
Capital Projects	595,516	163,313	370	759,199
Operating and Other Reserves		58,408		58,408
Unrestricted (Deficit)	544,696	359,938	28,852	933,486
Total Net Position	$ 3,704,505	$ 3,430,515	$ 186,143	$ 7,321,163

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

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Statement of Activities
Discretely Presented Component Units
Year-Ended September 30, 2020

(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	$ 2,554,046	$ 2,569,178	$ -	$ 59,507	$ 74,639	$ -	$ -	$ 74,639
San Antonio Water System	619,102	733,179		177,274		291,351		291,351
Nonmajor Component Units	92,256	89,441		236			(2,579)	(2,579)
Total	$ 3,265,404	$ 3,391,798	$ -	$ 237,017	74,639	291,351	(2,579)	363,411
			General Revenues:					
			Investment Earnings		134,507	32,583	1,550	168,640
			Miscellaneous				1,534	1,534
			Gain on Disposal of Capital Assets			886		886
			Adjustment for STP Pension Cost		(18,668)			(18,668)
			Total General Revenues		115,839	33,469	3,084	152,392
			Change in Net Position		190,478	324,820	505	515,803
			Net Position - Beginning of Fiscal Year (restated/adjusted)		3,514,027	3,105,695	185,638	6,805,360
			Net Position - End of Fiscal Year		$ 3,704,505	$ 3,430,515	$ 186,143	$ 7,321,163

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

Comprehensive Annual Financial Report

Notes to Financial Statements

Year-Ended September 30, 2020

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, 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, 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, 2020, 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:

Convention Center Hotel Finance Corporation
P.O. Box 839966
San Antonio, TX 78283-3966
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

The Convention Center Hotel Finance Corporation (CCHFC) was established in fiscal year 2005 in accordance with state laws for the purposes of, and to act on behalf of the City in, local economic development to stimulate business and commercial activity in the City. The CCHFC is governed by a board of directors, which is comprised of the City Council of San Antonio (City Council). CCHFC's governing board is the same as the City's governing board, met the financial benefit/burden criteria, and also met the operational responsibility criteria.

Hemisfair Park Area Redevelopment Corporation
630 E. Nueva St.
San Antonio, TX 78205
Contact: 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. 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.

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 has met the fiscal dependency and financial benefit/burden criteria.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

San Antonio Early Childhood Education Municipal Development Corporation DBA Pre-K 4 SA
7031 S. New Braunfels Ave.
San Antonio, TX 78223
Contact: Dr. Sarah Baray
Telephone No. (210) 206-2750

The San Antonio Early Childhood Education Municipal Development Corporation DBA Pre-K 4 SA was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City, in developing and running authorized programs for early childhood education services. Pre-K 4 SA is governed by a board of trustees appointed by the City Council. Pre-K 4 SA's debt, including leases, is expected to be repaid almost entirely with the resources of the City, a 1/8 cent sales tax increase approved by San Antonio residents. The City has the ability to impose its will, and has met the fiscal dependency and financial benefit/burden criteria.

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

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

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

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.

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Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

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

The San Antonio 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.

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

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

San Antonio Texas Municipal Facilities Corporation
P.O. Box 839966
San Antonio, TX 78283-3966
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

The San Antonio Texas Municipal Facilities Corporation (TMFC) was established in fiscal year 2001 in accordance with state laws for the purposes of, and to act on behalf of the City in, acquiring, constructing, equipping, financing, operating, and maintaining land and other municipal facilities for the City. The TMFC is governed by a board of directors, which is comprised of the City Council. The City can impose its will, and TMFC also meets the operational responsibility criteria.

Starbright Industrial Development Corporation
P.O. Box 839966
San Antonio, TX 78283-3966
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

The Starbright Industrial Development Corporation (SIDC) was established in fiscal year 2003 in accordance with state laws for the purposes of, and to act on behalf of the City in, the promotion and development of commercial, industrial, and manufacturing enterprises, to advance and encourage employment and public welfare, including but not limited to the acquisition of land. The SIDC is governed by a board of directors, which is comprised of the City Council. SIDC's governing board is the same as the City's governing board, SIDC met the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

Texas Public Facilities Corporation
P.O. Box 839966
San Antonio, TX 78283-3966
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

Texas Public Facilities Corporation (TPFC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City in, effectuating the buyout of the City's existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds. The TPFC is governed by a board of directors, which is comprised of the City Council. TPFC's governing board is substantially the same as the City's governing board, and TPFC meets the operational responsibility criteria. The City has the ability to impose its will.

Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio
c/o City of San Antonio
1400 S. Flores
San Antonio, TX 78205
Contact: Veronica R. Soto
Telephone No. (210) 207-6459

The Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio (OUR SA) was created under the provisions of the Urban Renewal Law of the State of Texas. OUR SA is responsible for implementing the City's Urban Renewal Program and may designate for urban renewal in such areas as it deems advisable, subject to approval by the City Council. OUR SA receives a majority of its operating funds from the City. OUR SA is governed by a six-member board of commissioners appointed by the City Council. OUR SA has met the fiscal dependency and financial benefit/burden criteria. The City has the ability to impose its will.

Visit San Antonio
317 Alamo Plaza
San Antonio, TX 78205
Contact: Natalie Balderrama
Telephone No. (210) 244-2099

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 has met the fiscal dependency and financial benefit/burden criteria.

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

Westside Development Corporation (WDC) was established in fiscal year 2006 in accordance with state laws for the purposes of promoting economic development and redevelopment opportunities in the west side of San Antonio. WDC seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, WDC functions as a land development corporation that has the power to buy, sell, and accept land as a nonprofit without the restrictions placed upon a municipality. WDC is governed by a board of directors nominated by a City Council committee and appointed by the City Council. The policy-setting oversight authority consists of 17 members, comprised of representatives of key stakeholders and Westside advocates. The City can remove board members at will, providing the City the ability to impose its will. WDC has met the financial benefit/burden criteria. The City did not receive WDC's fiscal year 2020 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. WDC is considered immaterial to the opinion unit.

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Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

The blended component unit with a different fiscal year-end from the City is Pre-K 4 SA with a fiscal year-end of June 30th.

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 and the San Antonio Fire and Police 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 only to the City's uniformed personnel.

San Antonio Fire and Police Retiree Health Care Fund
11603 W. Coker Loop, Ste. 130
San Antonio, TX 78216
Contact: James Bounds
Telephone No. (210) 494-6500

The City of San Antonio Firefighters' and Police Officers' Retiree Prefunded Group Health Plan was created in October 1989 in accordance with the provisions of the City's contracts with the local fire and police unions, respectively, to provide 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 San Antonio Fire and Police Retiree Health Care 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)

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 Report for both entities is as of December 31, 2019.

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 78235-5355
Contact: Samantha Burke
Telephone No. (210) 678-3319

Brooks is a special district and political subdivision of the State of Texas. It was established on September 27, 2001 as a defense base development authority in accordance with state laws for the purposes of, and to act on behalf of the City in, improving mission effectiveness, reducing the cost of providing quality installation support through improved capital asset management, and promoting economic development for Brooks Air Force Base and in the surrounding community. An 11-member board of directors appointed by the City Council governs Brooks for two-year terms and oversees the Brooks Technology and Business Park in support of the Brooks City-Base Project. The City's ability to impose its will on Brooks is through City Council having the power to remove board members. The City did not receive Brooks' fiscal year 2020 audited financial statements; 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 78296-1771
Contact: David Ramirez
Telephone No. (210) 353-2514

CPS Energy, a municipally owned utility, provides electricity and natural gas to San Antonio and the surrounding areas. CPS Energy is governed by a board of trustees, which is comprised of four members appointed by City Council and has the City's Mayor as an ex-officio member. The City has the ability to impose its will on CPS Energy through the setting of user rates for services and charges and the issuance of bonds approved by the City Council.

Port Authority of San Antonio
DBA Port San Antonio
907 Billy Mitchell Blvd.
San Antonio, TX 78226
Contact: 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

SA Energy Acquisition Public Facility Corporation
P.O. Box 1771
San Antonio, TX 78296-1771
Contact: David Ramirez
Telephone No. (210) 353-2514

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: Carlos J. Contreras
Telephone No. (210) 207-8821

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.

San Antonio Housing Trust Foundation, Inc.
2515 Blanco Rd.
San Antonio, TX 78212
Contact: Pedro Alanis
Telephone No. (210) 735-2722

San Antonio Housing Trust Foundation, Inc. (HTF) is a nonprofit entity incorporated in 1990 under the laws of the State of Texas. HTF was organized for the purposes of supporting charitable, educational, and scientific undertakings, and specifically for providing housing for low- and middle-income families, promoting public health, safety, convenience, and welfare, revitalizing neighborhoods and the downtown area through appropriate housing activities, and providing administrative and other support for the operations of the City of San Antonio Housing Trust Fund, a Special Revenue Fund of the City. HTF is governed by an 11-member board of directors appointed by City Council. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTF's fiscal year 2020 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTF is considered immaterial to the opinion unit.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

San Antonio Housing Trust Public Facility Corporation
2515 Blanco Rd.
San Antonio, TX 78212
Contact: Pedro Alanis
Telephone No. (210) 735-2722

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 fiscal year 2020 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) 735-2722

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 2020.

San Antonio Water System
P.O. Box 2449
San Antonio, TX 78298-2449
Contact: Doug Evanson
Telephone No. (210) 233-3803

On May 19, 1992, the consolidation of water systems, agencies and activities into one institution through a refunding of the then outstanding water and sewer bonds of the former City Water Board, Alamo Water Conservation and Re-Use District, and the City's Sewer and Stormwater System, resulted in the creation of the San Antonio Water System (SAWS). The City Council determined that the interests of the citizens and the customers would best be served by placing authority for management and control of SAWS, as consolidated, with a board of trustees. This board of trustees includes the City's Mayor as an ex-officio member, along with six members appointed by City Council for four-year staggered terms. The 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.

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, 2019; while CPS Energy's and SA Energy Acquisition Public Facility Corporation's fiscal year-end is January 31, 2020.

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.

Note 1 Summary of Significant Accounting Policies (Continued)

Related Organizations

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

Basic Financial Statements - GASB Statement No. 34

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

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

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

Fund Accounting

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

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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 on the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements.

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

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

- The General Fund is always presented as a major fund.
- The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, except those that are accounted for in enterprise funds.
- The COVID-19 Response & Relief Fund 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, including funding related to Workforce Development, Small Business Support, Digital Inclusion, and Housing Security.
- The Convention Center Hotel Finance Corporation, a blended component unit, accounts for the receipt and disbursement of resources within the local economy in order to stimulate business and commercial activity in the City. It was created to issue debt for the construction of the Grand Hyatt and to further promote tourism within the City.
- The 2017 General Obligation Bonds Fund, a capital projects fund, accounts for the receipt and disbursement of bond proceeds for physical infrastructure development and improvement projects approved in an $850,000 bond election held on May 6, 2017.

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

- The Airport System accounts for the operation of the San Antonio International Airport and Stinson Municipal Airport. Financing for the Airport System's operations is provided by user fees, while financing for the Airport System's capital is primarily funded by City issued revenue bonds (repaid with user fees), grants and facility charges assessed to users.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

- 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.

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 Response & Relief Fund, Community Development Program, 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Fiduciary Funds

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

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

Measurement Focus and Basis of Accounting

Primary Government (City)

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

Program revenues are presented in the government-wide Statement of Activities. The City reports program revenues in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. They are presented separately as a reduction of the total expense to arrive at the net expense of each functional activity. Program revenues are revenues generated by 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.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Primary Government (City) (Continued)

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

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

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

Proprietary, Pension, Health Funds, and governmental and business-type activities are accounted for using the accrual basis of accounting. Their revenues/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.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Primary Government (City) (Continued)

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

CPS Energy

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

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

CPS Energy's electric fuel cost adjustment clause also permits recovery of regulatory assessments. CPS Energy recovers assessments from the Public Utility Commission of Texas (PUCT) for transmission access charges and from the Texas Independent System Operator, also known as the Electric Reliability Council of Texas (ERCOT), for its operating costs and other charges applicable to CPS Energy as a wholesale provider of power to other utilities. Regulatory assessments for fiscal year 2020 were $82,622.

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

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

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

CPS Energy (Continued)

CPS Energy accounts for its legal obligation to decommission STP Units 1 and 2 in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*. CPS Energy accounts for decommissioning by recognizing its pro rata share of an Asset Retirement Obligation (ARO) based on the best estimate of the current values of outlays expected to be incurred to decommission the Units, determined by the most recent cost study. A new cost study is performed every five years, and in years subsequent to the latest study, the Statement 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 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, guidance pertaining to regulated operations provided in GASB Statement No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* has been followed. Under this guidance, the zero net position approach is applied in accounting for the Decommissioning Trusts. In accordance with Statement No. 62, the cumulative effect of activity in the Decommissioning Trusts has been recorded as a regulatory liability reported on the Statement of Net Position as Other Payables (net of current portion), since any excess funds are payable to customers. Going forward, prolonged unfavorable economic conditions could result in the assets of the Decommissioning Trusts being less than the estimated decommissioning liability. In that case, instead of an excess as currently exists, there would be a deficit that would be reported as decommissioning net costs recoverable. This amount would be a receivable from customers.

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

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

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 the costs of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Deferred Outflows and Inflows of Resources

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

Primary Government (City)

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

	Primary Government		
Deferred Outflows of Resources:	**Governmental Activities**	**Business-Type Activities**	**Total**
Deferred Outflows of Resources related to Pensions	$ 115,368	$ 1,976	$ 117,344
Contributions Subsequent to Measurement Date related to Pensions	89,784	7,192	96,976
Deferred Outflows of Resources related to OPEB	192,636	26,028	218,664
Contributions Subsequent to Measurement Date related to OPEB	28,107	211	28,318
Deferred Outflows of Resources related to ARO	305	487	792
Loss on bond refunding	45,956	3,558	49,514
Total Deferred Outflows of Resources	$ 472,156	$ 39,452	$ 511,608
Deferred Inflows of Resources:			
Deferred Inflows of Resources related to Pensions	$ 179,245	$ 13,463	$ 192,708
Deferred Inflows of Resources related to OPEB	105,318	12,305	117,623
Gain on bond refunding		6	6
Total Deferred Inflows of Resources	$ 284,563	$ 25,774	$ 310,337

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 Postemployment Retirement Benefits, respectively.

Year-Ended September 30, 2020 - 44 - Amounts are expressed in thousands

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Note 1 Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources (Continued)

Primary Government (City) (Continued)

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	$ 86,422
Revenues associated with accrued interest on loan receivables	191
Revenues associated with grants	14,972
Revenues associated with:	
Property Tax Collections	27,031
EMS Collections	14,111
Municipal Court Fines	4,530
Library Fines	572
Alarm Fees	1,425
Magistrate/Detention Fees	399
Concession Agreements	409
Revenues associated with other entities	2,082
CCHFC - unavailable receipts for a loan from the Grand Hyatt Hotel	169,688
Total Deferred Inflows of Resources in the Balance Sheet - Governmental Funds Statement	$ 321,832

CPS Energy

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

Deferred Outflows of Resources:	CPS Energy
Unrealized pension contributions	$ 73,435
Losses relating to pension	118,719
Unrealized contributions to the OPEB Plan	769
Losses related to OPEB	20,910
Unrealized losses on fuel hedges	33,564
Unamortized debt reacquisition costs	61,391
Unamortized costs for asset retirement obligations	497,959
Total Deferred Outflows of Resources	$ 806,747
Deferred Inflows of Resources:	
Unrealized gains related to pension	$ 48,783
Unrealized gains related to OPEB	3,531
Sale of future revenues	85,197
Total Deferred Inflows of Resources	$ 137,511

Year-Ended September 30, 2020 - 45 - Amounts are expressed in thousands

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Note 1 Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources (Continued)

San Antonio Water System (SAWS)

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

	SAWS
Deferred Outflows of Resources:	
Deferred charges on bond refunding	$ 35,076
Decrease of fair value of hedging derivatives	12,256
Deferred asset retirement obligation	32,354
Unrealized pension contributions	13,631
Losses related to pension	27,545
Unrealized OPEB contributions	13,811
Losses related to OPEB	5,459
Total Deferred Outflows of Resources	$ 140,132
Deferred Inflows of Resources:	
Differences between expected and actual experience and changes of assumptions related to pension	$ 1,886
Differences between expected and actual experience and changes of assumptions related to OPEB	10,908
Total Deferred Inflows of Resources	$ 12,794

Current Year GASB Statement Implementations

In fiscal year 2020, the City implemented the following GASB Statements:

GASB Statement No. 92, *Omnibus 2020* addresses reinsurance recoveries for public entity risk pools and terminology used to refer to derivative instruments. The City implemented GASB 92, paragraphs 11 and 13. Paragraph 11 notes reinsurance recoveries are risk financing and insurance-related activities of public entity risk pools which have amounts that are recoverable from reinsurers or excess insurers and relate to paid claims and claim adjustment expenses which may, but are not required to be, reported as reductions of expense. The City does not participate in a public entity risk pool therefore, this portion of GASB 92 will not require changes in the City's financial reporting. Paragraph 13 notes the terms "derivative and derivatives" should be replaced with "derivative instrument and derivative instruments", respectively. The City has reviewed and modified all applicable Notes to Financial Statements accordingly. The remainder of GASB 92 is effective in future years and is discussed later in further detail.

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Year-Ended September 30, 2020 - 46 - Amounts are expressed in thousands

Note 1 Summary of Significant Accounting Policies (Continued)

Current Year GASB Statement Implementations (Continued)

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This Statement has postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or were scheduled to become effective for periods beginning after June 15, 2018 and later. As part of implementing GASB 95, the City will delay the following pronouncement implementations: Statement No. 84, *Fiduciary Activities;* Statement No. 87*, Leases*; Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period;* Statement No. 90, *Majority Equity Interests;* Statement No. 91, *Conduit Debt Obligations;* Statement No. 92, *Omnibus 2020* (paragraphs 4-10, and 12); Statement No. 93, *Replacement of Interbank Offered Rates*; Implementation Guide No. 2019-2, *Fiduciary Activities*, and Implementation Guide No. 2019-3, *Leases*. See Future GASB Statement Implementations for dates.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* increases the consistency and comparability related to reporting fiduciary component units when the potential component unit does not have a governing board. The City implemented GASB 97, paragraphs 4 and 5. Paragraph 4 states that some legally separate organizations do not have a governing board. If the potential component unit does not have a governing board, and the City performs the duties the governing board would perform, the City would be considered to be financially accountable. This rule does not apply to defined contribution pension plan, a defined OPEB plan, or another employee benefit plan. Paragraph 5 is clarifying information for GASB 84, which the City has elected to implement in fiscal year 2021, as permitted by GASB 95. There is no impact to the City in fiscal year 2020.

SAWS, a City discretely presented component unit, will implement GASB Statements No. 92 and No. 97 in fiscal year 2021.

Future GASB Statement Implementations

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary fund types that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City will assess and implement this Statement where necessary in fiscal year 2021.

Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

GASB Statement No. 87, *Leases,* will better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City will assess and implement this Statement where necessary in fiscal year 2022.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City will assess and implement this Statement where necessary in fiscal year 2022.

SAWS early implemented Statement No. 89 in its fiscal year ending December 31, 2019.

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Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100.0% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100.0% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City will assess and implement this Statement where necessary in fiscal year 2021.

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City will assess and implement this Statement where necessary in fiscal year 2023.

GASB Statement No. 92, *Omnibus 2020*, will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3*, Leases*, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended*, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, to reporting assets accumulated for postemployment benefits; applicability of certain requirements of Statement No. 84, *Fiduciary Activities,* to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These components are effective for reporting periods beginning after June 15, 2021. The City will assess and implement this Statement where necessary in fiscal year 2022.

Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* will address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). This Statement achieves that objective by: providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; removing the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; and clarifying the definition of reference rate, as it is used in Statement 53, as amended. Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The City will assess and implement this Statement where necessary in fiscal years 2021, 2022, and 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City will assess and implement this Statement where necessary in fiscal year 2023.

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 requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City will assess and implement this Statement where necessary in fiscal year 2023.

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Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* will enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. The City will assess and implement this Statement where necessary in fiscal year 2022.

The City has not fully determined the effects that implementation of these statements will have on the 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 market value of the City’s investments is determined by quoted market prices and valuations using interest rate curves and credit spreads applied to the terms of the debt instrument, while also considering the counterparty rating. The City’s policy with respect to money market investments, which have a remaining maturity of one year or less at the time of purchase, is to report those investments at amortized cost, which approximates fair value. Amortization of premium or accretion of discount is recorded over the term of the investments. As of September 30, 2020, 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 5 Cash and Cash Equivalents, Securities Lending and Investments.

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

Materials and Supplies and Prepaid Items

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

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

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation

Primary Government (City)

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

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
Buildings	10-40	100
Depreciable Intangible	5-40	100
Improvements (other than buildings)	10-40	100
Infrastructure	10-100	100

Note: Effective in Fiscal Year 2021, the City's capitalization threshold policy for infrastructure is amended to include sidewalks valued at a minimum of $5 with a useful life of 20 years or more.

CPS Energy

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

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

Year-Ended September 30, 2020 - 52 - Amounts are expressed in thousands

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

CPS Energy (Continued)

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 $59,507 for the period ending January 31, 2020, including donated assets of $4,035. The remaining portion of this balance, $55,472 for fiscal year 2020 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 3.1% for fiscal year 2020.

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

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

Thresholds contained in CPS Energy's capitalization policy for fiscal year 2020 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

Year-Ended September 30, 2020 - 53 - Amounts are expressed in thousands

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

San Antonio Water System (SAWS)

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

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

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

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

Year-Ended September 30, 2020 - 54 - Amounts are expressed in thousands

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. The City implemented a new paid sick 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. As such, beginning in fiscal year 2020, the City accrued available sick leave at year-end for those 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.

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 and 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 Fund.

The City is insured for property loss on a primary basis through Factory Mutual Insurance Company. The City is completely self-insured for liability claims. Related liabilities are accrued based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported prior to the end of the fiscal year. The City determines and accrues loss liabilities based on an actuarial assessment, performed after fiscal year-end, of historical claim data and industry trends, less expenditures and accrued 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 workers' compensation stop loss insurance for claims that exceed $3,000.

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 15 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 Other Than Pensions (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 Retirement Benefits for more information.

Fund Balances

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

- Nonspendable – The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaids.
- Restricted – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or 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 expenditure is incurred for purposes for which more than one of the classifications of fund balance is available. See Note 17 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)

Fund Balances (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 2020, general government expenditures in the General Fund were reduced by $20,741, resulting in increased expenditures/expenses in other governmental functions and in business-type activities in the amounts of $13,345 and $7,396, 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.

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, leases from external tenants and rental savings from departments moved into the City administrative building. 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 and retired 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 COVID-19 Response

COVID-19 Response & Recovery and Resiliency Plan

During 2020, the COVID-19 global pandemic created unprecedented levels of uncertainty, impacted the economy and the City's budget. Given the scale of this global event, assessing the specific financial impacts to the City was very challenging. However, throughout 2020, the City remained committed to monitoring our financial position closely, proactively taking actions and providing recommendations to the City Council.

In the early stages of the pandemic, the City suspended/slowed expenditures of several programs to proactively begin to address the projected revenue losses of the City. On June 4th, the City Council adopted a recommended mid-year adjustment that included reductions across all funds. Throughout the remainder of 2020, proactive measures continued to be taken to ensure the City's key funds remained balanced as the financial impacts of the pandemic continued to evolve. Some of the key actions taken are summarized below:

- Suspension/slowing of expenditures;
- Reductions in operating expenses;
- Implementation of a civilian hiring freeze;
- Deferral or suspension of certain capital projects;
- Shifting of debt service expenses within allowable Funds;
- Conversion of cash funded capital to funding through debt issuances;
- Utilization of available contingency funds; and
- Furloughing of certain employees within the HOT Fund.

With the dramatic impacts of COVID-19, the City focused on three key areas: Response; Recovery; and Basic Services. On June 4th, consistent with these goals, City Council adopted $381,700 of which $190,800 related to our Response Plan and a $190,900 related to our Recovery and Resiliency Plan. Over the course of the year, the City also received significant amounts of federal assistance with parameters on the allowable uses of these funds. Activities associated with these Plans are reflected in the COVID-19 Response & Relief Fund.

Not all costs were reported in the COVID-19 Response & Relief funds due to the usage of certain federal funds. As a result, the associated federal revenues were reported in the same fund in which the expenditures/expenses were reported. The below tables break out the Plans by where the associated costs and revenues/deferred inflows are recognized.

	Response Plan	Recovery & Resiliency Plan
COVID-19 Response & Relief	$ 84,911	$ 181,830
General Fund	104,479	
Solid Waste Management	1,410	
Airport System		9,070
	$ 190,800	$ 190,900

Year-Ended September 30, 2020 - 60 - Amounts are expressed in thousands

Note 3 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, 2020, was $0.55827 per $100 taxable valuation, which means that the City has a tax margin of $1.94173 per $100 taxable valuation (tax rate amounts are not reflected in thousands). This could raise an additional $2,317,022 per year based on the net taxable valuation of $119,327,716 before the limit is reached. In fiscal year 2020, the City has forgone property tax revenues as a result of abatement agreements it has entered into. For more information see Note 4 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, 2020, there were 20 existing TIRZ with a total taxable captured value of $4,898,729 for use by the City to fund capital costs of certain public infrastructure improvements in the TIRZ. For fiscal year 2020, this total taxable captured value produced $25,502 in tax increment revenues. The existing TIRZ have initial terms ranging from 19 years to 38 years which are anticipated to expire by fiscal year 2054. It is estimated that the City will contribute approximately $518,701 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	$ 218,200
Houston Street	12/9/1999	9/30/2034	753,881
Stablewood Farms	12/14/2000	9/30/2025	56,674
Inner City	12/14/2000	9/30/2025	1,251,801
Plaza Fortuna	12/13/2001	9/30/2025	6,177
Lackland Hills	12/13/2001	9/30/2026	22,034
Northeast Crossing	6/13/2002	9/30/2028	189,289
Brooks City Base	12/9/2004	9/30/2039	523,763
Mission Creek	12/9/2004	9/30/2029	57,447
Hallie Heights	12/9/2004	9/30/2024	21,628
Heather Cove	12/16/2004	9/30/2024	20,733
Hunters Pond	6/1/2006	9/30/2031	35,725
Verano[1]	12/6/2007	9/30/2045	
Westside	12/11/2008	9/30/2032	424,978
Midtown	12/11/2008	9/30/2031	1,036,696
Mission Drive In	12/11/2008	9/30/2027	110,512
North East Corridor	12/4/2014	9/30/2034	143,863
Hemisfair	2/2/2017	9/30/2037	25,302
Tarasco	12/13/2018	9/30/2044	26
Thea Meadows[2]	12/5/2019	9/30/2054	
			$ 4,898,729

[1] Verano TIRZ was active during fiscal year 2020 but had a total taxable captured value of zero.

[2] Fiscal year 2021 will be the first year of tax increment collections for the Thea Meadows TIRZ.

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Note 4 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*** – Through a reduction of the property's assessed value or as a credit to the amount of taxes owed.
- ***How the dollar amount of the abatement was determined*** – The amount and term of the tax abatement offered is dependent upon the location and industry of the project, other public incentives offered for the same project and the overall benefit to the City and community.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project 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.

Note 4 Tax Abatements (Continued)

Economic Development Incentive Fund (EDIF) Program

- ***Purpose of program*** – Provide economic development grants and/or loans to eligible companies seeking to create or retain jobs and invest in San Antonio.
- ***Taxes being abated*** – These programs decrease the property tax revenue up to 100.0% from real and/or personal property for the City by reducing the amount of the assessed value up to 15 years.
- ***Authority for entering program*** – Chapter 380 of the Local Government Code.
- ***Eligibility criteria for recipients*** – A new company or existing local company must meet or exceed all of the criteria: 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- ***Mechanism used to abate taxes*** – Through a reduction of the property's assessed value or as a credit to the amount of taxes owed.
- ***How the dollar amount of the abatement was determined*** – The amount of EDIF assistance for a business recruitment or retention/expansion project will be based on a determination of need for financial incentives from the City to ensure the attraction, retention and/or expansion of the eligible company or program. Staff will also conduct a fiscal benefit analysis on each such project and evaluate the total benefits from all financial incentive programs the City might offer for the project.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project 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 abated*** – This program offers a tax reimbursement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to 15 years.
- ***Authority for entering program*** – Chapter 311 of the Texas Tax Code, Chapter 380 of the Local Government Code.
- ***Eligibility criteria for recipients*** – All projects must create housing at a density of at least eight units per acre for adaptive reuse or historic rehabilitation projects, or 16 housing units per acre for all other projects. Rental projects must maintain first year rental rate for 10.0% of units throughout agreement term. All projects must receive design approval prior to commencement.
- ***Mechanism used to abate taxes*** – Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.
- ***How the dollar amount of the abatement was determined*** – The amount of the tax abatement offered is dependent on the location of the property and increase of the property value over the term of the agreement from the base year's value.

Note 4 Tax Abatements (Continued)

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

- ***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 (generally most significant up to $500), City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans.

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 abated*** – This program offers a tax reimbursement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to 15 years.
- ***Authority for entering program*** – Chapter 311 and 312 of the Texas Tax Code, Chapter 380 of the Local Government Code.
- ***Eligibility criteria for recipients*** – All projects must create housing at a density of at least eight units per acre for adaptive reuse or historic rehabilitation projects, or 16 housing units per acre for all other projects. Rental projects must maintain first year rental rate for 10.0% of units throughout agreement term. All projects must receive design approval prior to commencement.
- ***Mechanism used to abate taxes*** – Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.
- ***How the dollar amount of the abatement was determined*** – The amount of the tax abatement offered is dependent on the location of the property and increase of the property value over the term of the agreement from the base year's value.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project 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, (generally most significant up to $500), City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans.

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Note 4 Tax Abatements (Continued)

Summary

A summary of these taxes forgone on the City's abatement programs for the year-ended September 30, 2020 follows:

Tax Abatement Program	Number of Agreements (Not in thousands)	Amount of Taxes Abated during the fiscal year
City Tax Abatement Program	14	$ 2,811
Economic Development Incentive Fund Program	7	1,225
Center City Housing Incentive Policy	30	2,096
Non-Center City Housing Incentive Policy	8	874
	59	$ 7,006

The City stopped approving new Economic Development Incentives in fiscal year 2020 due to budget reductions implemented as a result of the negative economic impact from COVID-19.

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Note 5 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]	Fire and Police Retiree Health Care Fund [2 4]	CPS Energy [3]	SAWS [4]
Unrestricted:					
Cash and Cash Equivalents	$ 293,773	$ 91,443	$ 6,100	$ 174,647	$ 107,746
Security Lending Collateral		73,915			
Investments	335,871	3,302,353	396,368	296,237	366,112
Total Unrestricted	629,644	3,467,711	402,468	470,884	473,858
Restricted:					
Cash and Cash Equivalents	941,561			247,564	184,812
Investments	533,493			989,076	290,620
Total Restricted	1,475,054			1,236,640	475,432
Total Cash and Cash Equivalents, Securities Lending Collateral and Investments	$ 2,104,698	$ 3,467,711	$ 402,468	$ 1,707,524	$ 949,290

[1] Agency 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 Agency assets are presented above as Restricted Cash and Cash Equivalents of $4,215 and Investments of $2,072. The City Retiree Health Care Fund assets are presented above as Restricted Cash and Cash Equivalents of $1,655 and Investments of $1,501.

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

[3] For the fiscal year-ended January 31, 2020.

[4] For the fiscal year-ended December 31, 2019.

A summary of cash and cash equivalents, securities lending and investments for the primary government (City), Pension Fund, Health Care 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	Fire and Police Retiree Health Care Fund	CPS Energy	SAWS
Deposits with Financial Institutions	$ 177,050	$ 238	$ 79	$ 2,577	$ (1,568)
Investments with Original Maturities of Less than Ninety Days	1,005,538	91,205	6,021	419,584	294,099
Cash with Other Financial Agents	52,601				
Petty Cash Funds	124			50	
Cash on Hand	21				27
Total Cash and Cash Equivalents	$ 1,235,334	$ 91,443	$ 6,100	$ 422,211	$ 292,558

Year-Ended September 30, 2020 - 66 - Amounts are expressed in thousands

Note 5 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	Fire and Police Retiree Health Care Fund	CPS Energy	SAWS
U.S. Treasuries, Government Agencies, Money Market Mutual Funds, and Government Investment Pool	$ 1,873,122	$ 232,768	$ 6,021	$ 1,302,041	$ 950,831
Repurchase Agreements	1,005				
Corporate Bonds		515,175		148,752	
Foreign Bonds		184,804		13,186	
Common Stock		650,033	17,878	179,629	
Mutual Funds			109,739		
Real Estate		240,697	28,963	60,538	
Preferred Stock	775			751	
Hedge Funds		308,327			
International Equities - Common Stock		747,566			
Alternative Investment		514,188	239,788		
Total Investments	1,874,902	3,393,558	402,389	1,704,897	950,831
Less: Investments with Original Maturities of Less than Ninety Days included in Cash and Cash Equivalents	(1,005,538)	(91,205)	(6,021)	(419,584)	(294,099)
Total	$ 869,364	$ 3,302,353	$ 396,368	$ 1,285,313	$ 656,732

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, 2020.

Year-Ended September 30, 2020 - 67 - Amounts are expressed in thousands

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Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City)

With regard to money market investments and government investment pools that have a remaining maturity of one year or less at the time of purchase, the City's policy is to report these investments at amortized cost. Amortized cost approximates fair value for these investments. The decrease in fair value for investments of the City with a remaining maturity of greater than one year at the time of purchase was $2,163 for the year-ended September 30, 2020.

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 5 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	$ 284,336	$ 284,373	15.1%	AA+/A-1+	0.45 Years
U.S. Treasuries	582,090	584,216	31.1%	N/A	1.26 Years
Money Market Mutual Funds	80,012	80,012	4.3%	AAAm	1 Day
Government Investment Pool	924,521	924,521	49.3%	AAAm	1 Day
Preferred Stock	775	775	0.1%	N/A	N/A
Repurchase Agreement	1,005	1,005	0.1%	N/A	1 Day
Total City Investments	$ 1,872,739	$ 1,874,902	100.0%		

[1] The Carrying Amount and Fair Value include blended component units for SIDC, CCHFC, and TPFC, which total $16,542.

[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 market value adequate to cover the deposits (not less than 102.0% of the deposit amount) and that the collateral has been segregated either physically or by book entry. At fiscal year-end, cash deposits for the City were entirely collateralized by the City’s depository with securities consisting of U.S. government and its agencies or U.S. government guaranteed obligations held in book entry form by the Federal Reserve Bank in the City’s name.

Custodial Credit Risk (Investments) – The City’s investment securities are held at the City’s depository bank’s third-party custodian, 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, 2020 - 69 - Amounts are expressed in thousands

Note 5 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, 2020, the City's investment portfolio, with the exception of the repurchase agreement, the money market mutual fund investments, and the government investment pools, consisted only of U.S. Treasury securities and U.S. government agency securities. Investments in U.S. government agency securities, including Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Federal Agricultural Mortgage Corporation and Federal Farm Credit Bank were rated 'AA+' (Long-term) and 'A-1+' (Short-term) by Standard & Poor's. The investments in the money market mutual fund and governmental investment pools were rated 'AAAm' by Standard & Poor's and the repurchase agreement were greater than 100.0% collateralized with U.S. government agency securities.

Concentration of Credit Risk – Although the City's Investment Policy does not limit the amount of the portfolio invested in any one U.S. government agency, the City manages exposure to concentration of credit risk through diversification. As of September 30, 2020, the U.S. government agency's 15.1% securities allocation was as follows: Federal National Mortgage Association 0.3%, Federal Home Loan Mortgage Corporation 1.6%, Federal Home Loan Bank 7.2%, and Farm Federal Credit Bank 6.0%.

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).

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Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

	9/30/2020	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Agency Securities	$ 284,373	$ -	$ 284,373	$ -
Treasuries	584,216		584,216	
Total Debt Securities	$ 868,589	$ -	$ 868,589	$ -
Private Equity				
Preferred Stock	$ 775	$ -	$ 775	$ -
Total Private Equity	$ 775	$ -	$ 775	$ -
Total Investments by Fair Value Level	$ 869,364	$ -	$ 869,364	$ -

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 expenses consist of external expenses directly related to the Pension Fund's investment operations, as well as internal administrative expenses associated with the Pension Fund's investment program.

The Pension Fund's assets are invested as authorized by Texas state law. The fair value of the Pension Fund's cash, security lending, and investments is $3,467,711.

Year-Ended September 30, 2020 - 71 - Amounts are expressed in thousands

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Note 5 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 September 2019 and compared to actual allocations at December 31, 2019.

Investment Type	Target Allocation	2019 Actual Allocation
Large Cap U.S. Equities	15.0%	15.4%
Small Cap U.S. Equities	3.0%	3.4%
Developed International Equities	15.0%	16.6%
Emerging International Equities	6.0%	5.8%
Hedge Funds	10.0%	9.1%
Private Equity	7.0%	5.4%
Subtotal Equity	56.0%	55.7%
Core Fixed Income	5.0%	4.9%
High Yield	5.0%	3.5%
Bank Loans	5.0%	4.7%
Global Fixed Income	0.0%	2.6%
Unconstrained Fixed Income	3.0%	3.6%
Emerging Market Debt	7.0%	5.4%
Private Debt	7.0%	5.7%
Real Estate	9.0%	7.1%
Real Assets	3.0%	4.1%
Cash	0.0%	2.7%
Subtotal Fixed Income	44.0%	44.3%
Total Investments	100.0%	100.0%

Rate of Return – The money weighted rate of return for the year-ended December 31, 2019 was 14.8%. The return is net of investment expenses and adjusted for the changing amounts actually invested.

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

Year-Ended September 30, 2020 - 72 - Amounts are expressed in thousands

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Note 5 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, 2019, the Pension Fund had cash deposits held by investment managers in the amount of $203 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, 2019, 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, 2019, 2.0% of the Pension Fund's bonds were rated 'AAA', 6.0% were rated 'AA', 14.0% were rated 'A', 16.0% were rated 'BBB', 18.0% were rated 'BB', 23.0% were rated 'B', 3.0% were rated 'CCC', and 9.0% were unrated or not rated. 9.0% 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 5 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, 2019 are shown in the table below.

Investment Type	Fair Value	Weighted-Average Maturity (WAM) (Years)
Corporate Bonds	$ 170,772	5.0
Corporate Convertible Bonds	65	7.4
Government Agencies	21,304	3.9
Government Bonds	118,003	10.6
Municipal/Provincial bonds	2,256	1.5
Government Commercial Mortgage Backed	173	10.1
Non-government-backed Collateralized Mortgage Obligation	653	24.9
Bank loans	162,047	5.1
Payden and Rygel[1]	123,828	3.3
Ashmore[2]	74,086	10.6
GoldenTree[3]	57,637	
Wellington emerging market debt[4]	110,720	
Total Interest Rate Sensitive Securities	$ 841,544	
Portfolio WAM		6.3

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

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

[3] GoldenTree is a commingled fund invested in high-yield corporate bonds. They report their portfolio effective duration as 3.5 as of December 31, 2019.

[4] Wellington, a commingled fund, also invests in emerging market debt. Wellington also reports the effective duration of the portfolio in lieu of WAM. The effective duration for Wellington was 7.7 as of December 31, 2019.

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Year-Ended September 30, 2020 - 74 - Amounts are expressed in thousands

Note 5 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, 2019 is shown in the table below.

Country	Equities	Bonds	Cash	Total
Argentinian Peso	$ 24	$ -	$ -	$ 24
Australian Dollar	5,844	4,330		10,174
Brazilian Real	24,126	7,466		31,592
British Pound	23,127			23,127
Canadian Dollar	13,644			13,644
Chilean Peso	2,669			2,669
Chinese Yuan	59,948	1,408		61,356
Colombian Peso	1,135	4,128		5,263
Czech Republic Krona	406			406
Danish Krone	1,018			1,018
Egyptian Pound	19	720		739
European Union Euro	46,604	10,544	23	57,171
Hong Kong Dollar	16,308			16,308
Hungarian Forint	1,136			1,136
Indian Rupee	13,252			13,252
Indonesian Rupiah	3,241	6,732		9,973
Israeli New Shekel	954			954
Japanese Yen	47,396			47,396
Malaysian Ringgit	2,577	4,224		6,801
Mexican Peso	5,229	13,430		18,659
New Taiwan Dollar	26,822		67	26,889
New Zealand Dollar	121			121
Nigerian Naira	243			243
Norwegian Krone	1,980			1,980
Pakistani Rupee	343			343
Peruvian Nuevo Sol	255			255
Philippine Peso	2,458			2,458
Polish Zloty	3,610	5,652		9,262
Qatar Riyal	246			246
Russian Ruble	10,022	5,051		15,073
Saudi Riyal	1,144			1,144
Singapore Dollar	3,991			3,991
South African Rand	6,310	6,556		12,866
South Korean Won	41,252	1,408		42,660
Swedish Krona	4,670		63	4,733
Swiss Franc	9,611		50	9,661
Thai Baht	5,764	1,704		7,468
Turkish New Lira	8,030			8,030
UAE Dirham	1,463			1,463
	$ 396,992	$ 73,353	$ 203	$ 470,548

Year-Ended September 30, 2020 - 75 - Amounts are expressed in thousands

Note 5 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 custodial bank to lend the Pension Fund's securities to one or more borrowers for a fee. It is the policy of the Pension Fund and the custodian bank to require that collateral equal to 102.0% and 105.0% for domestic and international securities, respectively, of the loaned securities be maintained by the custodian bank. Collateral may be in the form of cash, U.S. government securities, and irrevocable letters of credit. Until such time as the loan is terminated, the borrower retains all incidents of ownership with respect to the collateral. In the event that the borrower fails to repay the borrowed securities when due and the value of the collateral is insufficient to replace the borrowed securities, the Pension Fund may suffer a loss. Management of the Pension Fund considers the possibility of such a loss to be remote. Cash open collateral is invested in a short-term investment pool with an average weighted maturity to the interest reset date of 25 days at December 31, 2019.

As of December 31, 2019, the Pension Fund had lending arrangements outstanding with a total market value of $104,255 which were fully collateralized with cash and securities. Cash collateral of $73,915 is recorded in the accompanying Statement of Fiduciary Net Position. Net income for the year-ended December 31, 2019, under the securities lending arrangement was $269.

Cash Collateral Pool	
Repo Agreements	$ 33,483
Variable Rate Certificates of Deposit	12,943
Certificates of Deposit	7,399
ABS Commercial Paper	7,377
Commercial Paper	4,317
Time Deposit	5,477
Municipal Variable Rate Notes/Bonds	761
Variable Rate Notes/Bonds	1,057
Sweep Vehicle	1,101
Total	$ 73,915

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Year-Ended September 30, 2020 - 76 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

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 structured financial instruments which included commercial mortgage obligations with a fair value of $826 as of December 31, 2019, which are included with investments in the Statement of Fiduciary Net Position. The Pension Fund also invests in hedge funds which may employ the use of derivative instruments to reduce volatility. The Pension Fund's total investment in hedge funds was $308,327 as of December 31, 2019.

As of December 31, 2019, the Pension Fund held foreign currency forward contracts as follows:

Currency	Settle Date	Unrealized Gain (Loss)	Market Value U.S. Dollars
Australian Dollar	1/31/2020	$ 38	$ 1,780
Australian Dollar	2/28/2020	79	2,858
Brazilian Real	1/2/2020		(19)
British Pound	1/24/2020	292	5,594
British Pound	1/24/2020	(35)	(1,498)
British Pound	1/24/2020	(19)	(663)
British Pound	2/24/2020	100	5,705
British Pound	3/12/2020	9	3,345
British Pound	3/12/2020	14	2,323
Chilean Peso	1/14/2020	(53)	(1,476)
Chilean Peso	1/31/2020	(42)	(1,133)
Chilean Peso	2/14/2020	(19)	(1,176)
Chilean Peso	3/13/2020	48	1,461
Chilean Peso	4/3/2020	12	648
Chilean Peso	4/3/2020	3	233
Czech Koruna	1/10/2020	63	1,727
European Union Euro	3/11/2020	(5)	(372)
Indonesian Rupiah	1/29/2020	23	786
Mexican Peso	2/18/2020	5	205
Mexican Peso	2/18/2020	10	252
Mexican Peso	2/18/2020	(42)	(1,367)
New Zealand Dollar	1/17/2020	120	1,768
New Zealand Dollar	3/5/2020	61	1,769
Norwegian Krone	1/17/2020	36	1,946
Norwegian Krone	3/6/2020	155	3,551
Polish Zloty	1/16/2020	20	1,130
Russian Ruble	2/6/2020	35	1,171
South African Rand	2/13/2020	(202)	(2,892)
South African Rand	3/10/2020	(40)	(829)
South Korea Won	1/13/2020	111	3,472
South Korea Won	3/19/2020	15	1,799
Swedish Krona	1/17/2020	110	4,629
Total		$ 902	$ 36,727

Year-Ended September 30, 2020 - 77 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

The market value of the currency forwards is included with the investments on the Statement of Fiduciary Net Position. The loss realized during the year-ended December 31, 2019 was $1,531. This loss is included with net increase (decrease) in fair value of investments on the Statement of Changes in Fiduciary Net Position.

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

		Fair Value Measurement Using		
	12/31/2019	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Bonds	$ 118,003	$ -	$ 118,003	$ -
Government Agencies	21,304		21,304	
Municipal/Provincial Bonds	2,256		2,256	
Corporate Bonds	170,837		170,837	
Bank Loans	162,047		162,047	
Commercial Mortgage Obligations	826		826	
Total Debt Securities	$ 475,273	$ -	$ 475,273	$ -
Equity Securities				
Domestic	$ 372,274	$ 370,630	$ 1,644	$ -
International	13,547	13,244		303
Total Equity Securities	$ 385,821	$ 383,874	$ 1,644	$ 303
Private Equity				
Venture	$ 27,853	$ -	$ -	$ 27,853
Buyout	92,451			92,451
Fund-of-funds - Diversified	63,197			63,197
Real Assets	138,298			138,298
Total Private Equity	$ 321,799	$ -	$ -	$ 321,799
Private Debt				
Mezzanine	$ 57,183	$ -	$ -	$ 57,183
Distressed	52,623			52,623
Senior Debt	82,583			82,583
Total Private Debt	$ 192,389	$ -	$ -	$ 192,389
Total Investments by Fair Value Level	$ 1,375,282	$ 383,874	$ 476,917	$ 514,491
Investments Measured at the Net Asset Value (NAV)				
Relative Value Hedge Funds	$ 72,810			
Event Driven Hedge Funds	64,063			
Structured Credit	15,647			
Macro/Directional Hedge Funds	22,569			
Reinsurance Hedge Funds	17,858			
Long/Short	87,170			
Commodity Trading Advisor	24,497			
Hedge Fund of Funds	3,713			
Commingled Funds:				
Domestic Debt	181,465			
Global Debt	184,804			
Domestic Equity	264,212			
Global Equity	747,566			
Real Estate	240,697			
Total Investments Measured at the NAV	1,927,071			
Total Investments Measured at Fair Value	$ 3,302,353			

Year-Ended September 30, 2020 - 78 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

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

Private Equity – The Pension Fund is invested in 44 private equity funds that are diversified across four main types of strategies. There are six venture capital funds, 13 buyout funds, 14 real assets funds, and 11 diversified fund of funds. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair market value of the underlying investments. The methods used to determine fair value include discounted cash flow, small public company comparison and appraisal. The partnerships have a ten year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from $5,000 to $30,000. It is expected that the investee funds will call between 80.0% and 90.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive returned capital either from sales of or operations from the underlying investments. As of December 31, 2019, it is estimated that the unfunded commitments were approximately $138,416 of which $91,517 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 21 private debt funds, which include six 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, ten funds focused on loans that are senior in the borrowers' capital structure, and five funds that concentrate on distressed debt where debt is purchased at a cost that is less than the value of the collateral. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair market value of the underlying investments. The methods used to determine fair value include discounted cash flows plus the value of any equity that investee funds receive as part of the lending arrangements. The partnerships have a ten year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from $5,000 to $30,000. It is expected that the investee funds will call between 70.0% and 80.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive repayment from the debt service of the underlying investments and in some cases extra capital from the sale of the equity received when underlying companies are sold or refinanced through public offerings.

As of December 31, 2019, it is estimated that unfunded commitments were approximately $60,301 of which $27,392 is expected to be called. These investments in the investee funds are diversified across vintage years so the investee funds are in different stages of their life cycles. The Pension Fund's allocation to this asset class requires that capital that is received from these investments will be reinvested in other investee funds as they become available. Even though these investments could be sold to other investors or secondary funds, the Pension Fund has no intention of doing so. As a result, these investments are considered illiquid.

Note 5 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, a risk parity fund, index funds, commingled funds, and real estate funds.

Hedge Funds–The Pension Fund's investments in hedge funds include relative value, event driven, macro/directional and diversified hedge fund-of-funds. These hedge funds all require notice between 30-90 days of the intent to redeem cash from them. They will only redeem cash at the end of calendar quarters. The Pension Fund is invested in three relative value hedge funds, three event driven hedge funds, four macro/directional hedge funds, one reinsurance hedge fund, one structured credit hedge fund, one commodity trading advisor hedge fund, and one market neutral hedge fund. Relative value investing seeks to exploit relationships that are out of normal equilibrium. These investee funds are not concerned with the price of an asset such as a stock or bond by itself, but how that asset's price relates to other assets that historically display some correlation to the asset. Macro/directional hedge fund strategies base their investments, such as long and short positions in various equity, fixed income, currency, commodities and futures markets, primarily on the overall economic and political views of various countries, or their macroeconomic principles. Event driven hedge funds invest based on the expectation of a particular event such as a merger or acquisition and how that event is expected to affect the price of the underlying investment. One of the hedge funds that the Pension Fund invests in actually invests alongside a reinsurance company. Structured credit hedge funds may hedge interest rate exposure while making bets on credit spreads, and they may look for relative value between the senior and junior securities on the same corporate issuer. A commodity trading advisor will invest long and short in a basket of commodities based on expected supply and demand for the different commodities. Market neutral strategies are similar to long/short strategies except that they do not make a directional bet on the expected return of the market. They make long and short bets on specific company pairs that would be considered competitors of each other. The Pension Fund is winding down the remaining investments in hedge fund-of-funds, which invest in a diversified group of underlying hedge funds. In this category there are six hedge fund-of-fund remnants that are subject to a gate. Three of these gates have been in place since 2008 when the Pension Fund gave notice of redemption. One was redeemed in 2016. Most of the investments have been returned, but there is no certainty when the remaining investment of $3,172 will be returned. The gates were put in place to prevent having to sell the assets under duress.

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

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

Real Estate Fund – Real estate investments are diversified by type of real estate such as residential, commercial office, industrial and retail. They are also diversified by stage of development such as opportunistic, value added and core properties. Finally, they are diversified geographically. Two of the investee managers representing $72,363 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 $73,581, of which approximately $38,121 is expected to be called. Fair value for this asset class is determined by appraisals of the underlying properties. The Pension Fund's asset allocation requires that when capital is returned it is reinvested in new partnerships so that the percentage allotted to the asset class can be maintained. Like private equity and private debt limited partnerships, it is possible to sell partnership interests to other investors or secondary partnerships at a substantial cost to the Pension Fund. The Pension Fund has no intention of redeeming these investments prior to maturity. Consequently, these investments are considered illiquid.

Fire and Police Retiree Health Care Fund

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

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

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

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

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

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

The fair value of the Health Fund's cash and investments at December 31, 2019 is $402,468.

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, 2019, the money market fund weighted average to maturity is 48 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, 2019:

	December 31, 2019	
Investment	Fair Value	WAM (Years)
Loomis	$ 8,275	4.6
Double Line	27,928	4.7
Baird	24,352	0.7
Payden	16,834	6.8
Vanguard	15,218	2.5
	$ 92,607	

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, 2019, 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.

Year-Ended September 30, 2020 - 82 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Custodial Credit Risk (Investments) – The custodial credit risk for investments is the risk; in the event of failure of the counterparty to an investment transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2019, the Health Fund's common stock investments are held at Frost Bank's third-party custodian, Bank of New York. Since the investments are maintained separately from the bank's assets, in the event of failure of the bank, the investments held in trust would not be affected.

Concentration of Credit Risk – Concentration risk is the exposure to loss that can result from failing to diversify investments. Accordingly, a government should disclose investments that represent 5.0% or more of its total investments that are invested in a single issuer. Concentration risk does not arise in connection with U.S. government obligations and obligations explicitly guaranteed by the U.S. government; mutual funds; and, similar pooled investments which are designed, in part, to provide diversification. At December 31, 2019, the Health Fund held the following investments which exceeded 5.0% of total investments:

Investment	Balance at December 31 , 2019	% of Total
Pacific Asset Management Bank Loans	$ 20,077	5.1%
SSgA Russell 1000 Index Fund	26,957	6.8%
SSgA MSCI EAFE Index Fund	27,757	7.0%

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Year-Ended September 30, 2020 - 83 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2019, one of the Health Fund's investments (an amount of $4,659 or 1.2% of total investments) is exposed to foreign currency risk. The primary currency for this risk is the Euro.

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

The Health Fund uses the net asset value (NAV) per share as the fair value measurement for its alternative investments since they cannot be traded and, therefore, market-based information regarding their value does not exist. As such, these alternative investments are not categorized according to the fair value hierarchy. At December 31, 2019, the Health Fund's fair value measurements for its investments were as follows:

		Fair Value Measurement Using		
	12/31/2019	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Equity Securities				
U.S. Equity - Common Stock	$ 17,878	$ 17,878	$ -	$ -
Mutual Fund - Fixed Income	92,609	92,609		
Mutual Fund - International Equity	17,130	17,130		
Total Investments by Fair Value Level	$ 127,617	$ 127,617	$ -	$ -
Investments Measured at the Net Asset Value (NAV)				
Real Estate Funds	$ 28,963			
Natural Resource Funds	37,455			
Private Equity Funds	64,836			
Private Debt Funds	10,088			
Global & Domestic Equity Funds	32,656			
Index Funds	94,753			
Total Investments Measured at the NAV	$ 268,751			
Total Investments	$ 396,368			

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds	$ 28,963	$ 6,701		
Natural Resource Funds	37,455	10,624	Annually	90-120 Days
Hedge Funds - Open-Ended Funds			Annually	90-120 Days
Private Equity Funds	64,836	14,173		
Private Debt Funds	10,088		Quarterly	30 Days
Global & Domestic Equity Funds	32,656		Monthly	15-30 Days
Index Funds	94,753		Monthly	3 Days
	$ 268,751	$ 31,498		

Year-Ended September 30, 2020 - 84 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Real Estate Funds – The Health Fund is invested in eight 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 7.0% of the Health Fund's portfolio. For each of the funds, the Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that three funds (representing $3,109 or 10.7% of real estate funds) will liquidate within three years; two funds (representing $8,920 or 30.8% of real estate funds) will liquidate within five years; and, three funds (representing $16,934 or 58.5% of real estate funds) will liquidate within nine years.

Natural Resources Funds – The Health Fund is invested in 11 natural resources funds. These funds are limited partnerships that use harvesting and fund-to-fund strategies. Portfolios for these funds include investments in domestic and international commodities such as; oil, gas, iron, copper, minerals, metals, and energy sources. Fair values have been determined using NAV per share of investments. These natural resources investment funds represent 9.0% of the Health Fund's portfolio, and are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. One investment fund (representing $2,543 or 6.8%) is eligible for redemption on an annual basis with a 90-120 day formal notice. For the other ten funds, management estimates that three funds (representing $3,862 or 10.3% of natural resources funds) will liquidate within three years; three funds (representing $13,794 or 36.8% of natural resources funds) will liquidate within five years; and, four funds (representing $17,256 or 46.1% of natural resources funds) will liquidate within nine years.

Hedge Funds - Open-Ended Funds – The Health Fund invests 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. The fund held no investments in hedge funds as of December 31, 2019.

Private Equity Funds – The Health Fund is invested in ten private equity investment funds. Strategies for these funds include two buyout funds, four diverse fund-to-fund funds, two private debt funds, one secondary fund, and one venture capital 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 16.0% of the Health Fund’s portfolio, and are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that three funds (representing $2,690 or 4.2% of private equity funds) will liquidate within three years; four funds (representing $35,067 or 54.1% of private equity funds) will liquidate within five years; and, three funds (representing $27,079 or 41.8% of private equity funds) will liquidate within nine years.

Private Debt Funds – The Health Fund is invested in one private debt investment fund. 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 3.0% of the Fund's portfolio. This fund is eligible for redemption on a quarterly basis with a 30-day formal notice.

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

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 8.0% 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 five 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 24.0% of the Health Fund's portfolio, and are eligible for redemption with a three day notice.

Subscribed Capital Commitments – As of December 31, 2019, 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 $31,498. As of December 31, 2019, $17,875 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, and funds for future construction or contingencies. Restricted funds also include customer assistance programs that receive proceeds from outside parties and assets of the Decommissioning Trusts. Also included in the restricted funds classification is the Repair and Replacement Account, restricted in accordance with CPS Energy's bond ordinances.

CPS Energy's cash deposits at January 31, 2020 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.

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

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 broker-dealers and investment managers.

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

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 5 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	✓	N/A
Equities	N/A	✓
Investment quality obligations	✓	✓
Corporate bonds	N/A	✓
International securities	N/A	✓
No-load commingled funds	N/A	✓
Securities lending programs	✓	✓
Other specific types of secured or guaranteed investments	✓	✓

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

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

Note 5 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 weighted-average maturity (WAM) method. Since CPS Energy does not hold foreign instruments in its direct investments (those held by CPS Energy), foreign currency risk is not applicable.

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

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

Investment Type	Carrying Value	Fair Value	Allocation	Weighted-Average Maturity (Years)
U.S. Treasuries	$ 27,989	$ 27,989	2.6%	1.0
U.S. Agencies:				
Federal Agriculture Mortgage Corp.	5,001	5,001	0.5%	0.2
Federal Farm Credit Bank	163,578	163,578	15.4%	4.0
Federal Home Loan Bank	62,226	62,226	5.8%	4.8
Federal Home Loan Mortgage Corp.	88,851	88,851	8.4%	3.4
Federal National Mortgage Assn.	146,707	146,707	13.8%	4.8
Small Business Administration	22,678	22,678	2.1%	6.6
Municipal Bonds	152,024	152,024	14.3%	2.3
Investment Pools	297,415	297,415	28.0%	
Money Market Mutual Funds	96,354	96,354	9.1%	
Total Fixed-Income Investments	$ 1,062,823	$ 1,062,823	100.0%	2.3

Year-Ended September 30, 2020 - 89 - Amounts are expressed in thousands

Note 5 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, 2020, 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+)	$ 27,989	$ 27,989	2.6%
AAA	408,065	408,065	38.4%
AA+	526,317	526,317	49.5%
AA	51,885	51,885	4.9%
AA-	19,423	19,423	1.8%
A+	2,775	2,775	0.3%
Not rated[1]	26,369	26,369	2.5%
Total Fixed-Income Investments	$ 1,062,823	$ 1,062,823	100.0%

[1] Interest bearing deposit accounts and CDs, 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, the tables in this section are as of December 31, 2019. These tables address interest rate risk exposure by investment type, concentration of credit risk, credit risk, and foreign currency risk. All investments held by the Decommissioning Trusts are long-term in nature and are recorded at fair value.

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

To mitigate this interest rate risk, a limitation is placed on the weighted-average duration (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 weighted-average duration of the Investment Committee's specified fixed-income index. The specified fixed-income index for the 28% Trust and the 12% Trust is Bloomberg Barclays US Aggregate, which was 5.9 for the period ending December 31, 2019.

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, 2019, total other debt securities (corporate and foreign issuers) amounted to 39.3% of the fixed-income portfolio for the 28% Decommissioning Trust and 43.1% for the 12% Decommissioning Trust.

Year-Ended September 30, 2020 - 90 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

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

	28% Trust			12% Trust		
Investment Type	Fair Value	Allocation	Weighted-Average Duration (Years)	Fair Value	Allocation	Weighted-Average Duration (Years)
U.S. Treasuries	$ 56,964	19.6%	9.0	$ 19,480	17.5%	10.7
U.S. Agencies:						
Federal Home Loan Mortgage Corp.	42,967	14.9%	3.9	17,372	15.6%	3.5
Federal National Mortgage Assn.	40,062	13.8%	4.2	11,405	10.3%	4.2
Government National Mortgage Assn.	3,732	1.3%	8.9	1,468	1.3%	7.2
Small Business Administration	4,737	1.6%	5.3	1,993	1.8%	5.2
Municipal Bonds - Texas	1,188	0.4%	10.4	551	0.5%	10.3
Municipal Bonds - Other States	8,038	2.8%	10.0	3,447	3.1%	10.0
Corporate Bonds	103,035	35.5%	6.4	45,717	41.2%	6.2
Foreign Bonds	11,036	3.8%	5.0	2,150	1.9%	4.5
Money Market Mutual Funds	18,272	6.3%	N/A	7,542	6.8%	N/A
Total Fixed-income Portfolio	$ 290,031	100.0%	6.3	$ 111,125	100.0%	6.5
Combined Decommissioning Trust Funds Total	$ 401,156					

Credit Risk – In accordance with the Investment Policy, exposure to credit risk is managed by limiting all fixed-income investments to a credit rating of ‘BBB-‘, or equivalent, or better from at least two nationally recognized credit rating agencies. If a security’s rating falls below the minimum investment grade rating of ‘BBB-‘ after it has been purchased, the Investment Policy allows investment managers to continue to hold the security as long as the total fair value of securities rated below investment grade does not exceed 5.0% of the total fixed-income portfolio. As noted in the table on the following page, which lists fixed-income investment holdings by credit rating, investments with a credit rating below ‘BBB-‘ did not exceed 5.0% of the total fixed-income portfolio for the 28% Trust or the 12% Trust at December 31, 2019.

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Year-Ended September 30, 2020 - 91 - Amounts are expressed in thousands

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Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

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

Credit Rating	28% Trust Fair Value	28% Trust Allocation	12% Trust Fair Value	12% Trust Allocation
U.S. Treasuries (AA+)	$ 56,964	19.6%	$ 19,480	17.5%
AAA	25,749	8.9%	11,969	10.8%
AA+	100,577	34.7%	37,452	33.7%
AA	2,855	1.0%	1,401	1.3%
AA-	1,862	0.6%	501	0.5%
A+	5,712	2.0%	2,770	2.5%
A	10,608	3.7%	4,719	4.2%
A-	24,429	8.4%	11,470	10.3%
BBB+	30,060	10.4%	11,571	10.4%
BBB	16,368	5.6%	4,957	4.5%
BBB-	9,086	3.1%	2,002	1.8%
BB+	552	0.2%		
BB	529	0.2%	29	0.0%
Not Rated [1]	4,680	1.6%	2,804	2.5%
Total Fixed-income Portfolio	$ 290,031	100.0%	$ 111,125	100.0%
Combined Decommissioning Trust Funds Total	$ 401,156			

[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 – With the exception of dedicated foreign-equity portfolios, all investments authorized for purchase by the Decommissioning Trusts are in U.S. dollars. This reduces the potential foreign currency risk exposure of the portfolio. All foreign bonds outstanding were issued in the U.S. and amounted to $13,186 as of December 31, 2019. 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, 2019, total foreign equity securities amounted to 13.5% of the 28% Trust's total portfolio. At December 31, 2019, total foreign equity securities held by the 12% Trust amounted to 12.2% of the Trust's portfolio.

Year-Ended September 30, 2020 - 92 - Amounts are expressed in thousands

Note 5 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 derivatives. Pricing inputs are derived from published exchange transactions and other observable data sources.

The fair value of real estate held by the Employee Benefit Plans is evaluated annually according to the Plans' policy and is a multi-step process beginning with obtaining a broker's opinion of value. Additionally, independent appraisals and bids received on properties are also utilized to determine fair value.

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, 2020, and the Decommissioning Trust investment balances as of December 31, 2019. 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 15 Risk Financing.

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

	1/31/2020	Level 1	Level 2	Level 3
		Fair Value Measurement Using		
Assets				
Fair Value Investments				
CPS Energy				
Debt Securities				
US Treasuries	$ 27,988	$ 27,988	$ -	$ -
US Agencies				
Federal Agricultural Mortgage Corp	5,001		5,001	
Federal Farm Credit Bank	163,578		163,578	
Federal Home Loan Bank	62,226		62,226	
Federal Home Loan Mortgage Corp	88,851		88,851	
Federal National Mortgage Assn	146,707		146,707	
Small Business Administration	22,678		22,678	
Municipal Bonds	152,024		152,024	
Total CPS Energy Fair Value of Investments	$ 669,053	$ 27,988	$ 641,065	$ -
Decommissioning Trust Investments				
28% Trust	**12/31/2019**	**Level 1**	**Level 2**	**Level 3**
Debt Securities				
US Treasuries	$ 56,964	$ 56,964	$ -	$ -
US Agencies				
Federal Home Loan Mortgage Corp	42,967		42,967	
Federal National Mortgage Assn	40,062		40,062	
Government National Mortgage Assn	3,732		3,732	
Small Business Administration	4,737		4,737	
Municipal Bonds - Texas	1,188		1,188	
Municipal Bonds - Other States	8,038		8,038	
Corporate Bonds	103,035		103,035	
Foreign Bonds	11,036		11,036	
Total 28% Trust Fair Value Fixed-Income Income Portfolio	$ 271,759	$ 56,964	$ 214,795	$ -
Equity Securities				
Common Stock	$ 134,184	$ 134,184	$ -	$ -
Real Estate Investment Trusts	44,277	44,277		
Preferred Stock	751		751	
Total 28% Trust Fair Value Investments	$ 450,971	$ 235,425	$ 215,546	$ -
12% Trust	**12/31/2019**	**Level 1**	**Level 2**	**Level 3**
Debt Securities				
US Treasuries	$ 19,480	$ 19,480	$ -	$ -
US Agencies				
Federal Home Loan Mortgage Corp	17,372		17,372	
Federal National Mortgage Assn	11,405		11,405	
Government National Mortgage Assn	1,468		1,468	
Small Business Administration	1,993		1,993	
Municipal Bonds - Texas	551		551	
Municipal Bonds - Other States	3,447		3,447	
Corporate Bonds	45,717		45,717	
Foreign Bonds	2,150		2,150	
Total 12% Trust Fair Value Fixed-Income Income Portfolio	$ 103,583	$ 19,480	$ 84,103	$ -
Equity Securities				
Common Stock	$ 45,445	$ 45,445	$ -	$ -
Real Estate Investment Trusts	16,261	16,261		
Total 12% Trust Fair Value Investments	$ 165,289	$ 81,186	$ 84,103	$ -
Total Trust Fair Value Investments	$ 616,260	$ 316,611	$ 299,649	$ -
Total Fair Value Investments	$ 1,285,313	$ 344,599	$ 940,714	$ -

Year-Ended September 30, 2020 - 94 - Amounts are expressed in thousands

Note 5 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. A summary of SAWS' cash, cash equivalents, and investments can be found at the beginning of Note 5.

As of December 31, 2019, SAWS' funds are deposited in demand and savings 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, 2019, the collateral pledged is being held by the Federal Home Loan Bank of Dallas under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2019, the bank balance of SAWS' demand and savings accounts was $1,762 and the reported amount was ($1,541) which included $27 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. 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 Institutional and Bank of New York Mellon and are invested in securities issued by the U.S. government or by U.S. Agencies. Funds in investment pools are invested in TexPool Prime and Texas Class Investment Pool. Both 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 5 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, 2019.

Investment Type	Reported Value	Fair Value	Allocation [1]	Rating [2]	WAM (Days)
U.S. Treasury Securities	$ 149,935	$ 149,935	15.8%	AA+	404
U.S. Agency Notes	436,818	436,818	45.9%	AA+	445
Municipal Bonds	69,979	69,979	7.4%	AAA/AA-	792
Money Market Mutual Funds held in Escrow:					
Bank of New York Mellon	21,137	21,137	2.2%	AAAm	1
Fidelity Institutional MMF	29,687	29,687	3.1%	AAAm	1
Texas Class Investment Pool	125,644	125,644	13.2%	AAAm	1
Texpool Prime Local Government Pool	117,631	117,631	12.4%	AAAm	1
Total Investments	$ 950,831	$ 950,831	100.0%		326

[1] The allocation is based on fair value.
[2] Standard & Poor'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, 2019, the longest remaining maturity for any investment was slightly under five years and 65.5% of the investment portfolio matures in less than one year.

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

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.

Custodial Credit Risk – SAWS' risk is completely mitigated by insurance coverage provided by the custodian that protects against loss of cash or securities held in custody, and collateral in the form of Treasury Securities over the FDIC limit. Texas public fund accounts are collateralized at 100.0%. As of December 31, 2019, the percentage of SAWS' investment portfolio for government-sponsored issuers was as follows: 13.8% in Federal Home Loan Bank, 13.5% in Federal Farm Credit Bank, 11.6% in Federal Home Loan Mortgage Corporation, 5.1% in Federal National Mortgage Association, and 1.9% in Federal Agriculture Mortgage Corporation.

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

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

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Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

San Antonio Water System (SAWS) (Continued)

		Fair Value Measurement Using		
	12/31/2019	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	$ 149,935	$ 149,935	$ -	$ -
U.S. Agency Notes	436,818		436,818	
Municipal Bonds	69,979		69,979	
Total Investments measured at fair value	$ 656,732	$ 149,935	$ 506,797	$ -

Restricted Cash and Investments – Cash and investments are restricted for a variety of purposes based on the requirement set forth in City Ordinance 75686, state law or SAWS policy. The following table summarizes both current and noncurrent restricted cash and investments by purpose at December 31, 2019.

	12/31/2019
Restricted for:	
Operations	$ 58,408
Debt Service	82,943
Debt Service Reserve	56,277
Construction - accrued liabilities	61,073
Construction - capital recovery fees	163,313
Construction - bond proceeds	53,418
Total Restricted Cash & Investments	$ 475,432

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

The following table summarizes the cash and investments restricted for Debt Service Reserve at December 31, 2019, based on the allocation of the funds between junior lien and senior lien bond requirements.

	December 31, 2019
Restricted for Junior Lien Bonds	$ 15,930
Restricted for Senior Lien Bonds	40,347
Total Cash & Investments - Debt Service Reserve	$ 56,277

Year-Ended September 30, 2020 - 97 - Amounts are expressed in thousands

Note 5 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

San Antonio Water System (SAWS) (Continued)

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 6 Capital Assets

Primary Government (City)

Capital assets were reduced by $1,002 for impairment losses in fiscal year 2020 for governmental activities. The impairment losses are allocated as follows: $825 General Government expenses, $33 Public Safety expenses and $144 in Miscellaneous revenue as a component of the gain/loss on capital assets on the Statement of Activities.

Capital asset activity for governmental activities, to include internal service funds, for the year-ended September 30, 2020 is as follows:

Capital Assets - Governmental Activities

	Beginning Balance (Restated)	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	$ 1,418,662	$ 7,832	$ (176)	$ 28	$ 1,426,346
Construction in Progress	271,543	337,487	(21,856)	(210,413)	376,761
Non-Depreciable Intangible Assets	206,062	14,831	(103)		220,790
Total Non-Depreciable Assets	$ 1,896,267	$ 360,150	$ (22,135)	$ (210,385)	$ 2,023,897
Depreciable Assets:					
Intangible Assets	4,308				4,308
Buildings	1,381,534	1,585		36,838	1,419,957
Improvements	1,035,464	1,038		43,157	1,079,659
Infrastructure	3,566,111			121,624	3,687,735
Machinery and Equipment	655,150	57,184	(15,238)	8,766	705,862
Total Depreciable Assets	$ 6,642,567	$ 59,807	$ (15,238)	$ 210,385	$ 6,897,521
Accumulated Depreciation:					
Intangible Assets	(4,056)	(82)			(4,138)
Buildings	(475,210)	(37,924)			(513,134)
Improvements	(410,957)	(48,733)			(459,690)
Infrastructure	(2,174,739)	(92,151)			(2,266,890)
Machinery and Equipment	(409,102)	(57,576)	12,948		(453,730)
Total Accumulated Depreciation	$ (3,474,064)	$ (236,466)	$ 12,948	$ -	$ (3,697,582)
Total Depreciable Assets, net	$ 3,168,503	$ (176,659)	$ (2,290)	$ 210,385	$ 3,199,939
Total Capital Assets, net	$ 5,064,770	$ 183,491	$ (24,425)	$ -	$ 5,223,836

Depreciation expense was charged to governmental functions as follows:

General Government	$ 18,501
Public Safety	11,804
Public Works	130,800
Health Services	457
Sanitation	22
Welfare	1,201
Culture and Recreation	23,623
Convention and Tourism	15,028
Urban Redevelopment and Housing	175
Economic Development and Opportunity	329
Education	961
Depreciation on Capital Assets Held by City's Internal Service Funds are Charged to Various Functions Based on Asset Usage	33,565
Total Depreciation Expense for Governmental Activities	$ 236,466

The capital assets of internal service funds are included in governmental activities. With the reclassification of the City Tower Fund to Other Internal Service Funds described in Note 20, the beginning internal service funds capital assets balance was increased by $60, and beginning accumulated depreciation was increased by $46, resulting in restated beginning book value of $132,615. In fiscal year 2020, internal service funds capital assets increased by $40,340, and decreased by $13,889, of which $144 was for impairments, resulting in an ending balance of $303,553. Depreciation expense of $33,565, less the $11,774 in previously depreciated assets disposed of during the current year, resulted in an ending accumulated depreciation balance of $166,278. Net book value is $137,275.

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Note 6 Capital Assets (Continued)

Primary Government (City) (Continued)

No impairments were identified for business-type activities.

Capital asset activity for business-type activities for the year-ended September 30, 2020, 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	19,225	21,407	(633)	(18,746)	21,253
Solid Waste Management		661			661
Nonmajor Enterprise Funds	4,042	11,114		(9,925)	5,231
Total Construction in Progress	$ 23,267	$ 33,182	$ (633)	$ (28,671)	$ 27,145
Total Non-Depreciable Assets	$ 39,063	$ 33,182	$ (633)	$ (28,671)	$ 42,941
Depreciable Assets:					
Intangible Assets:					
Airport System	352				352
Total Intangible Assets	$ 352	$ -	$ -	$ -	$ 352
Buildings:					
Airport System	540,364			1,844	542,208
Solid Waste Management	11,283		(136)		11,147
Nonmajor Enterprise Funds	26,187			949	27,136
Total Buildings	$ 577,834	$ -	$ (136)	$ 2,793	$ 580,491
Improvements:					
Airport System	581,990			16,901	598,891
Solid Waste Management	9,529				9,529
Nonmajor Enterprise Funds	14,276				14,276
Total Improvements	$ 605,795	$ -	$ -	$ 16,901	$ 622,696
Machinery and Equipment:					
Airport System	29,735	491	(142)		30,084
Solid Waste Management	30,851	782	(1,075)		30,558
Nonmajor Enterprise Funds	13,217	959	(22)	8,977	23,131
Total Machinery and Equipment	$ 73,803	$ 2,232	$ (1,239)	$ 8,977	$ 83,773
Total Depreciable Assets	$ 1,257,784	$ 2,232	$ (1,375)	$ 28,671	$ 1,287,312
Accumulated Depreciation:					
Intangible Assets:					
Airport System	(100)	(70)			(170)
Total Intangible Assets	$ (100)	$ (70)	$ -	$ -	$ (170)
Buildings:					
Airport System	(162,292)	(15,117)			(177,409)
Solid Waste Management	(2,308)	(392)	40		(2,660)
Nonmajor Enterprise Funds	(16,011)	(656)			(16,667)
Total Buildings	$ (180,611)	$ (16,165)	$ 40	$ -	$ (196,736)
Improvements:					
Airport System	(250,331)	(21,795)			(272,126)
Solid Waste Management	(4,781)	(384)			(5,165)
Nonmajor Enterprise Funds	(6,718)	(640)			(7,358)
Total Improvements	$ (261,830)	$ (22,819)	$ -	$ -	$ (284,649)
Machinery and Equipment:					
Airport System	(17,469)	(3,951)	142		(21,278)
Solid Waste Management	(19,161)	(3,113)	1,075		(21,199)
Nonmajor Enterprise Funds	(5,843)	(2,204)	22		(8,025)
Total Machinery and Equipment	$ (42,473)	$ (9,268)	$ 1,239	$ -	$ (50,502)
Total Accumulated Depreciation	$ (485,014)	$ (48,322)	$ 1,279	$ -	$ (532,057)
Total Depreciable Assets, net	$ 772,770	$ (46,090)	$ (96)	$ 28,671	$ 755,255
Total Capital Assets, net	$ 811,833	$ (12,908)	$ (729)	$ -	$ 798,196

Year-Ended September 30, 2020 - 100 - Amounts are expressed in thousands

Note 6 Capital Assets (Continued)

Primary Government (City) (Continued)

The City capitalizes interest incurred on construction projects, in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. In fiscal year 2020, the City capitalized $19 construction interest for the Airport System, and $168 for nonmajor enterprise funds. Interest expense for Solid Waste Management was $1,614. Solid Waste Management did not capitalize interest. See Note 8 Long-Term Obligations regarding the City's interest.

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). Excluding STP (nuclear units), the following is a list of power stations and respective generating units in service at January 31, 2020:

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

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

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

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

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

Asset Impairments – There were no capital asset impairments identified for fiscal year 2020.

Note 6 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, 2020
STP Capital Assets, net	
Land	$ 5,701
Construction in progress, STP Units 1 and 2	37,112
Electrical and general plant	828,768
Intangibles	9,879
Nuclear Fuel	136,573
Total STP Capital Assets, net	$ 1,018,033
Total CPS Energy Capital Assets, net	$ 8,500,046
STP Capital Investments as a percentage of total CPS Energy Capital Assets, net	12.0%

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, 2020 - 102 - Amounts are expressed in thousands

Note 6 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 2020:

Capital Assets - CPS Energy

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	$ 104,991	$ 1,536	$ 3,278	$ (5,288)	$ 104,517
Easements	107,531		(11)		107,520
Construction in Progress	580,984	575,455	(454,849)	464	702,054
Total Non-Depreciable Assets	$ 793,506	$ 576,991	$ (451,582)	$ (4,824)	$ 914,091
Depreciable Assets:					
Utility Plant in Service:					
Electric Plant	11,077,814	139,682	339,107	(30,527)	11,526,076
Gas Plant	1,021,214	11,728	54,342	(57)	1,087,227
General Plant	726,142	7,867	24,602	(52,054)	706,557
Intangibles:					
Software	259,520		33,531	(11,529)	281,522
Other	38,572				38,572
Nuclear Fuel	1,001,284	76,575			1,077,859
Total Depreciable Assets	$ 14,124,546	$ 235,852	$ 451,582	$ (94,167)	$ 14,717,813
Accumulated Depreciation and Amortization:					
Utility Plant in Service:					
Electric Plant[1]	(5,132,300)	(320,576)		44,701	(5,408,175)
Gas Plant[1]	(395,345)	(23,443)		1,781	(417,007)
General Plant	(261,741)	(49,690)		41,757	(269,674)
Intangibles:					
Software	(72,583)	(26,271)		11,528	(87,326)
Other	(7,370)	(1,020)			(8,390)
Nuclear Fuel	(894,043)	(47,243)			(941,286)
Total Accumulated Depreciation Depletion and Amortization	$ (6,763,382)	$ (468,243)	$ -	$ 99,767	$ (7,131,858)
Total Capital Assets, net	$ 8,154,670	$ 344,600	$ -	$ 776	$ 8,500,046

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

Cash flow information – Cash paid for additions and net removal costs totaled $630,268. This amount includes $736,268 in additions to construction-in-progress and electric, gas and general plant, net JBSA gas and electric systems acquisition of $87,054 plus net salvage and removal costs of $5,512, partially offset by $14,873 in AFUDC and $4,035 in donated assets. Net cash proceeds received from the sale of capital assets totaled $14,020.

Other – Depreciation and amortization expense for the period totaled $421,000, while amortization of nuclear fuel of $47,243 was included in fuel expense on CPS Energy's Statement of Revenues, Expenses and Changes in Net Position.

Year-Ended September 30, 2020 - 103 - Amounts are expressed in thousands

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Note 6 Capital Assets (Continued)

San Antonio Water System (SAWS)

SAWS implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* In accordance with this statement, SAWS no longer capitalizes interest expense during the construction period.

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	$ 113,123	$ 204	$ 1,914	$ (234)	$ 115,007
Intangible Assets:					
Water Rights	248,881				248,881
Other	370				370
Construction in Progress	506,810	532,265	(362,785)	(2,657)	673,633
Total Non-Depreciable Assets	$ 869,184	$ 532,469	$ (360,871)	$ (2,891)	$ 1,037,891
Depreciable Assets:					
Utility Plant in Service:					
Structures and Improvements	825,607	493	30,487		856,587
Pumping and Purification	248,214	951	5,811	(189)	254,787
Distribution and Transmission System	2,580,582		110,956	(6,441)	2,685,097
Treatment Facilities	2,435,022	65	182,326	(21,672)	2,595,741
Total Utility Plant in Service	$ 6,089,425	$ 1,509	$ 329,580	$ (28,302)	$ 6,392,212
Machinery and Equipment:					
Machinery and Equipment	306,784	6,565	31,291	(5,346)	339,294
Furniture and Fixtures	6,595				6,595
Computer Equipment	23,457	1,825		(821)	24,461
Software	52,246	197			52,443
Total Machinery and Equipment	$ 389,082	$ 8,587	$ 31,291	$ (6,167)	$ 422,793
Intangible Assets	1,354				1,354
Total Depreciable Assets	$ 6,479,861	$ 10,096	$ 360,871	$ (34,469)	$ 6,816,359
Accumulated Depreciation:					
Utility Plant in Service:					
Structures and Improvements	(231,813)	(21,773)			(253,586)
Pumping and Purification	(78,064)	(8,213)		189	(86,088)
Distribution and Transmission System	(772,617)	(51,985)		6,441	(818,161)
Treatment Facilities	(799,108)	(48,456)		21,671	(825,893)
Machinery and Equipment:					
Machinery and Equipment	(144,122)	(19,863)		5,165	(158,820)
Furniture and Fixtures	(6,147)	(76)			(6,223)
Computer Equipment	(18,128)	(1,877)		776	(19,229)
Software	(32,379)	(3,793)			(36,172)
Intangible Assets	(583)	(68)			(651)
Total Accumulated Depreciation	$ (2,082,961)	$ (156,104)	$ -	$ 34,242	$ (2,204,823)
Total Depreciable Assets, net	$ 4,396,900	$ (146,008)	$ 360,871	$ (227)	$ 4,611,536
Total Capital Assets, net	$ 5,266,084	$ 386,461	$ -	$ (3,118)	$ 5,649,427

Year-Ended September 30, 2020 - 104 - Amounts are expressed in thousands

Note 6 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 $2,657 in 2019.

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Note 7 Receivables and Payables

Disaggregation of Receivables and Payables

Primary Government (City)

Net receivables at September 30, 2020 are as follows:

	Customer Accounts	Taxes	Note and Loans	Accrued Interest	Other	Total Net Receivables
Governmental Activities	$ 111,084	$ 27,061	$ 256,397	$ 3,069	$ 53,724	$ 451,335
Business-Type Activities	15,426		2,000	396		17,822
Total	$ 126,510	$ 27,061	$ 258,397	$ 3,465	$ 53,724	$ 469,157

The receivable balances for Governmental Activities have been reduced by estimated allowances for doubtful accounts of $65,928 against customer accounts, $4,296 against property and occupancy taxes, $40,184 against notes and loans, and $33,275 against other receivables. The receivable balances for Business-Type Activities have been reduced by estimated allowances for doubtful accounts of $733 against customer accounts.

Of the $258,397 recorded in note and loans, $258,110 is not expected to be collected within one year. Included in the $258,110 is a loan receivable for $169,688 associated with CCHFC that is expected to be paid off in 2039. The remaining $88,422 note and loans receivables not expected to be collected within one year are related to General Fund, CDBG, HOME, Community Services, TIRZ, and Parking System, net of allowance for doubtful accounts of $40,184. The $40,184 allowance is comprised of forgivable non-interest bearing notes and loans and aged loans greater than 90 days that are collectible. The $88,422 notes and loans have a corresponding deferred inflows of resources balance recorded within the respective funds. Governmental Activities note and loans balances are $86,422; Business-Type Activities balances are $2,000.

Payables at September 30, 2020 are as follows:

	Accounts	Accrued Payroll	Total Payables
Governmental Activities	$ 174,017	$ 35,133	$ 209,150
Business-Type Activities	21,914	4,600	26,514
Total	$ 195,931	$ 39,733	$ 235,664

CPS Energy

Disaggregation of Receivables – Net customer accounts receivable as of January 31, 2020, included $21,430 for unbilled revenue receivables and $176,972 for billed utility services. Interest and other receivables included $13,447 for regulatory-related receivables; $7,850 for interest receivable; and $44,828 for other miscellaneous receivables.

Disaggregation of Payables – At January 31, 2020, accounts payable and accrued liabilities included $273,520 related to standard operating supplier and vendor accounts payables, including fuels payable; $47,131 for employee-related payables; $57,873 for customer related payables; $56,981 for STP-related payables; and $74,966 for other miscellaneous payables and accrued liabilities.

Year-Ended September 30, 2020 - 106 - Amounts are expressed in thousands

Note 7 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, 2019 included $43,260 from customers; $35,839 in unbilled revenue; $3,304 in interest receivable; and $1,256 receivable from other governmental agencies, less an allowance of $6,205.

Disaggregation of Payables – At December 31, 2019, accounts payable and other current liabilities included $39,632 in accounts payable; $5,890 in vacation payable; $5,642 in accrued payroll and benefits; $61,073 in construction contracts; $16,008 in customer deposits; and $8,312 in claims payable.

Interfund Receivable and Payable Balances

Primary Government (City)

As of September 30, 2020, the interfund receivable and payable balances represent short-term loans resulting from timing differences between the dates that transactions are recorded in the accounting system and short-term borrowings at fiscal year-end. The General Fund reported $30,720 due from other funds as result of overdraws of pooled cash. All interfund balances are expected to be paid within one year.

Different fiscal year-ends exist between the City and Pre-K 4 SA component unit, (September 30^{th} and June 30^{th}, respectively); therefore, interfund receivables and payables do not eliminate by $1,266. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to Pre-K 4 SA represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30; however, Pre-K 4 SA's due from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2020. These transactions are in accordance with legislative and contractual requirements.

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Note 7 Receivables and Payables (Continued)

Interfund Receivable and Payable Balances (Continued)

Primary Government (City) (Continued)

The following is a summary of interfund receivables and payables for the City as of September 30, 2020:

	Due From Other Funds	Due To Other Funds
General Fund:		
Debt Service Fund	$ 65	$ 373
COVID-19 Response & Relief Fund	14,888	2,514
Nonmajor Governmental Funds	15,767	
Total General Fund	$ 30,720	$ 2,887
Debt Service Fund:		
General Fund	373	65
Airport System Fund	2,689	
Total Debt Service Fund	$ 3,062	$ 65
COVID-19 Response & Relief Fund:		
General Fund	2,514	14,888
Total COVID-19 Response & Relief Fund	$ 2,514	$ 14,888
Nonmajor Governmental Funds:		
General Fund		15,767
Nonmajor Governmental Funds	7,243	8,509
Nonmajor Enterprise Funds		4,648
Internal Service Funds		13
Total Nonmajor Governmental Funds	$ 7,243	$ 28,937
Airport System Fund:		
Debt Service Fund		2,689
Total Airport System Fund	$ -	$ 2,689
Nonmajor Enterprise Funds:		
Nonmajor Governmental Funds	4,648	
Total Nonmajor Enterprise Funds	$ 4,648	$ -
Internal Service Funds:		
Nonmajor Governmental Funds	13	
Total Internal Service Funds	$ 13	$ -
Total	$ 48,200	$ 49,466

Year-Ended September 30, 2020 - 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 2020.

On October 29, 2019, the City issued $6,065 in Texas Municipal Facilities Corporation Contract Revenue Notes, Taxable Series 2019 to pay costs related to the redevelopment of two buildings at Brooks City Base. The Notes were issued through private placement with maturities between 2020 and 2034, with an interest rate of 2.4%.

On January 29, 2020, the City issued $11,300 in Texas Public Property Finance Contractual Obligations, Series 2020 to refund outstanding lease purchased equipment including helicopters, breathing apparatus, thermal imaging cameras, bunker gear, ambulances, direct capture filtration and fire trucks. The Obligations were issued through private placement with maturities between 2021 and 2025, with an interest rate of 1.7%.

On June 30, 2020, the City issued $27,895 in General Improvement Refunding Bonds, Series 2020 to refinance existing debt for interest cost savings. The bonds allocated $125 from proceeds to Solid Waste Management and the remaining $27,770 was allocated to governmental activities. The governmental activities portion of bonds included a premium of $1,293, which was used to fund an escrow account for the redemption discharge and defeasance of the General Improvement Refunding Bonds, Series 2010. As a result of the defeasance, the City will realize a total decrease of $1,153 in debt service payments and total deferred charges of $2,429. Through this defeasance, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of $1,100. The governmental portion of the refunding proceeds have maturities ranging from 2021 to 2023, with interest rates ranging from 4.0% to 5.0%.

On June 30, 2020, the City issued $443,695 in General Improvement Refunding Bonds, Taxable Series 2020 to refinance existing debt for interest cost savings. The governmental portion of the proceeds of $437,420 was used to fund an escrow account for the redemption discharge and defeasance of the refunded obligations; the remaining proceeds of $6,275 were allocated to the Parking System. As a result of the defeasance the City will realize a total decrease of $56,947 in debt service payments and total deferred charges of $25,759. Through this defeasance, the City obtained an economic gain of $46,115. The governmental activities portion of the proceeds have maturities ranging from 2021 to 2034, with interest rates ranging from 0.3% to 2.0%.

On August 25, 2020, the City issued $145,565 in General Improvement Bonds, Series 2020; $40,500 in Combination Tax and Revenue Certificates of Obligation, Series 2020; $15,440 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2020; and $43,795 in Tax Notes, Series 2020.

The General Improvement Bonds, Series 2020 included a premium of $30,404, and were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks, recreation, and open spaces; library, museum, and cultural facilities; and public safety facilities. These bonds represent the fourth installment of the Bond Program approved by voters in May 2017. The Bonds have maturities ranging from 2021 to 2040, with interest rates ranging from 3.0% to 5.0%.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Issuances (Continued)

The Combination Tax and Revenue Certificates of Obligation, Series 2020 included a premium of $9,038, and were issued to finance improvements to public safety; streets; municipal facilities; and funding for capital contingency. The certificates have maturities ranging from 2021 to 2040, with interest rates ranging from 3.0% to 5.0%.

The Combination Tax and Revenue Certificates of Obligation, Taxable Series 2020 proceeds were issued to finance improvements to the Alamodome, Witte Museum, and other municipal facilities. They have maturities ranging from 2021 to 2040, with interest rates ranging from 0.3% to 2.4%.

The Tax Notes, Series 2020 proceeds included a premium of $4,012, and were issued to finance improvements for fire, parks, information technology, deferred maintenance and street maintenance projects. The Tax Notes have maturities ranging from 2021 to 2023, with an interest rate of 5.0%.

Pledges and Significant Terms

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

Texas Municipal Facilities Corporation Lease Revenue Bonds are paid by annually appropriated lease payments made by the City’s Development Service Fund which equal the annual debt service on the bonds. The Texas Municipal Facilities Corporation Contract Revenue Notes are paid by annually appropriated Brooks City-Base Tax Increment Reinvestment Zone revenues. 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.

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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)

Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds are secured by net operating revenues to be received from Convention Center Hotel operations. In the event that net operating revenues are insufficient to pay all debt service, City tax revenues are pledged in the following order of priority: first, from the Convention Center Hotel 7.0% local Hotel Occupancy Tax (HOT) revenues; and second, from available 2.0% Expansion HOT revenues; third, from the cash component in the debt service reserve fund of $2,759; fourth, from the Ambac Surety Policy in the debt service reserve fund; and fifth, from the Ambac Financial Guaranty Insurance Policy. Remedies granted to the trustee under the indenture for nonpayment of the bonds include: (i) immediate acceleration of all debt service (upon consent of the bond insurer), (ii) filing a mandamus action to compel the issuer to perform its covenants and duties under the indenture, (iii) prohibiting the withdrawal of money from certain funds held in the indenture without the bond insurer's consent, (iv) requesting a court to appoint the trustee or another entity as the receiver of the trust estate, commence foreclosure under the deed of trust by private sale or judicial foreclosure upon consent of the bond insurer, (v) transferring money from certain funds held under the indenture to the debt service fund as permitted under the indenture, (vi) entering into agreements or other arrangements as the bond insurer determines to be necessary or appropriate to retain the developer under the existing ground lease or make modifications to the ground lease (subject to the issuer's and City's consent and the delivery of an opinion of Bond Counsel that such agreement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any of the tax-exempt bonds), (vii) taking such actions, including the filing and prosecution of lawsuits, upon direction of the bond insurer, as may be required to enforce for the benefit of the registered owners and the bond insurer the terms of any agreements or instruments relating to the hotel project or the bonds, or any part thereof, which the trustee, at the written direction of the bond insurer, may be entitled to enforce, (viii) exercising any right of the issuer to give any consent or notice, to take any act or refrain from taking any act, and otherwise act in the full place and stead of the issuer in any transaction document, and (ix) take such other steps to protect and enforce its rights and the rights of the registered owners of the bonds, whether by action, suit or proceeding in aid of the execution of any power granted under the indenture or for the enforcement of any other appropriate legal or equitable remedy, including, but not limited to, proceeding by suit, at law or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the principal and redemption price of and interest then due on the bonds.

In July 2020, revenues from Convention Center Hotel operations were insufficient to pay all Hotel debt service of $8,903 and $338 which was paid by the City from pledged HOT revenues per the bond covenant. The City will be reimbursed as revenues are available through the flow of funds for the bonds and a receivable has been recorded for the debt payments made by the City on behalf of the Convention Center Hotel. Refer to Note 21 Subsequent Events for more information.

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.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

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 is $2,185,230. 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.

Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds are paid by annually appropriated lease payments from any money that has not been encumbered to secure the payment of any indebtedness of the City and that may lawfully be used with respect to any payment obligated or permitted under the lease agreement, including but not limited to unencumbered and lawfully available revenues derived by the City from hotel occupancy taxes levied by the City; annual ad valorem taxes levied for maintenance and operation purposes; the 1.0% general sales and use tax levied by the City; and transfers from City-owned utility systems. The finance plan is 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.

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

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

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, 2020, $394,305 of previously defeased bonds is outstanding including $125 that is reported with business-type activities.

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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, 2020 for governmental activities:

Governmental Activities Long-Term Debt							
	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2019	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2020
Tax-Exempt General Obligation Bonds:							
Series 2010 Refunding	$ 155,710	2020	2.000-5.000	$ 55,725	$ -	$ (55,725)	$ -
Series 2010A	8,800	2020	5.000	2,515		(2,515)	
Series 2011	59,485	2031	2.000-5.000	40,935		(38,215)	2,720
Series 2012 Refunding	33,410	2024	2.000-5.000	16,220		(15,345)	875
Series 2012	148,600	2032	2.000-5.000	100,100		(85,450)	14,650
Series 2013	114,435	2033	2.000-5.000	86,945		(77,460)	9,485
Series 2014	227,030	2034	2.000-5.000	170,840		(88,340)	82,500
Series 2014 Refunding	51,955	2025	0.500-5.000	13,120		(3,860)	9,260
Series 2015 Refunding	233,220	2035	4.000-5.000	149,025		(41,430)	107,595
Series 2016 Refunding	193,875	2036	3.000-5.000	161,255		(17,165)	144,090
Series 2017	88,070	2037	4.000-5.000	73,685		(2,930)	70,755
Series 2018	154,850	2038	3.000-5.000	132,990		(4,365)	128,625
Series 2019 Refunding (HUD)	24,570	2025	2.000-5.000	21,090		(3,135)	17,955
Series 2019 Refunding	383,940	2040	3.000-5.000	383,940		(5,160)	378,780
Series 2020 Refunding	27,770	2023	4.000-5.000		27,770		27,770
Series 2020	145,565	2040	3.000-5.000		145,565		145,565
Total Tax-Exempt General Obligation Bonds	$ 2,051,285			$ 1,408,385	$ 173,335	$ (441,095)	$ 1,140,625
Taxable General Obligation Bonds:							
Series 2010B BABs	$ 191,550	2020	4.314-6.038	$ 4,135	$ -	$ (4,135)	$ -
Series 2020 Refunding	437,420	2034	0.314-2.013		437,420		437,420
Total Taxable General Obligation Bonds	$ 628,970			$ 4,135	$ 437,420	$ (4,135)	$ 437,420
Tax-Exempt Certificates of Obligation:						-	
Series 2011	$ 79,780	2031	2.000-5.000	$ 56,300	$ -	$ (52,570)	$ 3,730
Series 2012	19,340	2032	1.000-5.000	14,580		(12,755)	1,825
Series 2013	15,145	2028	2.000-5.000	10,085		(8,105)	1,980
Series 2015	36,360	2035	1.500-5.000	31,505		(10,730)	20,775
Series 2016	78,270	2036	2.000-5.000	70,295		(2,820)	67,475
Series 2017	67,295	2037	3.000-5.000	54,060		(2,290)	51,770
Series 2018	109,235	2038	4.000-5.000	105,580		(3,475)	102,105
Series 2019	30,235	2039	4.000-5.000	30,235		(1,650)	28,585
Series 2020	40,500	2040	3.000-5.000		40,500		40,500
Total Tax-Exempt Certificates of Obligation	$ 476,160			$ 372,640	$ 40,500	$ (94,395)	$ 318,745
Taxable Certificates of Obligation:							
Series 2015	$ 43,820	2035	0.880-4.162	$ 36,815	$ -	$ (1,800)	$ 35,015
Series 2016	24,830	2036	0.921-3.278	23,450		(1,595)	21,855
Series 2018	8,600	2038	2.580-4.050	8,295		(315)	7,980
Series 2020	15,440	2040	0.300-2.400		15,440		15,440
Total Taxable Certificates of Obligation	$ 92,690			$ 68,560	$ 15,440	$ (3,710)	$ 80,290
Tax Notes:							
Series 2014B	$ 5,970	2021	2.000-3.000	$ 1,815	$ -	$ (895)	$ 920
Series 2017	18,725	2020	5.000	6,525		(6,525)	
Series 2018	28,070	2020	4.000-5.000	14,260		(14,260)	
Series 2019	34,535	2022	5.000	34,535		(11,040)	23,495
Series 2020	43,795	2023	5.000		43,795		43,795
Total Tax Notes	$ 131,095			$ 57,135	$ 43,795	$ (32,720)	$ 68,210
Revenue Bonds:							
Series 2013 Municipal Drainage	$ 70,685	2030	3.000-5.000	$ 52,910	$ -	$ (4,165)	$ 48,745
Series 2010 Municipal Facilities Corp Refunding	9,090	2020	1.000-3.250	1,085		(1,085)	
Series 2011 Municipal Facilities Corp	27,925	2041	2.000-5.000	23,705		(665)	23,040
Series 2005A CCHFC Empowerment Zone	129,930	2039	4.750-5.000	129,930			129,930
Series 2005B CCHFC Empowerment Zone	78,215	2028	4.500-5.310	47,590		(4,435)	43,155
Series 2013 Starbright Industrial Dev Corp	20,890	2033	1.078-4.750	17,215		(985)	16,230
Series 2012 Public Facilities Corp[1]	550,374	2042	3.000-5.100	541,729		(3,115)	538,614
Total Revenue Bonds	$ 887,109			$ 814,164	$ -	$ (14,450)	$ 799,714
Bonds from Direct Placements:							
Series 2016 Taxable Certificates of Obligation	$ 47,000	2046	2.640	$ 47,000	$ -	$ -	$ 47,000
Series 2014 Tax Notes	1,400	2021	1.800	430		(210)	220
Series 2013A Revenue Notes	20,900	2020	2.320	3,335		(3,335)	
Series 2019 Municipal Facilities Corp	6,065	2034	2.390		6,065	(275)	5,790
Series 2020 Public Property Finance - Contractual Obligations	11,300	2025	1.701		11,300		11,300
Total Bonds from Direct Placements	$ 86,665			$ 50,765	$ 17,365	$ (3,820)	$ 64,310
Total	$ 4,353,974			$ 2,775,784	$ 727,855	$ (594,325)	$ 2,909,314

[1] A portion of the Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012 was sold as Capital Appreciation Bonds (CABS). Interest on the CABS accretes from date of delivery and will be payable only at maturity or redemption. The interest accreted has resulted in an increase of $2,157 in revenue bonds payable, resulting in an ending balance of $14,399. This increase is reflected in the Statement of Net Position but is not reflected in this table.

Year-Ended September 30, 2020 - 114 - 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, and Bonds from Direct Placements outstanding as of September 30, 2020 are as follows:

Principal and Interest Requirements

Year-Ending September 30,	General Obligation Bonds[1] Principal	General Obligation Bonds[1] Interest	Certificates of Obligation[2] Principal	Certificates of Obligation[2] Interest	Tax Notes Principal	Tax Notes Interest
2021	$ 124,265	$ 54,482	$ 23,775	$ 16,598	$ 26,425	$ 3,141
2022	110,730	49,544	18,605	15,792	26,545	2,089
2023	107,500	45,424	19,475	14,937	15,240	762
2024	104,560	41,844	20,315	14,081		
2025	101,645	38,089	21,200	13,187		
2026-2030	454,885	138,516	113,185	51,005		
2031-2035	373,920	69,254	125,575	26,163		
2036-2040	200,540	17,899	56,905	4,914		
Total	$ 1,578,045	$ 455,052	$ 399,035	$ 156,677	$ 68,210	$ 5,992

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

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

Principal and Interest Requirements

Year-Ending September 30,	Revenue Bonds Principal	Revenue Bonds Interest	Bonds from Direct Placements Principal	Bonds from Direct Placements Interest
2021	$ 14,090	$ 33,329	$ 2,760	$ 1,550
2022	16,970	32,640	6,305	1,454
2023	19,125	31,803	3,940	1,342
2024	21,485	30,854	4,025	1,260
2025	23,995	29,812	4,105	1,177
2026-2030	159,980	130,133	9,555	4,981
2031-2035	200,124	105,226	10,380	3,685
2036-2040	226,740	110,628	9,730	2,393
2041-2045	117,205	7,109	11,105	1,046
2046-2050			2,405	31
Total	$ 799,714	$ 511,535	$ 64,310	$ 18,919

Year-Ended September 30, 2020 - 115 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

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

Authorized but Unissued General Obligation Debt

Authorization Date	Purpose	Amount Authorized	Bonds Previously Issued [1]	Bonds Authorized but Unissued
5/6/2017	Streets, Bridges, and Sidewalks	$ 445,263	$ 352,468	$ 92,795
5/6/2017	Drainage and Flood Control	138,988	108,704	30,284
5/6/2017	Parks, Recreation, and Open Space	187,313	161,882	25,432
5/6/2017	Library, museum, and Cultural Facilities	24,025	19,843	4,182
5/6/2017	Public Safety Facilities	34,411	31,094	3,317
5/6/2017	Neighborhood Improvements	20,000	20,000	
Total		$ 850,000	$ 693,990	$ 156,010

[1] The amount issued of $693,990 includes the par value of the bonds in the amount of $603,600, the premium of the bonds in the amount of $94,552, and less the cost of issuance of $4,162.

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 2020 was $140,886,739 which provides a debt ceiling of $14,088,674. The total outstanding debt that is secured by an ad valorem tax pledge is $2,185,230 including $81,420 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 2020 Debt Service rate was 21.150 cents per $100 of taxable valuation. (Figures in this paragraph are not in thousands).

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Notes Payable

In June 2015, a loan was authorized in the amount of $6,100 to finance the costs of acquiring and renovating City Tower to consolidate City administration into a single facility. Remedies for nonpayment of debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year as well as the declaration of the loan, or any part thereof, immediately due and payable. The loan amount outstanding as of September 30, 2020 is $6,100.

In 2016, Hemisfair Park Area Redevelopment Center (HPARC), a blended component unit of the City, entered into two five-year, 4.5% interest, loan agreements totaling $511 to finance the construction of two parking lots. The loans allow for accelerated payments which they intend to make from the proceeds of parking lot revenues. As of September 30, 2020, the loans have an outstanding balance of $185.

	Principal and Interest Requirements			
	Notes from Direct Placements		Notes from Direct Borrowings	
Year-Ending September 30,	Principal	Interest	Principal	Interest
2021	$ 6,100	$ 119	$ 112	$ 4
2022			73	1
Total	$ 6,100	$ 119	$ 185	$ 5

In fiscal year 2020, HPARC entered a Paycheck Protection Plan (PPP) loan agreement with a bank maturing in 2022 to continue to pay staff compensation amid the COVID-19 pandemic in the amount of $188. The interest rate through the life of the loan was 1% and payable monthly beginning on November 20, 2020. No interest or principal payments were made on this loan for the year-ended September 30, 2020.

On April 15, 2020, Municipal Golf Association-San Antonio (MGA-SA) received an $868 PPP loan for payroll and facility costs. No interest or principal payments were made on this loan for the year-ended September 30, 2020

Subsequent to year-end September 30, 2020, HPARC and MGA-SA received notice that the PPP loan forgiveness application was approved by the Small Business Administration.

Interfund Borrowings

In 2016, the City authorized proceeds from the Combination Tax and Revenue Certificates of Obligation, Taxable Series 2016 to finance improvements to Hemisfair Park including continuing restoration of historic buildings, a civic park, landscaping, and other improvements. HPARC agreed to fund all regularly scheduled debt service on this debt. Until this debt has been fully repaid and retired, revenues from the North West Quadrant P3 development would be paid directly to the City, on behalf of HPARC, in order to fund the annual debt service requirements. To the extent that those revenues are not sufficient, HPARC would repay the debt service through the use of 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 two year deferral with debt payments to the City resuming in fiscal year 2023. The deferred amounts will be amortized over the remaining term of the debt and will be paid by HPARC along with the scheduled annual debt service payments.

Year-Ended September 30, 2020 - 117 - Amounts are expressed in thousands

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Interfund Borrowings (Continued)

The following is HPARC's restructured debt schedule for fiscal year-ended September 30, 2020:

Year-Ending September 30,	Principal and Interest Requirements: Principal	Interest	Total
2021	$ -	$ -	$ -
2022			
2023	1,133	414	1,547
2024	1,174	395	1,569
2025	1,194	375	1,569
2026-2030	6,337	1,504	7,841
2031-2035	7,147	706	7,853
2036	1,549	22	1,571
Total	$ 18,534	$ 3,416	$ 21,950

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

The following is a summary of changes in the loans for the fiscal year-ended September 30, 2020:

	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2019	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2020
Series 2010	$ 1,185	2025	3.676	$ 550	$ -	$ (85)	$ 465
Series 2015	4,000	2025	1.500-5.000	2,600		(380)	2,220
Series 2016	3,275	2031	2.000-5.000	2,780		(175)	2,605
2017 Note	300	2020	0.000	100		(100)	
Series 2018	1,315	2033	4.000-5.000	1,255		(65)	1,190
Total	$ 10,075			$ 7,285	$ -	$ (805)	$ 6,480

Leases

The City leases property and equipment from others. Leased property having elements of ownership is recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both notes through direct borrowing and operating lease payments are recorded as expenditures when matured in the governmental fund financial statements. Total expenditures for operating leases for the fiscal year-ended September 30, 2020 were approximately $15,395.

Year-Ended September 30, 2020 - 118 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Leases (Continued)

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

	Principal and Interest Requirements Capital Leases from Direct Borrowings		
Year-Ending September 30,	Principal	Interest	Total
2021	$ 1,241	$ 207	$ 1,448
2022	1,295	154	1,449
2023	1,186	98	1,284
2024	681	62	743
2025	615	40	655
2026-2027	733	20	753
Total	$ 5,751	$ 581	$ 6,332

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

Machinery and Equipment	$ 45,535
Less: Accumulated Depreciation	(29,877)
Total	$ 15,658

As of September 30, 2020, the City had future minimum lease payments under operating leases with a remaining term in excess of one year for governmental activities as follows:

Year-Ending September 30,	Operating Leases
2021	$ 14,805
2022	8,683
2023	6,643
2024	4,176
2025	1,621
2026-2030	6,415
2031-2035	5,176
2036-2040	4,246
2041-2045	3,552
2046-After	3,959
Future Minimum Lease Payments	$ 59,276

Year-Ended September 30, 2020 - 119 - 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 November 20, 2019, the City issued $47,255 in Airport System Revenue Refunding Bonds (GARB), Series 2019A (AMT); $36,280 in Airport System Revenue Refunding Bonds, Taxable Series 2019B; $63,405 in Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding (PFC) Bonds, Series 2019A (AMT); and $31,535 in Passenger Facility Charge and Subordinate Lien Airport System Revenue Refunding Bonds, Taxable Series 2019B to refinance existing debt for interest cost savings.

The Series 2019A GARBs included a premium of $9,012 and were issued for currently refunding a portion of the City's outstanding indebtedness originally issued to finance Airport System improvements and for paying the costs of issuance. As a result of the defeasance, the City will realize a total decrease of $13,391 in debt service payments and total deferred charges of $612. Through this defeasance, the City obtained an economic gain of $10,606. The bonds have maturities ranging from 2020 to 2032, with an interest rate of 5.0%.

The proceeds from the Taxable Series 2019B GARBs were issued for advance refunding a portion of the City's outstanding indebtedness originally issued to finance Airport System improvements and for paying the costs of issuance. As a result of the defeasance, the City will realize a total decrease of $9,032 in debt service payments and total deferred charges of $1,780. Through this defeasance, the City obtained an economic gain of $5,845. The bonds have maturities ranging from 2021 to 2040, with interest rates ranging from 2.0% to 3.5%.

The Series 2019A PFC Bonds included a premium of $11,380 and the funds were issued for currently refunding a portion of the City's outstanding indebtedness originally issued to finance Airport System improvements, for making a deposit into the PFC Bond Reserve Fund, and for paying the costs of issuance. As a result of the defeasance, the City will realize a total decrease of $9,824 in debt service payments and total deferred charges of $541. Through this defeasance, the City obtained an economic gain of $7,508. The bonds have maturities ranging from 2020 to 2032, with an interest rate of 5.0%.

The proceeds from the Taxable Series 2019B PFC Bonds were issued for advance refunding a portion of the City's outstanding indebtedness originally issued to finance Airport System improvements, for making a deposit into the PFC Bond Reserve Fund, and for paying the costs of issuance. As a result of the defeasance, the City will realize a total decrease of $3,390 in debt service payments and total deferred charges of $1,546. Through this defeasance, the City obtained an economic gain of $1,730. The bonds have maturities ranging from 2021 to 2040, with interest rates ranging from 2.1% to 3.7%.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

Issuances (Continued)

On June 30, 2020, $6,275 of the $443,695 in General Improvement Refunding Bonds, Taxable Series 2020 was allocated to the Parking System, and were issued for the redemption, discharge, and defeasance of the refunded obligations. As a result of defeasing the debt, the City will realize a total decrease of $347 in debt service payments and total deferred charges of $5. Through this defeasance, the City obtained an economic gain of $290. The Bonds have maturities ranging from 2021 to 2024, with interest rates ranging from 0.3% to 0.6%.

Additionally, on June 30, 2020, $125 of the $27,895 in General Improvement Refunding Bonds, Series 2020 was allocated to Solid Waste Management. The net proceeds for the allocated portion of the bonds included a premium of $6, which was applied to fund an escrow account for the redemption, discharge, and defeasance of the refunded obligations. As a result of the defeasance, the City will realize a total decrease of $4 in debt service payments and total deferred charges of $1. Through this defeasance, the City obtained an economic gain of $3. The bond matures in 2021, with an interest rate of 4.0%.

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, are payable from Airport System Revenues and secured by an ad valorem tax pledge.

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

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.

The total outstanding debt that is secured by an ad valorem tax pledge allocated to business-type activities is $81,420. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate or default rate of interest for City non-payment.

Capitalized Interest Costs

Interest costs incurred on revenue bonds and other borrowings totaled $16,367 for the Airport System and $285 for nonmajor enterprise funds. For fiscal year 2020, the amount of $19 was capitalized for the Airport System and $168 for nonmajor enterprise funds. The capitalized interest was included as an addition to construction in progress. Solid Waste Management did not have capitalized interest in fiscal year 2020.

Line of Credit

The Tax Notes, Taxable Series 2017, is part of an active line of credit for use by the Airport System to fund required capital improvements. As of September 30, 2020, the amount of Tax Notes available to be issued and drawn upon is $64,000.

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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, 2020 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, 2019	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2020
Airport System:							
Revenue Bonds:							
Series 2005 PFC	$ 38,085	2020	3.375-5.250	$ 22,550	$ -	$ (22,550)	$ -
Series 2007	82,400	2020	4.950-5.250	57,670		(57,670)	
Series 2007 PFC	74,860	2020	5.000-5.250	49,800		(49,800)	
Series 2010A Refunding	42,220	2020	2.000-5.250	37,110		(37,110)	
Series 2010 PFC Refunding	37,335	2020	2.000-5.375	30,190		(30,190)	
Series 2012 Refunding	70,135	2027	2.000-5.000	43,090		(4,585)	38,505
Series 2012 PFC Refunding	25,790	2027	2.000-5.000	16,145		(1,680)	14,465
Series 2015	38,805	2045	5.000	38,805		(760)	38,045
Series 2015 CFC	123,900	2045	2.910-5.871	123,200		(950)	122,250
Series 2019A Refunding	47,255	2032	5.000		47,255	(1,245)	46,010
Series 2019B Refunding	36,280	2040	2.020-3.527		36,280		36,280
Series 2019A PFC Refunding	63,405	2032	5.000		63,405	(2,105)	61,300
Series 2019B PFC Refunding	31,535	2040	2.120-3.707		31,535		31,535
Subtotal	$ 712,005			$ 418,560	$ 178,475	$ (208,645)	$ 388,390
Bonds from Direct Placements:							
Taxable Tax Notes, Series 2017	36,000	2024	3.080	36,000			36,000
Subtotal	$ 36,000			$ 36,000	$ -	$ -	$ 36,000
Solid Waste Management:							
Tax-Exempt General Obligation Bonds:							
Series 2010 Refunding	$ 545	2020	2.000-5.000	$ 280	$ -	$ (280)	$ -
Series 2014 Refunding	245	2023	5.000	165		(15)	150
Series 2015 Refunding	1,290	2028	4.000-5.000	1,290			1,290
Series 2016 Refunding	300	2026	3.000-5.000	215		(30)	185
Series 2020 Refunding	125	2021	4.000		125		125
Tax-Exempt Certificates of Obligation:							
Series 2016	6,585	2036	2.000-5.000	5,960		(225)	5,735
Series 2017	6,065	2037	3.000-5.000	4,885		(205)	4,680
Series 2018	22,375	2038	4.000-5.000	21,690		(710)	20,980
Subtotal	$ 37,530			$ 34,485	$ 125	$ (1,465)	$ 33,145
Development Services:							
Tax-Exempt Certificates of Obligation:							
Series 2019	$ 6,190	2039	4.000-5.000	6,190		(190)	6,000
Subtotal	$ 6,190			$ 6,190	$ -	$ (190)	$ 6,000
Parking System:							
Taxable General Obligation Bonds:							
Series 2008 Refunding	$ 10,120	2020	5.820-6.570	$ 6,870	$ -	$ (6,870)	$ -
Series 2020 Refunding	6,275	2024	0.314-0.613		6,275		6,275
Subtotal	$ 16,395			$ 6,870	$ 6,275	$ (6,870)	$ 6,275
Total	$ 808,120			$ 502,105	$ 184,875	$ (217,170)	$ 469,810

Year-Ended September 30, 2020 - 123 - Amounts are expressed in thousands

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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, 2020 are as follows:

Principal and Interest Requirements

Year-Ending September 30,	Airport System Principal	Airport System Interest	Airport System Total	Airport System Bonds from Direct Placements Principal	Airport System Bonds from Direct Placements Interest	Airport System Bonds from Direct Placements Total	Solid Waste Management Principal	Solid Waste Management Interest	Solid Waste Management Total
2021	$ 18,005	$ 18,690	$ 36,695	$ -	$ 1,109	$ 1,109	$ 1,405	$ 1,558	$ 2,963
2022	19,040	17,924	36,964		1,109	1,109	1,480	1,488	2,968
2023	20,115	19,305	39,420		1,109	1,109	1,545	1,413	2,958
2024	21,260	13,994	35,254	36,000	1,109	37,109	1,625	1,335	2,960
2025	22,505	15,213	37,718				1,700	1,254	2,954
2026-2030	104,495	60,495	164,990				9,045	4,975	14,020
2031-2035	69,110	38,944	108,054				10,575	2,750	13,325
2036-2040	60,900	24,334	85,234				5,770	527	6,297
2041-2045	52,960	9,356	62,316						
Total	$ 388,390	$ 218,255	$ 606,645	$ 36,000	$ 4,435	$ 40,435	$ 33,145	$ 15,300	$ 48,445

Principal and Interest Requirements

Year-Ending September 30,	Development Services Principal	Development Services Interest	Development Services Total	Parking System Principal	Parking System Interest	Parking System Total
2021	$ 200	$ 275	$ 475	$ 1,560	$ 26	$ 1,586
2022	210	265	475	1,565	20	1,585
2023	220	255	475	1,570	13	1,583
2024	230	244	474	1,580	5	1,585
2025	240	232	472			
2026-2030	1,400	968	2,368			
2031-2035	1,785	585	2,370			
2036-2040	1,715	175	1,890			
Total	$ 6,000	$ 2,999	$ 8,999	$ 6,275	$ 64	$ 6,339

Year-Ended September 30, 2020 - 124 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

Leases

The City has entered into a lease purchase agreement through direct borrowing for the acquisition of energy/water saving conservation improvements. This lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of its future minimum lease payments as of the date of inception. Payments on the lease purchase will be made from budgeted annual appropriations to be approved by the City Council. The assets are pledged as collateral for the associated debt. The lease may contain a provision that in an event of default, a portion or an entire amount of the lease payable is immediately due.

	Principal and Interest Requirements Capital Leases from Direct Borrowings		
Year-Ending September 30,	Principal	Interest	Total
2021	$ 196	$ 45	$ 241
2022	203	38	241
2023	210	31	241
2024	218	23	241
2025	225	15	240
2026-2027	290	8	298
Total	$ 1,342	$ 160	$ 1,502

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

Machinery and Equipment	$ 23,907
Less: Accumulated Depreciation	(16,709)
Total	$ 7,198

As of September 30, 2020, the City had future minimum payments under operating leases with a remaining term in excess of one year for business-type activities as follows:

Year-Ending September 30,	Operating Leases
2021	$ 619
2022	520
2023	10
2024	1
Future Minimum Lease Payments	$ 1,150

Year-Ended September 30, 2020 - 125 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental and Business-Type Activities Long-Term Obligations

Long-term obligations and amounts due within one year:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	$ 1,408,385	$ 173,335	$ (441,095)	$ 1,140,625	$ 115,555
Taxable General Obligation Bonds	4,135	437,420	(4,135)	437,420	8,710
Tax-Exempt Certificates of Obligation	372,640	40,500	(94,395)	318,745	19,275
Taxable Certificates of Obligation	68,560	15,440	(3,710)	80,290	4,500
Tax Notes	57,135	43,795	(32,720)	68,210	26,425
Revenue Bonds	814,164		(14,450)	799,714	14,090
Bonds from Direct Placements	50,765	17,365	(3,820)	64,310	2,760
Gross Bonds Payable	$ 2,775,784	$ 727,855	$ (594,325)	$ 2,909,314	$ 191,315
Unamortized (Discount) / Premium	$ 186,418	$ 44,747	$ (49,835)	$ 181,330	$ 30,298
Net Bonds Payable	$ 2,962,202	$ 772,602	$ (644,160)	$ 3,090,644	$ 221,613
Other Payables:					
Capital Leases from Direct Borrowings	$ 18,771	$ 502	$ (13,522)	$ 5,751	$ 1,241
Notes from Direct Placements	6,100			6,100	6,100
Notes from Direct Borrowings	223	1,056	(38)	1,241	1,168
Accrued Leave Payable	227,906	92,280	(81,787)	238,399	91,721
Net Pension Liability [1]	1,211,047	800,368	(1,108,396)	903,019	
Net OPEB Liability [2]	941,221	181,724	(46,423)	1,076,522	
Claims Payable Liability	55,345	153,758	(146,112)	62,991	23,422
Pollution Remediation Liability [4]	376	1,501	(326)	1,551	1,301
Asset Retirement Liability [4]	742		(45)	697	38
Other Payable	13	4	(4)	13	
Total Other Payables	$ 2,461,744	$ 1,231,193	$ (1,396,653)	$ 2,296,284	$ 124,991
Total Governmental Activities	$ 5,423,946	$ 2,003,795	$ (2,040,813)	$ 5,386,928	$ 346,604
Business-Type Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	$ 1,950	$ 125	$ (325)	$ 1,750	$ 205
Taxable General Obligation Bonds	6,870	6,275	(6,870)	6,275	1,560
Tax-Exempt Certificates of Obligation	38,725		(1,330)	37,395	1,400
Revenue Bonds	418,560	178,475	(208,645)	388,390	18,005
Bonds from Direct Placements	36,000			36,000	
Gross Bonds Payable	$ 502,105	$ 184,875	$ (217,170)	$ 469,810	$ 21,170
Unamortized (Discount) / Premium	$ 10,742	$ 20,398	$ (5,859)	$ 25,281	$ 4,585
Net Bonds Payable	$ 512,847	$ 205,273	$ (223,029)	$ 495,091	$ 25,755
Other Payables:					
Capital Leases from Direct Borrowings	$ 8,127	$ -	$ (6,785)	$ 1,342	$ 196
Accrued Leave Payable	6,501	5,233	(4,396)	7,338	5,094
Net Pension Liability [1]	111,996	61,260	(83,229)	90,027	
Net OPEB Liability [2]	80,969	16,106	(2,849)	94,226	
Accrued Landfill Postclosure Costs [3]	1,043	135	(302)	876	214
Pollution Remediation Liability [4]	1,274			1,274	
Asset Retirement Liability [4]	314	232	(3)	543	
Total Other Payables	$ 210,224	$ 82,966	$ (97,564)	$ 195,626	$ 5,504
Total Business-Type Activities	$ 723,071	$ 288,239	$ (320,593)	$ 690,717	$ 31,259

NOTE: Interest accreted increased by $2,157 due to the bond payment's maturity schedule, resulting in an ending balance of $14,399, which increases governmental activities' revenue bonds payable. This increase is reflected in the combined Statement of Net Position but is not reflected in this table.

[1] See Note 10 Pension and Retirement Plans for a description of the pension program.
[2] See Note 11 Other Postemployment Retirement Benefits for a description of the postemployment program.
[3] See Note 13 Commitments and Contingencies for a description of the Landfill Postclosure Care Costs.
[4] See Note 14 Other Obligations for a description of the Pollution Remediation Liability and Asset Retirement Liability.

Year-Ended September 30, 2020 - 126 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental 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, 2020:

Governmental Activities

Fund Type	Short-Term Available	Short-Term Remaining	Total Short-Term	Long-Term	Total
Governmental Funds	$ 7,711	$ 80,725	$ 88,436	$ 144,126	$ 232,562
Internal Service Funds		3,285	3,285	2,552	5,837
Total Governmental Activities	$ 7,711	$ 84,010	$ 91,721	$ 146,678	$ 238,399

The General Fund accounts for approximately 68.0% 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	$ 2,030	$ 1,125	$ 3,155
Solid Waste Management	1,736	987	2,723
Nonmajor Enterprise Funds	1,328	132	1,460
Total Business-Type Activities	$ 5,094	$ 2,244	$ 7,338

Conduit Debt Obligations

The City facilitates the issuance of bonds to enable IDA, EFC and the EZDC, component units of the City, to provide financial assistance to various entities for the acquisition, construction, or renovation of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired property transfers to the entity served by the bond issuance. As of September 30, 2020, the aggregate principal amounts payable are as follows: eight series of EFC Revenue Bonds in the amount of $307,709; one series of IDA Revenue Bonds in the amount of $5,100; and two series of EZDC Revenue Bonds in the amount of $39,900.

The City facilitates the issuance of single-family and multi-family bonds to enable the San Antonio Housing Trust Finance Corporation, a component of the City, to provide affordable housing to the citizens of San Antonio. The bonds are payable solely out of the revenues and receipts derived from any residential development or home mortgage financed by the bonds. As of September 30, 2020, the amount of conduit debt was $259,424.

Year-Ended September 30, 2020 - 127 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

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

Conduit Debt Obligations (Continued)

The City also facilitates the issuance of tax-exempt revenue bonds for SA Energy Acquisition Public Facility Corporation (SAEAPFC) to enter into long-term prepaid purchases of natural gas. SAEAPFC, in turn, sells contracted volumes of the prepaid gas to CPS Energy on a monthly basis at a discounted rate, which is passed on to CPS Energy's gas customers through reduced utility costs. The bonds are secured by the gas supplier and are payable primarily from the contracted volume sales and associated gas swap payments. As of September 30, 2020, SAEAPFC has one series of tax-exempt revenue bonds with an aggregate principal amount outstanding of $200,455.

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

CPS Energy

To support its long-term capital financing needs, CPS Energy uses several types of debt instruments. As of January 31, 2020, 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.

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Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

As of January 31, 2020, the bond ordinances for New Series Bonds contained, among others, the following provisions:

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

- Maintenance and operating expenses of CPS Energy;
- Payment of the New Series Bonds;
- Payment of prior lien bonds, including junior lien obligations;
- Payment of the notes and the credit agreement (as defined in the ordinance authorizing commercial paper);
- Payment of any inferior lien obligations issued, which are inferior in lien to the New Series Bonds, the prior lien bonds and the notes and credit agreement;
- An annual amount equal to 6.0% of the gross 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.

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 the Systems, 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.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

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

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

Revenue Bonds

On September 25, 2019, CPS Energy issued $114,685 of New Series 2019 Senior Lien Revenue Refunding Bonds. Bond proceeds, including the $22,829 premium associated with the bonds, were used to refund $116,775 par value of the New Series 2012 Revenue Bonds. The refunding transaction resulted in net present value debt service savings of $3,137, or 2.7%, of the par amount of the bonds being refunded. The true interest cost for this issue, which has maturities in fiscal year 2026 through fiscal year 2030, is 1.5%.

On November 21, 2019, CPS Energy issued $252,640 of Series 2019 Junior Lien Revenue Refunding Bonds. Bond proceeds, including $52,849 premium associated with the bonds, were used to partially refund $100,000 par value of the 2010A Senior Lien Revenue Bonds (BABs) and $200,000 of the 2010B Junior Lien Revenue Bonds (BABs). The refunding transaction resulted in a net present value debt service savings of $50,128, or 16.7%, of the par amount of the bonds being refunded. The true interest cost for this issuance, which has maturities in fiscal year 2033 through fiscal year 2041, is 2.9%.

On December 2, 2019, CPS Energy remarketed $124,205 of Series 2015A Variable-Rate Junior Lien Revenue Refunding Bonds. The issuance of $890 premium, in conjunction with the remarketing, resulted in a principal paydown for the remarketed bonds of approximately $350. The bonds have maturities in fiscal year 2029 through fiscal year 2033. The coupon rate for these bonds is 1.8%, with a current yield of 1.6% and true interest cost of 4.3%, which reflects stepped interest rate provisions applicable to the bonds.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

On December 2, 2019, CPS Energy remarketed $99,740 of Series 2015C Variable-Rate Junior Lien Revenue Refunding Bonds. The issuance of $715 premium, in conjunction with the remarketing, resulted in a principal paydown for the remarketed bonds of approximately $260. The bonds have maturities in fiscal year 2039 through fiscal year 2046. The coupon rate for these bonds is 1.8%, with a current yield of 1.6% and true interest cost of 5.2%, which reflects stepped interest rate provisions applicable to the bonds.

On January 28, 2020, CPS Energy issued $134,580 of New Series 2020 Senior Lien Revenue Refunding Bonds. Proceeds, including the $36,436 premium associated with the bonds, were used to refund $170,000 par value of the Commercial Paper Series A. The true interest cost for this issue, which has maturities in fiscal year 2026 through fiscal year 2049, is 3.1%.

On January 28, 2020, CPS Energy issued $127,770 of Series 2020 Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds, including the $3,078 premium associated with the bonds, were used to refund $50,000 and $80,000 par value of the Commercial Paper Series A and Commercial Paper Series C, respectively. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in fiscal year 2042 through fiscal year 2049, is 5.0%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 1.8% and a stepped rate of 7.0%, which is only applicable if the bonds are not remarketed before their expiration date.

On January 28, 2020, $108,000 of New Series 2016 Senior Lien Revenue Refunding Bonds were legally defeased with cash. Under the defeasance, the debt obligations were technically voided, as the cash was escrowed with a third party to service the debt. As a result, $12,487 was recorded as cost of defeasance representing the additional cash put into escrow for the interest that would have been incurred in fiscal year 2022 through fiscal year 2025.

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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, 2019	Additions During Year	Decreases During Year	Balance Outstanding January 31, 2020
Revenue and Refunding Bonds:							
2009C Taxable New Series [1]	$ 375,000	2039	3.944	$ 375,000	$ -	$ -	$ 375,000
2010A Taxable New Series [1]	380,000	2041	3.834	380,000		(100,000)	280,000
2010A Taxable Junior Lien [1]	300,000	2041	3.806	300,000			300,000
2010B Taxable Junior Lien [1]	200,000	2037	4.101	200,000		(200,000)	
2012 Taxable New Series	521,000	2042	4.382	521,000		(116,775)	404,225
2012 Tax Exempt New Series	655,370	2025	2.552	655,370			655,370
2013 Tax Exempt Junior Lien	375,000	2048	4.753	375,000			375,000
2014 Tax Exempt Junior Lien	200,000	2044	4.142	200,000			200,000
2014 Tax Exempt Junior Lien	262,530	2020	1.220	81,205		(81,205)	
2015A Tax Exempt Junior Lien	125,000	2033	Variable	124,555	124,205	(124,555)	124,205
2015B Tax Exempt Junior Lien	125,000	2033	Variable	123,275			123,275
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	2046	Variable	100,000	99,740	(100,000)	99,740
2015D Tax Exempt Junior Lien	100,000	2046	Variable	100,000			100,000
2016 Tax Exempt Senior Lien	544,260	2034	2.144	519,140		(108,000)	411,140
2017 Tax Exempt Senior Lien	40,685	2021	1.126	6,485		(6,365)	120
2017 Tax Exempt Senior Lien	267,320	2047	3.804	267,320			267,320
2017 Tax Exempt Senior Lien	194,980	2047	3.619	194,980			194,980
2018 Tax Exempt Senior Lien	218,285	2028	2.745	218,285		(49,150)	169,135
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
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
Bonds Outstanding				$ 5,479,405	$ 853,620	$ (886,050)	$ 5,446,975
Bond Current Maturities				(136,720)	(24,440)		(161,160)
Bond (Discount)/Premium				347,612	116,797	(68,384)	396,025
Revenue Bonds, Net				$ 5,690,297	$ 945,977	$ (954,434)	$ 5,681,840
Tax Exempt Commercial Paper (TECP)			Variable	205,000	320,000	(430,000)	95,000
Long-term debt, net				$ 5,895,297	$ 1,265,977	$ (1,384,434)	$ 5,776,840

[1] Direct Subsidy Build America Bonds

In fiscal year 2020, after a sequestration reduction totaling $1,506, the total subsidy received for the 2009C and 2010A Senior Lien Build America Bonds (BABs) and the 2010A and 2010B Junior Lien BABs was $23,348.

Year-Ended September 30, 2020 - 132 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

As of January 31, 2020, 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
2021	$ 161,160	$ 250,091	$ (18,404)	$ 392,847
2022	164,495	247,344	(18,403)	393,436
2023	169,790	245,426	(18,403)	396,813
2024	172,780	243,267	(18,403)	397,644
2025	180,880	236,357	(18,403)	398,834
2026-2030	886,725	1,131,631	(92,594)	1,925,762
2031-2035	1,063,488	901,856	(94,805)	1,870,539
2036-2040	1,360,311	597,990	(55,542)	1,902,759
2041-2045	920,023	251,316	(2,768)	1,168,571
2046-2049	367,323	46,078		413,401
Totals	$ 5,446,975	$ 4,151,356	$ (337,725)	$ 9,260,606

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 and Series 2015B Junior Lien Bonds were issued as multi-modal variable-rate bonds. The Series 2015A 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 previous table for this series thereafter through applicable final maturity. The Series 2015B Junior Lien Bonds were remarketed in fiscal year 2018 and utilize an interest rate of 2.0% through their term rate period’s expiration in fiscal year 2022. A stepped rate of 7.0% is assumed in the previous table for this series thereafter through applicable final maturity.

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 previous table for this series thereafter through applicable final maturity. The Series 2015D Junior Lien Bonds were initially issued in a term rate mode as variable-rate bonds that utilize an interest rate of 3.0% through their term rate period's expiration in fiscal year 2021. A stepped rate of 8.0% 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.

The Series 2018 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 2.8% through their term rate period's expiration in fiscal year 2023. A stepped rate of 8.0% is assumed in the 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.

Year-Ended September 30, 2020 - 133 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

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 previous page 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.

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 2020 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately $29,510. Debt reacquisition costs reported as deferred outflows of resources totaled $61,391 at January 31, 2020. These amounts are amortized as components of interest expense using the effective interest method over the shorter of the remaining life of the refunding or the refunded debt.

CPS Energy, as a rate-regulated entity and in accordance with guidance found in GASB Statement No. 62, establishes regulatory assets for debt issuance costs that would otherwise be required to be expensed in accordance with GASB Statement No. 65. This regulatory accounting treatment results in the amortization of these costs over the life of the related debt. Debt issuance costs, which are reported within other noncurrent assets on the Statements of Net Position, totaled $37,803 at January 31, 2020.

Accrued Leave

Employees earn vacation benefits based upon their employment status and years of service. As of January 31, 2020, the accruals for employee vested benefits were $22,293. These accruals are reported under Accounts Payable and Other Current Liabilities.

San Antonio Water System (SAWS)

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

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

City Ordinance No. 75686 requires SAWS to make payments to the City each month after making all other payments required by the ordinance. The amount of the payment is determined by City Council from time to time and cannot exceed 5.0% of gross revenues. Gross Revenues consist of all revenue with respect to the operation and ownership of SAWS with the exception of capital contributions, payments received under the CPS Energy contract, the federal subsidy of interest on Build America Bonds and earnings on funds deposited in the Project Fund and Reserve Fund until the Reserve Fund contains the required reserve amount. As of October 1, 2019, SAWS pays 4.0% of gross revenues to the City.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

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

On January 29, 2019, SAWS issued $166,480 City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue Bonds, Series 2019A (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, and (ii) pay the cost of issuance. The bonds are multi-modal variable rate bonds, initially issued in a term mode through April 30, 2024 at an interest rate of 2.6% with a yield of 2.5%. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On June 25, 2019, SAWS deposited $178,931 from available cash on hand in an irrevocable trust for the legal defeasance of $16,490 City of San Antonio, Texas Water System Revenue Bonds, Taxable Series 2009B (Direct Subsidy – Build America Bonds); $23,510 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2011A; $107 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2012; and $20,620 City of San Antonio Water System Revenue and Refunding Bonds, Series 2012A. The defeasance of these bonds reduced future debt service by approximately $213,087 between 2020 and 2028.

On September 25, 2019, SAWS issued $30,765 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2019B through the Texas Water Development Board. The bonds were sold under the Drinking Water State Revolving Fund Program. The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, which qualify under the Texas Water Development Board Program, and (ii) pay the cost of issuance. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On October 23, 2019, SAWS issued $82,565 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2019C (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) refund the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2007, (ii) refund the City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2009, (iii) refund $64,660 in outstanding City of San Antonio, Texas Water System Taxable Bonds, Series 2010B (Direct Subsidy – Build America Bonds), and (iv) pay the cost of issuance. The refunding reduced total future debt service payments by approximately $28,408 and resulted in an economic gain of $14,246. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

Senior lien water system revenue bonds outstanding as of December 31, 2019 consist of the Series 2009B, Series 2010B, Series 2011, Series 2011A, Series 2012, and Series 2012A, outstanding in the amount of $466,260. Senior lien revenue bonds are collateralized by a senior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operation and maintenance of SAWS and maintaining a two-month operating reserve for such expenses. Interest rates on senior lien bonds range from 3.0% to 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 water system revenue bonds are collateralized by a junior lien and pledge of the gross revenue of SAWS after deducting the current expenses of operation and maintenance of SAWS, maintaining a two-month operating reserve for such expenses, and paying debt service on senior lien debt.

As of December 31, 2019, direct placement bonds with TWDB consist of Series 2009A, Series 2010A, Series 2011, Series 2011A, Series 2012, Series 2013A, Series 2013C, Series 2013D, Series 2014C, Series 2014D, Series 2015A, Series 2016D, Series 2016E, Series 2018B, and Series 2019B in an outstanding amount of $373,435. Interest rates on the junior lien fixed rate bonds range from 0.0% to 3.9%.

As of December 31, 2019, outstanding junior lien fixed rate revenue bonds consist of Series 2012, Series 2013B, Series 2013E, Series 2014A, Series 2015B, Series 2016A, Series 2016C, Series 2017A, Series 2018A, and Series 2019C (all No Reserve Fund), and Taxable Series 2016B is outstanding in the amount of $1,341,960. Interest rates on the junior lien fixed rate bonds range from 2.5% to 5.0%.

The junior lien variable rate bonds, comprised of the Bonds Series 2013F, Series 2014B, and the Series 2017A (all No Reserve Fund) are outstanding in the amount of $364,865 at December 31, 2019. The Series 2013F Bonds are tax-exempt variable rate notes initially issued in a Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, with the interest rate reset weekly, through the initial interest period which expired October 31, 2016. On November 1, 2016, SAWS remarketed $98,795 in Series 2013F Bonds into a five-year interest rate period that ends October 31, 2021, the new interest period. During the new interest period, the Series 2013F Bonds bear interest at 2.0% with a yield of 1.6%. The Series 2014B Bonds are tax-exempt variable rate notes initially issued in a SIFMA Index Mode, with the interest rate reset weekly, through the initial interest period expiring October 31, 2017. On November 1, 2017, SAWS remarketed $99,590 in Series 2014B Bonds into a five-year interest rate period that ends October 31, 2022, the new interest period. During the new interest period, the Series 2014B Bonds bear interest at 2.0% with a yield of 1.8%. The Series 2019A Bonds are tax-exempt variable rate notes initially issued in the term mode through April 30, 2024, the initial interest period, at an interest rate of 2.6% with a yield of 2.5%.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

Upon conclusion of the initial interest period, or any subsequent new interest period, SAWS is permitted to change the mode for all or any portion of the junior lien variable interest bonds to a different mode or to a SIFMA Index Mode of different duration. The Bonds are subject to a mandatory tender without right of retention at the conclusion of the initial interest period or any subsequent new interest period. During the initial interest period and any subsequent new interest period the Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure to remarket the Bonds at the end of the initial interest period or subsequent new interest period will result in the rescission of the notice of mandatory tender with respect to the Bonds and SAWS has no obligation to purchase the Bonds at such time. The occurrence of a failed remarketing will not result in an event of default under the ordinance. Until SAWS redeems or remarkets the Bonds that had a failed remarketing, the Bonds shall bear interest at the stepped rate of 8.0% for the Series 2013F Bonds and 7.0% for the Series 2014B Bonds, and 8.0% for the Series 2019A Bonds.

The following summarizes transactions of the Revenue Bonds for the year-ended December 31, 2019:

	Beginning Balance January 1, 2019	Additions	Reductions	Ending Balance December 31, 2019	Due Within One Year
Bonds Payable	$ 2,226,285	$ 249,045	$ (302,245)	$ 2,173,085	$ 69,730
Direct Placement Bonds	404,930	30,765	(62,260)	373,435	16,715
Unamortized Premium	204,171	29,228	(44,070)	189,329	22,343
Unamortized Discount	(816)		42	(774)	
Total Bonds Payable, Net	$ 2,834,570	$ 309,038	$ (408,533)	$ 2,735,075	$ 108,788

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Year-Ended September 30, 2020 - 137 - Amounts are expressed in thousands

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

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

Annual Debt Service Requirements Revenue and Refunding Bonds

	Fixed 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*
2020	$ 69,730	$ 86,309	$ (1,916)	$ 84,393	$ 16,715	$ 6,522	$ -	$ 8,338
2021	72,680	82,592	(1,904)	80,688	16,865	6,374		8,338
2022	63,905	79,198	(1,904)	77,294	17,030	6,203		9,326
2023	61,055	76,075	(1,904)	74,171	17,235	5,999		10,322
2024	65,495	72,914	(1,904)	71,010	17,460	5,774		10,634
2025-2029	353,550	312,728	(8,595)	304,133	91,575	24,579	11,015	54,403
2030-2034	405,915	224,608	(6,634)	217,974	76,260	16,607	86,955	47,005
2035-2039	466,830	114,658	(3,096)	111,562	56,140	9,865	106,035	32,264
2040-2044	181,635	32,186	(53)	32,133	51,680	3,377	112,865	15,307
2045-2049	67,425	5,697		5,697	12,475	229	47,995	3,686
Total	$ 1,808,220	$ 1,086,965	$ (27,910)	$ 1,059,055	$ 373,435	$ 85,529	$ 364,865	$ 199,623

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

* The variable rate bonds are currently in a fixed rate Term Mode through October 31, 2021, October 31, 2022, and April 30, 2024. Interest listed above is based on a 2.0% or a 2.6% fixed rate through the new or initial interest period, and a budgeted rate of 3.0% thereafter.

In fiscal year 2019, SAWS received a total of $3,317 in BABs subsidy.

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

Under these bond ordinances, SAWS is required to establish and maintain rates and charges for services sufficient to produce Net Revenues sufficient to pay 1.2 times the annual debt service requirements on Senior Lien debt obligations (senior lien debt coverage ratio). SAWS senior lien debt coverage ratio was 8.7 at December 31, 2019.

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.

Year-Ended	Liability Beginning Balance	Current-Year Accruals	Payments	Liability Ending Balance	Estimated Due Within One Year
December 31, 2019	$ 9,813	$ 6,950	$ (5,890)	$ 10,873	$ 5,890

Year-Ended September 30, 2020 - 138 - Amounts are expressed in thousands

Note 9 Commercial Paper Programs

Primary Government (City)

The City had no commercial paper debt during fiscal year 2020.

CPS Energy

As of January 31, 2020, 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; and
- Final maturity on April 11, 2049.

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

During fiscal year 2020, CPS Energy issued a total of $320,000 in commercial paper and made reductions of $300,000 related to commercial paper refunding transactions and $130,000 in principal paydowns. As of January 31, 2020, the outstanding commercial paper balance was $95,000 all of which was tax-exempt.

	January 31, 2020	
Commercial Paper Outstanding	$	95,000
New Commercial Paper Issues	$	320,000
Weighted Average Interest Rate of Outstanding		1.4%
Average Life Outstanding (Number of Days)		146

The commercial paper has been classified as long-term in accordance with the refinancing terms under three revolving credit agreements with a consortium of banks, which support the commercial paper program. Each revolving credit agreement relates to a particular series of notes and provides liquidity support therefore in the amount specified. The Series A agreement provides $400,000 in liquidity support for the Series A Notes and is effective through June 21, 2023. The Series B provides $200,000 in liquidity support for the Series B Notes, and the Series C provides $100,000 in liquidity support for the Series C Notes. The Series B and Series C agreements are both effective through June 21, 2022.

Year-Ended September 30, 2020 - 139 - Amounts are expressed in thousands

Note 9 Commercial Paper Programs (Continued)

CPS Energy (Continued)

Under the terms of these revolving credit agreements, CPS Energy may borrow up to an aggregate amount not to exceed $700,000 for the purpose of paying principal due under the commercial paper program. At January 31, 2020, there was no amount outstanding under the revolving credit agreements. Further, there have been no borrowings under the agreements since inception of the program.

San Antonio Water System (SAWS)

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

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

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

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

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

Commercial paper notes of $281,815 are outstanding as of December 31, 2019 with $202,700 outstanding under the subseries A-1 Notes, $2,000 outstanding under Subseries A-2 Notes, and $77,115 outstanding under Series B Notes. Interest rates on the Subseries A-1 Notes and the Series B Notes outstanding at December 31, 2019 range from 1.1% to 1.5% and maturities range from 29 to 180 days. The interest rate on the Subseries A-2 Notes outstanding at December 31, 2019 is 2.6% with a maturity of 31 days. All outstanding notes had an average rate of 1.4% and averaged 101 days to maturity.

Note 9 Commercial Paper Programs (Continued)

San Antonio Water System (SAWS) (Continued)

SAWS intends to reissue maturing commercial paper, in accordance with the terms of the revolving credit agreement, and ultimately refund such maturities with proceeds from the issuance of long-term revenue bonds. Consistent with this intent, and since SAWS has the available $500,000 revolving credit agreement described in the previous page, 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 $4,055 of commercial paper in 2020. Therefore, this portion of outstanding commercial paper is classified as a current liability.

The following table summarizes transactions of the program for the year-ended December 31, 2019.

	Beginning Balance Balance as of January 1, 2019	Additions during year	Deletions during year	Ending Balance Balance as of December 31, 2019	Due Within One Year
Tax Exempt Commercial Paper Notes	$ 215,695	$ 70,000	$ (3,880)	$ 281,815	$ 4,055

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Year-Ended September 30, 2020 - 141 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans

Summary of Pension and Retirement Plans

Note 10 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 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	District Special Project Retirement Income Plan
Total Pension Liability	$ 2,102,175	$ 3,922,670	$ 6,024,845	$ 1,988,963	$ 219,174	$ 249,262	$ 6,110
Plan Fiduciary Net Position	1,623,110	3,408,689	5,031,799	1,610,835	185,268	201,747	5,539
Net Pension Liability	$ 479,065	$ 513,981	$ 993,046	$ 378,128	$ 33,906	$ 47,515	$ 571
Total Deferred Inflows of Resources	$ (64,705)	$ (128,003)	$ (192,708)	$ (48,783)	$ (295)	$ (792)	$ (799)
Deferred Outflows of Resources	7,961	109,383	117,344	118,719	10,274	16,756	515
Contributions Subsequent to Measurement Date	34,259	62,717	96,976	73,435	4,100	9,131	400
Total Deferred Outflows of Resources	$ 42,220	$ 172,100	$ 214,320	$ 192,154	$ 14,374	$ 25,887	$ 915
Pension Expenses	$ 74,429	$ 113,097	$ 187,526	$ 66,143	$ 6,818	$ 12,042	$ 289

Primary Government (City)

Texas Municipal Retirement System (TMRS)

Plan Description — The City participates as one of the 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

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

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

Year-Ended September 30, 2020 - 142 - 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 (200.00%). The resulting sum is then compared to the employee's actual account balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

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

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

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, as of the measurement date, for the fiscal year-ended September 30, 2020, were:

Number of:	
Active Members	7,145
Retirees and Beneficiaries	4,998
Inactive Members [1]	3,228
Total	15,371

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

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Contributions — Under the state law governing TMRS, the employer's contribution rates are annually determined by the actuary using the Entry Age Normal (EAN) actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate is the contribution rate which, if applied to an employee's compensation throughout their period of anticipated covered service with the City, would be sufficient to meet all benefits payable on the City's behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortized the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases.

In the fiscal year 2020 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 11.66% to 11.94%, effective January 1, 2020.

The contribution rate for the City's employees is 6.00% of their annual gross earnings during the fiscal year and the matching percent was 11.94% for calendar year 2020, both as adopted by City Council. The City's contribution to TMRS for fiscal year 2020 was $71,243, with $23,932 contributed by City employees, and $47,311 contributed by the City. These amounts were equal to required contributions.

As of September 30, 2020, the City reported a payable to TMRS in the amount of $5,440 for the outstanding amounts of contributions from the City and active civilian employees.

Net Pension Liability — The City's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability are as follows:

Total Pension Liability	$ 2,102,175
Plan Fiduciary Net Position	1,623,110
Net Pension Liability	$ 479,065
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	77.21%

Year-Ended September 30, 2020 - 144 - Amounts are expressed in thousands

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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10-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
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-related table. 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 table for healthy retirees is 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, 2020 - 145 - 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, 2019. 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 26 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 was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50%. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
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	$ 766,618	$ 479,065	$ 242,082

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, 2020 - 146 - 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, 2020, based on the measurement date and actuarial valuation date of December 31, 2019.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 58,786
Interest Cost	134,394
Difference Between Expected and Actual Experience	(16,405)
Changes of Assumptions	10,121
Benefit Payments, including Refunds of Employee Contributions	(92,696)
Net Change in Total Pension Liability	$ 94,200
Total Pension Liability - Beginning	2,007,975
Total Pension Liability - Ending	$ 2,102,175
Plan Fiduciary Net Position	
Contributions - Employer	$ 46,687
Contributions - Employee	24,060
Net investment Income	220,290
Benefit Payments, including Refunds of Employee Contributions	(92,696)
Administrative Expense	(1,246)
Other	(37)
Net change in Plan Fiduciary Net Position	$ 197,058
Plan Fiduciary Net Position - Beginning	1,426,052
Plan Fiduciary Net Position - Ending	$ 1,623,110
Net Pension Liability	$ 479,065

Year-Ended September 30, 2020 - 147 - 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, 2020, based on the actuarial valuation of December 31, 2019, the City recognized pension expense of $74,429.

Schedule of Pension Expense	
Total Service Cost	$ 58,786
Interest Cost	134,394
Employee Contributions (Reduction of Expense)	(24,060)
Projected Earnings on Plan Investments (Reduction of Expense)	(96,259)
Administrative Expense	1,246
Other Changes in Fiduciary Net Position	37
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	(1,428)
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(24,806)
Current Year Recognition of Deferred Inflows Established in Prior Years	(1,225)
Current Year Recognition of Deferred Outflows Established in Prior Years	27,744
Total Pension Expense	$ 74,429

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2020, 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	$ 141	$ (14,971)
Changes of Assumptions	7,820	
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(49,734)
Contributions Subsequent to the Measurement Date	34,259	
Total	$ 42,220	$ (64,705)

$34,259 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, 2021.

Year-Ended September 30, 2020 - 148 - Amounts are expressed in thousands

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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-Ended September 30,		Net Deferred Outflows (Inflows) of Resources
2021	$	(16,944)
2022		(16,921)
2023		2,498
2024*		(25,377)
2025		
Thereafter		
Total	$	(56,744)

*All Outflows and Inflows fully amortized.

City Deferred Compensation

The City has a deferred compensation plan for its employees, created in accordance with Internal Revenue Code Section 457. The plan, available to all 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 plan is not available to employees until termination, retirement, death, loan, or qualifying unforeseeable emergency. Participation in the plan is voluntary. In fiscal year 2012, the City implemented a matching contribution of up to 1.00% of base salary to eligible executives who participated in the plan. In fiscal year 2015, the City increased its matching contribution for executives up to 2.00% of base salary. There has been no change to the matching contribution rate since 2015. Starting in fiscal year 2018, executives in the third and fourth quartile of their salary ranges received 1.00% of their performance pay for 2017's evaluation as a deferred compensation contribution. Performance pay contributions recur annually so that in fiscal year 2020 it was possible for an executive to receive a cumulative 3.00% contribution. Performance pay contributions do not count towards the employee match program. The City has no liability for losses under this plan but does have the usual fiduciary responsibilities of a plan sponsor.

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Year-Ended September 30, 2020 - 149 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit retirement plan established in accordance with the laws of the State of Texas, administered by the San Antonio Fire and Police Pension Fund. The governing document for the Pension Fund is found in Vernon's Texas Civil Statutes, Article 6243o. The pension law governing the Pension Fund was amended on October 1, 2009. The Pension Fund meets the criteria of a fiduciary fund of the City as established by governmental 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 2019 separately issued financial statements.

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, 2019, were:

Number of:	
Active Members	4,081
Retirees and Beneficiaries	2,858
Inactive Member [1]	37
Total	6,976

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

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.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

There is also a provision for a 13th and 14th pension check. At the end of each fiscal year, the Board may authorize the disbursement of a 13th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five-year fiscal period by at least 100 basis points (basis points not reported in thousands). In the same way, the Board may authorize a 14th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five-year period by at least 300 basis points. The 13th and 14th pension checks are paid to each retiree and beneficiary receiving a pension at the end of the fiscal year and are in an amount equal to the pension check paid in the last month of the preceding fiscal year of the Pension Fund (retirees/beneficiaries with less than one year of benefits will receive a prorated check, and no check will be paid to members who retired after the end of the fiscal year). Authorization for one year does not obligate the Board to authorize a 13th and 14th check for any other year. The Pension Fund did not meet the criteria for the 13th or 14th check for the year-ended December 31, 2019.

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.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

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

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

The Pension Fund is funded in accordance with Texas state statutes and is not actuarially determined. In fiscal year 2020, the City was required to contribute 24.64% of salary, or $84,775, excluding overtime pay, and the employee contribution rate was 12.32%, or $42,386. 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.

As of September 30, 2020, the City reported a payable to the Pension Fund in the amount of $9,636 for contributions from the City and active uniform employees.

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

The components of the net pension liability of the City, as of December 31, 2019, are as follows:

Total Pension Liability	$ 3,922,670
Plan Fiduciary Net Position	3,408,689
City's Net Pension Liability	$ 513,981
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	86.90%

Year-Ended September 30, 2020 - 152 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to the period included in the measurement, with the results rolled forward to December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.50% annual increases
Remaining Amortization Period	13.89 years remaining as of January 1, 2019
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 0.75% - 11.25%)
Investment Rate of Return	7.25% including inflation, net of pension plan investment expense
Cost-of-living Adjustments	3.00% for retirements before October 1, 1999; 2.25% for retirements on or after October 1, 1999
Retirement Rates	Group-specific rates based on years of service ranging from 20 to 40 years, with 100.00% retirement age at 65 or 40 years of service
Mortality:	
Healthy	RP-2014 Employee and Healthy Annuitant Tables, with rates loaded by 7.00% for females, projected generationally with 50.00% of Scale MP-2014.
Disabled	RP-2014 Annuitant Tables, set forward six years, loaded by 7.00% for females, projected generationally with 50.00% of Scale MP-2014.

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Year-Ended September 30, 2020 - 153 - 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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equities	15.00%	6.15%
Small Cap U.S. Equities	3.00%	7.15%
International Equities	12.00%	7.05%
International Small Cap Equities	3.00%	8.15%
Emerging Markets Equities	6.00%	9.00%
Hedge Funds/Risk Parity	10.00%	3.32%
Private Equity	7.00%	10.40%
Core Bonds	5.00%	1.15%
High Yield	5.00%	3.65%
Bank Loans	5.00%	3.15%
Emerging Market Debt	7.00%	4.15%
Private Debt	7.00%	7.15%
Unconstrained Fixed Income	3.00%	1.90%
Real Estate	9.00%	4.50%
Real Assets	3.00%	6.86%
Total	100.00%	

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, 2020 - 154 - 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-ending December 31, 2019, 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	$ 1,065,586	$ 513,981	$ 62,201

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 through December 31, 2019, based on the measurement date of December 31, 2019 and actuarial valuation date of January 1, 2019.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 75,880
Interest Cost	271,542
Difference Between Expected and Actual Experience	(7,535)
Benefit Payments, including Refunds of Employee Contributions	(173,494)
Net Change in Total Pension Liability	$ 166,393
Total Pension Liability - Beginning	3,756,277
Total Pension Liability - Ending	$ 3,922,670
Plan Fiduciary Net Position	
Contributions - Employer	$ 81,016
Contributions - Employee	40,508
Net Investment Income	449,067
Benefit Payments, including Refunds of Employee Contributions	(173,494)
Administrative Expense	(3,565)
Net change in Plan Fiduciary Net Position	$ 393,532
Plan Fiduciary Net Position - Beginning	3,015,157
Plan Fiduciary Net Position - Ending	$ 3,408,689
Net Pension Liability	$ 513,981

Year-Ended September 30, 2020 - 155 - 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, 2020, based on December 31, 2019 measurement date, the recognized pension expense was $113,097. Amounts recognized in the fiscal year represent changes between current and prior measurement dates:

Schedule of Pension Expense	
Service Cost	$ 75,880
Interest Cost	271,542
Employee Contributions	(40,508)
Administrative Expenses	3,565
Expected Return on Assets	(216,586)
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	(837)
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(46,496)
Current Year Recognition of Deferred Outflows Established in Prior Years	128,184
Current Tear Recognition of Deferred Inflows Established in Prior Years	(61,647)
Total Expense	$ 113,097

At September 30, 2020, 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	$ 38,933	$ (61,530)
Changes of Assumptions	70,450	
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(66,473)
Contributions Subsequent to the Measurement Date	62,717	
Total	$ 172,100	$ (128,003)

$62,717 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, 2021.

Year-Ended September 30, 2020 - 156 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

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

Year-Ended September 30,	Net Deferred Outflows (Inflows) of Resources
2021	$ (18,124)
2022	(7,613)
2023	33,070
2024	(37,393)
2025	5,913
Thereafter	5,527
Total	$ (18,620)

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

CPS Energy

All Employee Plan

Plan Description — The CPS Energy Pension Plan (the 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 Chair of CPS Energy's board of trustees. 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, 2020 - 157 - 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, 2019 measurement date, for the fiscal year-ended January 31, 2020, were:

Number of:	
Active Members	2,942
Retirees and Beneficiaries	2,427
Inactive Members [1]	205
Total	5,574

[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 2020, the amount to be funded was established using a general target near the 30-year funding contribution level as determined by the Pension Plan's actuary using the entry-age normal cost method. In December 2019, an additional contribution of $20,000 was made to the Pension Plan that will be included in the next actuarial valuation as of January 1, 2019, which will be reflected in the net pension liability for the fiscal year-ended January 31, 2021.

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Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Net Pension Liability — CPS Energy's net pension liability for fiscal year-end January 31, 2020, was measured as of January 31, 2019. The total pension liability used to calculate the net pension liability was determined by actuarial valuation as of January 1, 2018, rolled forward using generally accepted actuarial procedures to the January 31, 2019 measurement date.

Total Pension Liability	$ 1,988,963
Plan Fiduciary Net Position	1,610,835
Net Pension Liability	$ 378,128
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.99%

Actuarial Assumptions — Significant actuarial assumptions used in the January 1, 2018, valuation include:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar
Remaining Amortization Period	30 years
Asset Valuation Method	Market value gains/losses recognized over five years, beginning with calendar year 2014; expected value adjusted market value for all prior periods.
Inflation	2.30% per year, compounded annually
Salary Increases	5.36%, average including inflation
Investment Rate of Return	7.25% per year, compounded annually
Cost-of-living Increases	1.50% per year
Mortality	Mortality rates were based on the RP-2014 Mortality adjusted backwards to 2006 with MP-2014 and projected forward (fully generational) with MP-2017.

The actuarial assumptions used in the January 1, 2018 valuation for amounts reported in fiscal year 2020 were based on the results of an actuarial experience study completed in 2017 covering experience for the period January 1, 2012, through December 31, 2016.

The long-term expected rate of return on 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, 2020 - 159 - 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	52.50%	5.45%
Debt securities	25.50%	3.48%
Alternative Investments	22.00%	5.24%
Total Investments	100.00%	

Discount Rate — The discount rate used to measure the total pension liability for fiscal year 2020 was 7.25%. The projection of cash flows used to determine the discount rate assumed that future employee contributions will be made at the current contribution rate and that future CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the 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 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 6.25%	Current Discount 7.25%	1.00% Increase 8.25%
Net Pension Liability	$ 629,018	$ 378,128	$ 169,246

Pension Plan Fiduciary Net Position — The financial results of the Pension Plan are included, in combination with the Employee Benefits Plans, in CPS'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, 2020 - 160 - 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 at January 31, 2020 was measured as of January 31, 2019. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2018 and rolled forward using generally accepted actuarial procedures to the January 31, 2019 measurement date.

Changes in Net Pension Liability		
Total Pension Liability		
Service Cost	$	37,175
Interest Cost		137,954
Difference Between Expected and Actual Experience		(19,385)
Changes of Assumptions		(10,129)
Benefit Payments		(96,969)
Net Change in Total Pension Liability	$	48,646
Total Pension Liability - Beginning		1,940,317
Total Pension Liability - Ending	$	1,988,963
Plan Fiduciary Net Position		
Contributions - Employer	$	58,700
Contributions - Employee		13,363
Net Investment Loss		(48,316)
Benefit Payments		(96,969)
Administrative Expense		(391)
Net Change in Plan Fiduciary Net Position	$	(73,613)
Plan Fiduciary Net Position - Beginning		1,684,448
Plan Fiduciary Net Position - Ending	$	1,610,835
Net Pension Liability - Ending	$	378,128

CPS Energy recorded $66,143 in pension expense for the year-ended January 31, 2020.

Year-Ended September 30, 2020 - 161 - 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 at January 31, 2020:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 12,743	$ (40,389)
Changes of Assumptions	66,352	(8,394)
Net Difference in Projected and Actual Earnings on Pension Plan Investments	39,624	
Contributions Subsequent to the Measurement Date	73,435	
Total	$ 192,154	$ (48,783)

$73,435 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, 2021.

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
2021	$ 19,134
2022	(8,455)
2023	13,419
2024	38,131
2025	7,707
Total	$ 69,936

Year-Ended September 30, 2020 - 162 - 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, as of the December 31, 2018 measurement date, for the fiscal year-ended December 31, 2019, were:

Number of:	
Active Members	1,709
Retirees and Beneficiaries	1,269
Inactive Members [1]	701
Total	3,679

[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 3.60% in calendar year 2018. SAWS' contribution to TMRS totaled $7,391 for the year-ended December 31, 2018, with $3,291 contributed by SAWS' employees, and $4,100 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)

The components of the net pension liability are as follows:

Total Pension Liability	$	219,174
Plan Fiduciary Net Position		185,268
Net Pension Liability	$	33,906
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		84.53%

Actuarial Assumptions — The total pension liability calculated in the December 31, 2018 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	27 years
Asset Valuation Method	10 year smoothed market value; 15.00% soft corridor.
Inflation Rate	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates that are specific to SAWS
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109.00% and female rates multiplied by 103.00% and projected on a fully generational basis with scale BB.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the Entry Age Normal actuarial cost method and a one-time change to the amortization policy was adopted. Plan assets are managed on a total return basis with emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term fund needs of TMRS.

Year-Ended September 30, 2020 - 164 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

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

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the plan actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
Total	100.00%	

The discount rate of 6.75% was used to measure the total pension liability in the December 31, 2018 actuarial valuation. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the net pension liability as of December 31, 2019, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower, 5.75%, or 1.00% higher, 7.75%, than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability - TMRS	$ 62,448	$ 33,906	$ 10,233

Year-Ended September 30, 2020 - 165 - 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, 2019, based on the measurement date and actuarial valuation date of December 31, 2018.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 5,551
Interest Cost	13,952
Difference Between Expected and Actual Experience	240
Benefit Payments	(8,960)
Net Change in Total Pension Liability	$ 10,783
Total Pension Liability - Beginning	208,391
Total Pension Liability - Ending	$ 219,174
Plan Fiduciary Net Position	
Contributions - Employer	$ 4,059
Contributions - Employee	3,291
Net Investment Loss	(5,773)
Benefits Payments, including Refunds of Employee Contributions	(8,960)
Administrative Expense	(111)
Other	(6)
Net change in Plan Fiduciary Net Position	$ (7,500)
Plan Fiduciary Net Position - Beginning	192,768
Plan Fiduciary Net Position - Ending	$ 185,268
Net Pension Liability	$ 33,906

San Antonio Water System Retirement Plan (SAWSRP)

Plan Description — The San Antonio Water System Retirement Plan (SAWSRP) is a single-employer pension plan controlled by the provisions of Ordinance No. 75686, which serves as a supplement to TMRS and Social Security. The plan has both a defined benefit and a defined contribution component. SAWS delegated to Principal Financial Group the authority to manage plan assets and administer the payment of benefits under the plan. Eligible employees hired prior to June 1, 2014 participate in the defined benefit component of the plan. Eligible employees vest in this plan after completion of five years of service.

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

Year-Ended September 30, 2020 - 166 - 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, as of the January 1, 2019 measurement date, for the fiscal year-ended December 31, 2019, were:

Number of:	
Active Members	1,098
Retirees and Beneficiaries	1,064
Inactive Members [1]	541
Total	2,703

[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 — 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 2019 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, 2019, SAWS made contributions to participants' individual retirement accounts totaling $1,445, net of forfeitures of $10 and employees contributed $1,171.

Net Pension Liability — The net pension liability for the defined benefit component of the SAWSRP as of December 31, 2019 was measured as of January 1, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The components of the net pension liability, measured at January 1, 2019 are as follows:

Total Pension Liability	$ 249,262
Plan Fiduciary Net Position	201,747
Net Pension Liability	$ 47,515
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.94%

Year-Ended September 30, 2020 - 168 - 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)

Actuarial Assumptions — The total pension liability calculated in the January 1, 2019 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 10 years.
Asset Valuation Method	Four-year smoothed market value
Inflation	2.25%
Salary Increases	Scale based on 2011-2013 SAWS experience.
Retirement Age	In 2015, expected retirement ages were adjusted to reflect actual experience from 2011-2013.
Investment Rate of Return	6.50%, net of pension expense, including inflation.
Mortality Table	In 2019, 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 recently 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 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) 2018. 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 2018 is 20 – 30 years. The significant changes in the CMA 2018 compared to CMA 2016 includes lower expected geometric returns for equity and alternative asset classes, higher expected geometric returns for fixed income asset classes and the addition of high quality corporate bond asset classes commonly used with liability driven investment pension strategies.

The discount rate used to measure the total pension liability was 6.50% at December 31, 2019. 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.

Year-Ended September 30, 2020 - 169 - 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	100.0%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate of 1.00% lower, 5.50%, or 1.00% higher, 7.50%, than the current rate:

	1.00% Decrease 5.50%	Current Discount 6.50%	1.00% Increase 7.50%
Net Pension Liability - SAWSRP	$ 80,736	$ 47,515	$ 19,976

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Year-Ended September 30, 2020 - 170 - 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 Liability and Related Ratios — The following table summarizes changes in the SAWSRP net pension lability for the fiscal year-ended December 31, 2019, based on the measurement date and actuarial valuation date of January 1, 2019.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 5,629
Interest Cost	15,101
Difference Between Expected and Actual Experience	1,926
Changes of Assumptions	4,653
Benefit Payments	(8,615)
Net Change in Total Pension Liability	$ 18,694
Total Pension Liability - Beginning	230,568
Total Pension Liability - Ending	$ 249,262
Plan Fiduciary Net Position	
Contributions - Employer	$ 7,923
Contributions - Employee	2,434
Net Investment Loss	(7,767)
Benefit Payments	(8,615)
Administrative Expense	(360)
Net Change in Plan Fiduciary Net Position	$ (6,385)
Plan Fiduciary Net Position - Beginning	208,132
Plan Fiduciary Net Position - Ending	$ 201,747
Net Pension Liability	$ 47,515

District Special Project Retirement Income Plan (DSPRP)

Plan Description — The District Special Project Retirement Income Plan (DSPRP) is a single-employer defined benefit pension plan that covers all eligible employees. The plan was originally established by Bexar Metropolitan Water District (BexarMet) to provide pension benefits to its employees. In 2008, the BexarMet Board elected to freeze pension benefits and entry into the plan effective September 30, 2008. In 2012, upon dissolution of BexarMet and the transfer of all assets and liabilities to the San Antonio Water System District Special Project (DSP), the plan was renamed District Special Project Retirement Income Plan. DSPRP is governed by SAWS, which is authorized to establish and amend all plan provisions. SAWS has delegated to Standard Insurance Company the authority to manage plan assets and administer the payment of benefits under the plan.

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

Year-Ended September 30, 2020 - 171 - 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 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, as of the January 1, 2019 measurement date, for the fiscal year-ended December 31, 2019, were:

Number of:	
Active Members	96
Retirees and Beneficiaries	11
Inactive Members [1]	36
Total	143

[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. Eligible employees vest in this plan after the completion of five years of service. Participating employees accrued benefits if they worked at least 1,000 hours per plan year (note hours are not reported in thousands). Employees are 100.00% vested in any benefits derived from employee contributions regardless of years of service. A terminating participant who has completed five years of service is entitled to receive a vested benefit starting on his/her normal retirement date.

The normal retirement benefit is a percentage of average monthly earnings. Effective March 1, 1996, the monthly benefit is 40.00% of average monthly earnings reduced proportionately for less than 20 years of service. Average monthly earnings are determined by the ten consecutive and complete calendar years after December 31, 1990 which produce the highest average. Upon retirement, retirees may choose from three different types of annuities or receive a single lump sum distribution.

Contributions — The plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits as they come due. The contribution requirements of the plan are established and may be amended by the Board. The unit credit method was used to calculate the actuarial determined contribution for 2019. Under this method, the actual or expected accrued benefit of each participant is allocated to the year in which it accrues. The normal cost is the present value of benefits expected to accrue in the current year.

Net Pension Liability — The following table summarizes the changes in the DSPRP net pension liability for the year-ended December 31, 2019 based on the measurement date of January 1, 2019.

Total Pension Liability	$ 6,110
Plan Fiduciary Net Position	5,539
Net Pension Liability	$ 571
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	90.65%

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 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	8 years
Asset Valuation Method	Fair Value with smoothing
Inflation	2.50%
Salary Increase	Earned benefits frozen in 2008.
Investment Rate of Return	6.50%, 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 2019, rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale MP-2018.

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

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on that assumption, the defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Year-Ended September 30, 2020 - 173 - 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 target allocation and best estimates of arithmetic real rates of return for each major asset class for the January 1, 2019 valuation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	54.00%	6.00%
International Equity	5.00%	6.00%
Fixed Income	41.00%	1.00%
Total	100.0%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following table presents the net pension liability, calculated at December 31, 2019 using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower, 5.50%, or 1.00% higher, 7.50%, than the current rate.

	1.00% Decrease 5.50%	Current Discount 6.50%	1.00% Increase 7.50%
Net Pension Liability - DSPRP	$ 1,036	$ 571	$ 170

Schedule of Changes in Net Pension Liability and Related Ratios — The following table summarizes the changes in the DSPRP net pension liability for the fiscal year-ended December 31, 2019 based on the measurement date of January 1, 2019.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 257
Interest Cost	388
Difference Between Expected and Actual Experience	(622)
Changes of Assumptions	6
Benefit Payments	(485)
Net Change in Total Pension Liability	$ (456)
Total Pension Liability - Beginning	6,566
Total Pension Liability - Ending	$ 6,110
Plan Fiduciary Net Position	
Contributions - Employer	$ 400
Net Investment Loss	(75)
Benefit Payments, Including Refunds of Employee Contributions	(485)
Administrative Expense	(7)
Net change in Plan Fiduciary Net Position	$ (167)
Plan Fiduciary Net Position - Beginning	5,706
Plan Fiduciary Net Position - Ending	$ 5,539
Net Pension Liability	$ 571

Year-Ended September 30, 2020 - 174 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures

Deferred Compensation Plans — SAWS is the plan sponsor for two deferred compensation plans: San Antonio Water System Deferred Compensation Plan and the District Special Project Employee's 457 Plan. Both plans were created in accordance with Internal Revenue Code Section 457 and allow employees to defer a portion of their salary until future years. The compensation deferred under these plans is not available to employees until termination, retirement, death, or qualifying unforeseeable emergency. Employee participation is voluntary, and SAWS does not make any contributions to these plans. The District Special Project Employee's 457 Plan was closed to new contributions effective October 1, 2013. SAWS has no liability for losses under these plans but does have the usual fiduciary responsibilities of a plan sponsor.

Pension Expense — For the year-ended December 31, 2019, SAWS recognized pension expense under the TMRS, SAWSRP, and DSPRP plans as follows:

Schedule of Pension Expense	
TMRS	$ 6,818
SAWSRP - Defined Benefit	10,597
SAWSRP - Defined Contribution	1,445
DSPRP	289
Total Pension Expense	$ 19,149

There were no amounts payable to the pension plans by SAWS at December 31, 2019.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At December 31, 2019, 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	$ 228	$ (295)	$ 1,759	$ (706)	$ 163	$ (799)	$ 2,150	$ (1,800)
Changes of Assumptions	80		5,819	(86)	166		6,065	(86)
Net Difference in Projected and Actual Earnings on Pension Plan Investment	9,966		9,178		186		19,330	
Contributions Subsequent to the Measurement Date	4,100		9,131		400		13,631	
Total	$ 14,374	$ (295)	$ 25,887	$ (792)	$ 915	$ (799)	$ 41,176	$ (1,886)

$13,631 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 in the year-ending December 31, 2020.

Year-Ended September 30, 2020 - 175 - Amounts are expressed in thousands

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures

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

Net Deferred Outflows (Inflows) of Resources

Year-Ending December 31,	TMRS	SAWSRP	DSPRP	Combined
2020	$ 3,403	$ 6,331	$ 18	$ 9,752
2021	1,400	3,705	(50)	5,055
2022	1,392	1,654	(60)	2,986
2023	3,784	4,274	25	8,083
2024			(65)	(65)
Thereafter			(152)	(152)
Total	$ 9,979	$ 15,964	$ (284)	$ 25,659

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Year-Ended September 30, 2020 - 176 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits

Summary of Other Postemployment Retirement Benefits

Note 11 Other Postemployment Retirement Benefits provides information relating to various City and component unit other postemployment retirement benefits. The other postemployment retirement benefits include the City's Retiree Health Care Fund, the San Antonio Fire and Police Retiree Health Care Fund, CPS Energy Health, Life, and Disability, and SAWS Retiree Health Trust.

	Retiree Health Care Fund	Fire and Police Retiree Health Care Fund (Health Fund)	Total City OPEB Plans	CPS Energy: Health, Life, and Disability	SAWS Retiree Health Trust
Total OPEB Liability	$ 458,764	$ 1,114,498	$ 1,573,262	$ 316,223	$ 141,379
Plan Fiduciary Net Position		402,514	402,514	322,835	62,688
Net OPEB Liability (Asset)	$ 458,764	$ 711,984	$ 1,170,748	$ (6,612)	$ 78,691
Total Deferred Inflows of Resources	$ (60,847)	$ (56,776)	$ (117,623)	$ (3,531)	$ (10,908)
Deferred Outflows of Resources	130,140	88,524	218,664	20,910	5,459
Contributions Subsequent to Measurement Date		28,318	28,318	769	13,811
Total Deferred Outflows of Resources	$ 130,140	$ 116,842	$ 246,982	$ 21,679	$ 19,270
Total OPEB Expense	$ 33,507	$ 65,281	$ 98,788	$ 8,163	$ 5,228

Primary Government (City)

Plan Description — In addition to the pension benefits discussed in Note 10 Pension and Retirement Plans, the City provides two single-employer defined benefit postemployment benefit programs for Medicare eligible civilian retirees and three benefit programs for pre-Medicare eligible civilian retirees, as well as postemployment benefits for uniform employees who retired prior to October 1, 1989. Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City is required to account for and disclose its other postemployment liability for these programs. The City administers the plans and continues to actively review and have actuarial valuations performed for these programs as required. These plans are administered as an equivalent arrangement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

The City offers medical plans for Medicare eligible retirees and surviving spouses, who have reached age 65 or have otherwise become eligible for Medicare. These retirees and surviving spouses may participate in one of two Medicare Advantage PPO Plans or 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 this program. Of the current 1,158 participating Medicare retirees and surviving spouses, 184 participate in Medicare Advantage PPO Plus plan, 971 participate in a Medicare Advantage PPO plan, and three participate in the Medicare Part D Drug Plan.

As of September 30, 2020, there were 412 retirees and surviving spouses, who have not reached age 65 and are not eligible for Medicare, participating in the pre-Medicare eligible program. These retirees are covered under a program comprised of 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.

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.

Year-Ended September 30, 2020 - 177 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Civilian retirees must be a minimum of age 60 and have at least five years of service, or have at least 20 years of service at any age to be eligible for retiree health benefits.

Civilian retirees who qualify for a disability pension under TMRS rules are also eligible to receive the retiree medical benefit under this plan. There is no minimum length of service or age required to be eligible.

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, 2020, were:

Number of:	
Active Members	7,049
Retirees and Beneficiaries	1,600
Inactive Members [1]	1,270
Total	9,919

[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 2020 to prefund benefits. Total contributions by the City and Retirees for fiscal year-ended September 30, 2020 were $5,874 and $1,568 respectively.

The total OPEB liability of $458,764 was determined by an actuarial valuation as of September 30, 2020.

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Actuarial Methods and Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This valuation's assumptions are as follows:

Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 7.3 years starting on October 1, 2019, equal to the average remaining service of active and inactive plan members (who have no future service)
Remaining Amortization Period	6.3 years
Salary Increase Rate	3.50% per annum
Discount Rate	2.21% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 6.00% and Ultimate 4.50%; Post-65 Select 5.00% and Ultimate 4.50%, Administrative Fees Select 4.50% and Ultimate 4.50%
Mortality	PUB 2010 mortality table with generational scale MP-2019 for general employees.

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, 2019. The annual retirement probability is dependent on an employee's gender, entry age group, and age. Additional criteria that adjust the base table rates include employee contribution rate, employer match, and if the City has a reoccurring 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, 2019. 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.

The discount rate used to measure the total OPEB Liability was 2.21%, based on Bond Buyer 20 which is a representation of municipal bond trends based on a portfolio of 20 different general obligation bonds that mature in 20 years. The index is based on a survey of municipal bond traders rather than actual prices or yields index. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

Year-Ended September 30, 2020 - 179 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate — The following shows the current total OPEB liability, calculated using the discount rate of 2.21% in comparison to what the total OPEB Liability would be if it were calculated using a discount rate that is 1.00% lower (1.21%) or 1.00% higher (3.21%) than the current rate:

	1.00% Decrease 1.21%	Current Discount 2.21%	1.00% Increase 3.21%
Total OPEB Liability	$ 532,166	$ 458,764	$ 403,712

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current total OPEB Liability, calculated using the assumed health benefit cost trend rates, in comparison to what the total OPEB Liability would be if it were calculated using trend rates that are 1.00% lower (5.00% decreasing to 3.50%) or 1.00% higher (7.00% decreasing to 5.50%) than the assumed health benefit costs trend rates:

	1.00% Decrease (5.00% decreasing to 3.50%)	Assumed Rates (6.00% decreasing to 4.50%)	1.00% Increase (7.00% increasing to 5.50%)
Total OPEB Liability	$ 376,186	$ 458,764	$ 550,517

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Year-Ended September 30, 2020 - 180 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Changes in the Total OPEB Liability — The following table shows the changes in the total OPEB liability as of the fiscal year-ended September 30, 2020.

Changes in the Total OPEB Liability		
Total OPEB Liability		
Service Cost	$	12,294
Interest Cost		10,653
Difference Between Expected and Actual Experience		(36,898)
Assumption Changes		83,865
Benefit Payments		(5,874)
Net Change in Total OPEB Liability	$	64,040
Total OPEB Liability - Beginning		394,724
Total OPEB Liability - Ending	$	458,764
Plan Fiduciary Net Position		
Contributions - Employer	$	5,874
Benefit Payments, including Refunds of Employee Contributions		(5,874)
Net change in Plan Fiduciary Net Position	$	-
Plan Fiduciary Net Position - Beginning		
Plan Fiduciary Net Position - Ending	$	-
Total OPEB Liability	$	458,764

OPEB Expense — For the year-ended September 30, 2020, the recognized OPEB expense was $33,507.

Schedule of OPEB Expense		
Service Cost	$	12,294
Interest Cost		10,653
Current Recognized Deferred Outflows/(Inflows):		
Changes in Assumptions or Other Inputs		17,253
Differences Between Expected and Actual Experience		(6,693)
Total OPEB Expense	$	33,507

Year-Ended September 30, 2020 - 181 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2020, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes of Assumptions	$ 130,140	$ (19,663)
Difference in Expected and Actual Experience		(41,184)
Total	$ 130,140	$ (60,847)

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
2021	$ 10,560
2022	10,560
2023	10,560
2024	10,560
2025	12,744
Thereafter	14,309
Total	$ 69,293

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 Report. The City's Annual Report is available for viewing at www.sanantonio.gov.

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Year-Ended September 30, 2020 - 182 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund

Plan Description — The Fire and Police Retiree Health Care Fund, San Antonio (Health Fund) is a Texas statutory retirement health trust for firefighters and police officers of the City, established under Article 6243q, Vernon's Texas Civil Statutes. The trust holds assets and liabilities of the City's Fire and Police Retiree Health Care Plan (Plan). This Plan is a single-employer defined benefit postemployment health care plan that was created in October 1989 in accordance with provisions established by contract with the local fire and police unions to provide postemployment healthcare benefits to police officers and firefighters of the City retiring after 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 meets on a monthly basis. The Board consists of nine members: the Mayor or his representative; two members of the City Council; one retired and two active duty police officers; and one retired and two active duty firefighters. The City is the only participating employer in the Plan. 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.

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 ($827 in-network) and maximum out-of-pocket payments per individual ($3,139 in-network) (amounts not expressed in thousands). After age 65, the benefits are coordinated with Medicare. The maximum deductible and out-of-pocket payments are indexed according to the annual increase in the medical care category of the CPI-U.

Contributions — Since its inception, the Health Fund has been funded primarily by contributions from the City and active firefighters and police officers, as part of the compensation for services rendered by members, and by contributions made by retirees for their dependents. As of the January 1, 2020 valuation date, the contributions required by the City were 12.51% of average covered pay of the combined fire and police departments for the City's fiscal year 2020. For the active fire and police employees, the contributions required were 6.26% of the average covered pay for the City's fiscal year 2020.

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Going forward, the total statutorily determined contribution rates effective October 1, 2020 through October 1, 2023 are presented in the table below.

Contribution Rates			
Effective Date	**City**	**Member**	**Total**
10/1/2020	12.51%	6.26%	18.77%
10/1/2021	13.00%	6.50%	19.50%
10/1/2022[1]	14.30%	7.15%	21.45%
10/1/2023[1]	14.30%	7.15%	21.45%

[1] The January 1, 2021 actuarial valuation will determine the actual increase beginning October 1, 2022, where necessary.

Total contributions by the City and active members for fiscal year-ended September 30, 2020 were $38,656 and $19,318 respectively.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees. The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year-ending December 31, 2019, the money-weighted rate of return on plan investments was 5.32%. 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, as of the measurement date, for the fiscal year-ended December 31, 2019, were:

Number of:	
Active Members	4,080
Retirees and Beneficiaries	3,937
Total	8,017

Amounts not in thousands.

Net OPEB Liability — The net OPEB liability of $711,984 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2020.

Total OPEB Liability	$ 1,114,498
Plan Fiduciary Net Position	402,514
Net OPEB Liability	$ 711,984
Plan fiduciary Net Position as a Percentage of the Total OPEB Liability	36.12%

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Actuarial Assumptions — The net OPEB liability in the January 1, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Period	30 years
Asset Valuation Method	Adjusted market value gains/losses spread over a five-year period
Inflation	2.75%
Salary Increases	2.75% plus merit and promotion increases that vary by age and service
Discount Rate	7.00%
Health Benefit Costs Trend Rates	12.00% for 2021 and 6.75% for 2022 decreasing 0.50% per year to an ultimate rate of 4.25% for 2027 and beyond.
Mortality	Based on the PubS.H-2010 (public safety, headcount weighted) total dataset mortality tables for employees and retirees (sex distinct), projected for mortality improvement generationally using the projection scale SSA2019-2D.

The assumed retirement rates, termination rates, and rates of merit and promotion increases were based on an experience study of the Pension Fund over the five plan years ending in 2018. The discount rate was based on the expected long-term rate of return for the Fund.

The long-term expected rate of return on plan investments is reviewed for each actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by target asset allocation percentage (currently resulting in 4.34%) and by adding expected inflation (2.75%). In addition, the final 7.00% assumption was selected by rounding down.

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Year-Ended September 30, 2020 - 185 - Amounts are expressed in thousands

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Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities		
Domestic Large Cap	6.00%	6.38%
Domestic Small/Mid Cap	4.00%	6.07%
International Developed	8.00%	6.64%
Emerging Markets	6.00%	8.02%
Fixed Income		
Domestic Core Plus	16.00%	2.09%
Domestic Treasury Inflation Protected Securities	8.00%	1.88%
Bank Loans	5.00%	2.55%
Emerging Markets	6.00%	2.20%
Domestic High Yield	3.00%	2.74%
Alternatives		
Private Equity	15.00%	7.17%
Real Estate	8.00%	3.45%
Natural Resources	8.00%	3.63%
Private Debt	6.00%	3.92%
Cash	1.00%	0.32%
Total	100.00%	
Weighted Average		4.34%

Discount Rate — The discount rate used to measure the net OPEB liability was 7.00%. No projection of cash flows was used to determine the discount rate because the January 1, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years beginning in 2022. Because the 30-year amortization period of the UAAL, the plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on plan investments of 7.00% was applied to all periods of projected benefit payments as the discount rate to determine the net OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following shows the net OPEB liability, calculated using the discount rate of 7.00% 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	$ 887,744	$ 711,984	$ 569,614

Year-Ended September 30, 2020 - 186 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current net OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the net OPEB liability would be if it were calculated using trend rates that are 1.00% lower (11.00% decreasing to 3.25%) or 1.00% higher (13.00% decreasing to 5.25%) than the assumed health benefit costs trend rates:

	1.00% Decrease (11.00% decreasing to 3.25%)	Assumed Rates (12.00% decreasing to 4.25%)	1.00% Increase (13.00% decreasing to 5.25%)
Net OPEB Liability	$ 554,405	$ 711,984	$ 911,690

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability as of the fiscal year-ended December 31, 2019.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	$ 26,077
Interest Cost	72,602
Difference Between Expected and Actual Experience	28,124
Changes of Assumptions	28,936
Benefit Payments	(33,146)
Net Change in Total OPEB Liability	$ 122,593
Total OPEB Liability - Beginning	991,905
Total OPEB Liability - Ending	$ 1,114,498
Plan Fiduciary Net Position	
Contributions - Employer	$ 35,234
Contributions - Employee	17,605
Net Investment Income	19,867
Benefit Payments, including Refunds of Employee Contributions	(33,146)
Administrative Expense	(3,056)
Other	1,571
Net change in Plan Fiduciary Net Position	$ 38,075
Plan Fiduciary Net Position - Beginning	364,439
Plan Fiduciary Net Position - Ending	$ 402,514
Net OPEB Liability	$ 711,984

Year-Ended September 30, 2020 - 187 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care Fund (Continued)

OPEB Expense — For the year-ended September 30, 2020, based on the actuarial valuation of December 31, 2019, the recognized OPEB expense was $65,281. Amounts recognized in the fiscal year represent changes between current and prior measurement dates.

Schedule of OPEB Expense	
Service Cost	$ 26,077
Interest Cost	72,602
Employee Contributions	(17,605)
Projected Earnings on OPEB Plan Investments	(27,082)
Amortization of Differences Between Projected and Actual Earnings on Plan Investments	11,291
Amortization of Changes of Assumptions	(3,871)
Amortization of Differences Between Expected and Actual Experience	2,384
OPEB plan administrative expenses	3,056
Other Contributions (Retirees)	(1,571)
Total OPEB Expense	$ 65,281

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2020, 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	$ 27,033	$ (3,669)
Changes of Assumptions	26,167	(53,107)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	35,324	
Contributions Subsequent to the Measurement Date	28,318	
Total	$ 116,842	$ (56,776)

$28,318 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 in the year-ending September 30, 2021.

Year-Ended September 30, 2020 - 188 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

Primary Government (City) (Continued)

Fire and Police Retiree Health Care 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 December 31,	Net Deferred Outflows (Inflows) of Resources
2021	$ 9,804
2022	9,804
2023	9,812
2024	(44)
2025	(1,487)
Thereafter	3,859
Total	$ 31,748

Contact Information — Additional information regarding the Health Fund separately issued stand-alone financial report, or the actuarial valuation report for OPEB, may be obtained at 11603 W. Coker Loop, Suite 130, San Antonio, Texas, 78216.

CPS Energy

CPS Energy provides certain health, life insurance and disability income benefits for active and retired employees. CPS Energy employees and their dependents may elect to participate in the plans and most CPS Energy employees continue eligibility upon retirement from CPS Energy. Disclosures in this footnote are limited to information related only to those benefits provided on a postemployment basis. Assets of the plans are held in three separate, single-employer defined benefit contributory plans:

- CPS Energy Group Health Plan (Health Plan) – a defined-benefit contributory group health plan that provides health, dental and vision benefits.
- CPS Energy Group Life Insurance Plan (Life Plan) – a defined-benefit contributory plan that provides life insurance benefits.
- CPS Energy Long-Term Disability Income Plan (Disability Plan) – a defined-benefit contributory employer funded plan that provides disability income benefits.

The Employee Benefit Plans may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President and CEO, the Chief Financial Officer, and the Audit & Finance Committee of the Board.

Year-Ended September 30, 2020 - 189 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

CPS Energy (Continued)

The Employee Benefit Plans' assets are segregated from CPS Energy's assets and are separately managed by an Administrative Committee whose members are appointed by the EBOC. The plans report results on a calendar-year basis and issue separately audited financial statements that may be obtained by contacting Benefit Trust Administration at CPS Energy. The Employee Benefit Plans' financial statements include certain disclosures related to CPS Energy's Net OPEB (asset) liability. However, because the financial reporting and OPEB measurement dates for the Employee Benefits Plans and CPS Energy are not aligned, the Employee Benefit Plans' disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

Benefits Provided — The Health Plan provides health, dental and vision benefits to eligible retirees, including their enrolled dependents, and the spouse and dependent children of deceased employees. The Life Plan provides life insurance benefits and death benefits to eligible retired employees and enrolled dependents. The Disability Plan provides disability income benefits to employees as of an employee's date of hire; however, benefits under the Plan are reduced if the employee is receiving certain other disability, retirement or welfare benefits.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability, as of the measurement dates, for the fiscal year-ended January 31, 2020, were:

	Health	Life	Disability
Number of:			
Active Members	2,942	2,942	3,065
Retirees and Beneficiaries	1,985	2,325	68
Total	4,927	5,267	3,133

Amounts not in thousands.

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, 2018 valuation was the basis for contributions in fiscal year 2020.

Retired employees contribute to the Health Plan in varying amounts depending upon an equity formula that considers age and years of service. Individuals who retired before February 1, 1993, contribute a base rate plus 2.25% of the difference between that amount and the aggregate rate for each year that the sum of age and service is less than 95. Those who retired on or after February 1, 1993, contribute a base rate plus a percentage of the CPS Energy contribution, based on the number of years of service, if they retired with less than 35 years of service.

Based on the funded status of the Health Plan, CPS made no contributions in fiscal year 2020.

Note 11 Other Postemployment Retirement Benefits (Continued)

CPS Energy (Continued)

The Medicare Prescription Drug Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D entitled the Health Plan to receive retiree drug subsidy payments from the federal government to offset pharmacy claims paid by the Health Plan on behalf of certain plan participants. These payments totaled $873 for fiscal year 2020. In accordance with GASB Technical Bulletin 2006-01, *Accounting and Financial Reporting by Employers for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D,* future projected payments from the federal government have not been used to lessen total projected obligations under CPS Energy's Health Plan.

Active employees contribute to the Life Plan at a rate of $0.13 per $1 of insurance per month on amounts in excess of $20. Employees who retired prior to February 1, 1993, contribute to the Life Plan at a rate of $0.13 per $1 of insurance per month on amounts in excess of $20 plus 2.25% of the difference between that amount and the aggregate rate for retiree coverage for each year the sum of retirement age and service is less than 95. Those who retired on or after February 1, 1993, contribute $0.13 per $1 of insurance per month on amounts in excess of $20 plus a percentage of the CPS Energy contribution, based on number of years of service, if they retired with less than 35 years of service. Based on the funded status of the Life Plan, CPS made no contributions in fiscal year 2020.

Beginning in fiscal year 2015, the Disability Plan is funded by a combination of employee and employer contributions. Active employee contribution rates are determined by CPS Energy and may be adjusted on an annual basis. CPS Energy's contributions are determined on a discretionary basis and are generally based on the actuarial valuation calculations. Retired employees are not eligible to participate and therefore do not contribute to the Disability Plan. Prior to fiscal year 2015, the Disability Plan was funded completely by CPS Energy. CPS Energy's average contribution rate was 0.31% of covered-employee payroll in fiscal year 2020.

CPS Energy's net OPEB (asset) liability at January 31, 2020 was measured as of January 31, 2019. The total OPEB liability used to calculate the net OPEB (asset) liability was determined by actuarial valuations as of January 1, 2018, rolled forward using generally accepted actuarial procedures to the January 31, 2019 measurement date. The components of CPS Energy's net OPEB (asset) liability at January 31, 2019, were as follows:

	Health	Life	Disability	Total
Total OPEB Liability	$ 263,922	$ 46,187	$ 6,114	$ 316,223
Plan Fiduciary Net Position	267,509	49,760	5,566	322,835
Net OPEB (Asset) Liability	$ (3,587)	$ (3,573)	$ 548	$ (6,612)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	101.36%	107.74%	91.04%	102.09%

Year-Ended September 30, 2020 - 191 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

CPS Energy (Continued)

Actuarial Methods and Assumptions — Significant actuarial assumptions used in the calculations for the January 1, 2018, actuarial valuation for fiscal year 2020 included:

	Health	Life	Disability
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Period	30 years	30 years	30 years
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	2.30%, compounded annually	2.30%, compounded annually	2.30%, compounded annually
Salary Increase	3.10% to 11.60%	3.10% to 11.60%	3.10% to 11.60%
Investment Rate of Return	7.25% per year, compounded annually	7.25% per year, compounded annually	7.25% per year, compounded annually
Mortality	Based on 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); Based on RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale BB, Male and Female Tables to active and retirees, based on 1987 Commissioners Group Disabled Life Mortality Table for Disabled.	Based on RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale BB, Male and Female Tables for Active and Retirees, based on 1987 Commissioners Group Disabled Life Mortality Table for Disabled.	Based on 1987 Commissioners Group Disabled Life Mortality table.

The actuarial assumptions used in the January 1, 2018 valuation for amounts reported in fiscal year 2020 were based on the results of an actuarial experience study completed in 2017 covering experience for the period January 1, 2012 through December 31, 2016.

Year-Ended September 30, 2020 - 192 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement 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 rates of return for each major asset class. The assumed allocation and expected real rates of return for each major asset class are summarized in the table below.

	Assumed Asset Allocation	Expected Real Rate of Return
Asset Class		
Equities	54.50%	5.40%
Debt Securities	28.50%	3.40%
Alternative Investments	17.00%	5.60%
Total Investments	100.00%	

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate — The discount rate used to measure the total OPEB liability for fiscal year 2020 was 7.25%. The projection of cash flows used to determine the discount rate assumed that CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following tables present the sensitivity of the net OPEB (asset) liability calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total OPEB liability:

	1.00% Decrease 6.25%	Current Discount 7.25%	1.00% Increase 8.25%
Health	$ 26,237	$ (3,587)	$ (29,017)
Life	2,789	(3,573)	(8,754)
Disability	682	548	409
Total	$ 29,708	$ (6,612)	$ (37,362)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rates - The following table presents the sensitivity of net Health Plan OPEB (asset) calculation to a 1.00% increase and a 1.00% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB (asset):

	1.00% Decrease (7.70% decreasing to 3.10%)	Current Discount (8.70% decreasing to 4.10%)	1.00% Increase (9.70% decreasing to 5.10%)
Health Plan OPEB (Asset)	$ (34,640)	$ (3,587)	$ 34,079

Year-Ended September 30, 2020 - 193 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

CPS Energy (Continued)

Net OPEB (Asset) Liability — CPS Energy's net OPEB (asset) liability at January 31, 2020 was measured as of January 31, 2019. The total OPEB liability used to calculate the net OPEB (asset) liability was determined by actuarial valuations as of January 1, 2018, rolled forward using generally accepted actuarial procedures to the January 31, 2019 measurement date.

Changes in Net OPEB (Asset) Liability

	Health	Life	Disability	Total
Total OPEB Liability				
Service Cost	$ 4,466	$ 473	$ 620	$ 5,559
Interest Cost	18,032	3,284	475	21,791
Differences Between Expected and Actual Experience	1,763	(936)	(656)	171
Changes in Assumptions	(2,190)	594	189	(1,407)
Benefit Payments	(11,390)	(4,028)	(880)	(16,298)
Net Change in Total OPEB Liability	10,681	(613)	(252)	9,816
Total OPEB Liability - Beginning	253,241	46,800	6,366	306,407
Total OPEB Liability - Ending	$ 263,922	$ 46,187	$ 6,114	$ 316,223
Plan Fiduciary Net Position				
Contributions - Employer	$ -	$ -	$ 1,000	$ 1,000
Contributions - Employee		1,030	274	1,304
Medicare Part D Payment	872			872
Losses on Plan Assets	(10,571)	(2,135)	(205)	(12,911)
Benefit Payments	(11,390)	(4,028)	(880)	(16,298)
Administrative Expense	(1,223)	(28)	(19)	(1,270)
Net Change in Plan Fiduciary Net Position	$ (22,312)	$ (5,161)	$ 170	$ (27,303)
Plan Fiduciary Net Position - Beginning	289,821	54,921	5,396	350,138
Plan Fiduciary Net Position - Ending	$ 267,509	$ 49,760	$ 5,566	$ 322,835
Net OPEB (Asset) Liability	$ (3,587)	$ (3,573)	$ 548	$ (6,612)

CPS Energy recorded $8,163 in OPEB expense for the year-ended January 31, 2020.

Plan Fiduciary Net Position — Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Employee Benefit Plans financial statements. For purposes of measuring the net OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position for the Employee Benefit Plans and additions to/deductions from the Employee Benefit Plans' fiduciary net position have been determined on the same basis as they are reported by the Employee Benefit Plans. Investments are stated at fair value. Benefit payments are recognized when due and payable in accordance with the terms of the Employee Benefit Plans.

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Note 11 Other Postemployment Retirement Benefits (Continued)

CPS Energy (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for CPS Energy at January 31, 2020:

	Health	Life	Disability	Total
Deferred Outflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	$ 7,853	$ 1,838	$ 319	$ 10,010
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	1,769	1,359	146	3,274
Changes in Assumptions	6,898	502	226	7,626
Contributions Subsequent to the Measurement Date			769	769
Total Deferred Outflows of Resources	$ 16,520	$ 3,699	$ 1,460	$ 21,679
Deferred Inflows of Resources				
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	$ -	$ (792)	$ (553)	$ (1,345)
Changes in Assumptions	(1,860)	(326)		(2,186)
Total Deferred Inflows of Resources	$ (1,860)	$ (1,118)	$ (553)	$ (3,531)

$769 reported as deferred outflows of resources in Disability Plan related to OPEB resulting from CPS contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year-ending January 31, 2021.

The following table presents the future amortization of OPEB-related deferred outflows of resources and deferred inflows of resources, excluding the balance attributable to the employer's contribution to the Employee Benefit Plans in the current fiscal year and subsequent to the net OPEB (asset) liability measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net OPEB (asset) liability in the subsequent fiscal year.

Year-ended January 31,	Health	Life	Disability	Total
2021	$ 4,156	$ 959	$ 90	$ 5,205
2022	(1,417)	(192)	(3)	(1,612)
2023	3,058	535	41	3,634
2024	7,588	1,424	99	9,111
2025	1,315	(118)	(60)	1,137
Thereafter	(40)	(27)	(29)	(96)
Total	$ 14,660	$ 2,581	$ 138	$ 17,379

Year-Ended September 30, 2020 - 195 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

San Antonio Water System (SAWS)

SAWS provides certain healthcare and life insurance benefits for eligible retirees, their spouses, and their dependents through San Antonio Water System Retiree Health Trust (SAWS OPEB Plan), a single-employer defined benefit plan administered by SAWS. The authority to establish and amend the OPEB provisions is vested in the SAWS Board of Trustees.

By State law, any employee that retires under either the TMRS or SAWS retirement plans is eligible, at the time of retirement, to obtain health insurance benefits similar to those offered to active SAWS employees. Retirees may also purchase coverage for their spouse and qualifying dependents at group rates partially subsidized by SAWS. Any plan participant eligible for Medicare is required to enroll in a Medicare Advantage Plan. No supplemental health benefits are provided to those participants enrolled in Medicare Advantage Plans. Employees hired after December 31, 2013 will not be eligible for any subsidized medical benefits upon retirement from SAWS.

SAWS does not issue a separate financial report for its OPEB plan.

The following 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, as of the measurement date, for the fiscal year-ended December 31, 2019, were:

Number of:	
Active Members	1,072
Retirees and Beneficiaries	850
Total	1,922

Amount not in thousands.

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 $1,613 for year-ended December 31, 2019.

SAWS contributions to the plan are also established by the Board. Prior to 2012, SAWS only funded the shortfall between annual benefit payments and retiree contributions (current benefit payments). In March 2012, SAWS established an OPEB Trust for the exclusive purpose of prefunding future benefit payment for eligible retirees and their dependents. In addition to making contributions to the trust, SAWS has continued to fund current benefit payments outside of the trust. SAWS intends to fund current benefit payments as well as make annual contributions to the trust in accordance with a plan that, at a minimum, fully funds the actuarially determined annual required contributions for these benefits thereby improving the funded status of the SAWS OPEB Plan over a period of time.

Note 11 Other Postemployment Retirement Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

Net OPEB Liability — The net OPEB liability was determined by an actuarial valuation as of January 1, 2019.

Total OPEB Liability	$ 141,379
Plan Fiduciary Net Position	62,688
Total OPEB Liability	$ 78,691
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.34%

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	Market Value
Remaining Amortization Period	15 Years - Closed
Inflation Rate	2.40%
Salary Increases	3.25% to 10.50%, varies by age
Investment Rate of Return	6.50%
Healthcare Cost Trend:	
Initial	5.40%
Ultimate	3.94%
Mortality	In 2019, 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 recently 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 MP2018 published in October 2018.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The discount rate used to measure the net OPEB liability at December 31, 2019 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Year-Ended September 30, 2020 - 197 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

The following table presents the SAWS OPEB Plan net OPEB liability calculated at December 31, 2019 using the discount rate of 6.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

	1.00% Decrease 5.50%	Current Discount 6.50%	1.00% Increase 7.50%
Net OPEB Liability	$ 96,462	$ 78,691	$ 63,999

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates – The following table presents the change in the SAWS OPEB net liability calculated at December 31, 2019 assuming healthcare cost trends decrease or increase by one percentage point from the assumptions used in net OPEB liability.

	1.00% Decrease (4.40% decreasing to 2.94%)	Assumed Rates (5.40% decreasing to 3.94%)	1.00% Increase (6.40% decreasing to 4.94%)
Net OPEB Liability	$ 71,968	$ 78,691	$ 88,859

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	38.00%	0.72%
Domestic Equity - Large Cap	36.00%	6.45%
Foreign Equity - Large Core	12.30%	6.35%
Domestic Equity - Small Cap	9.00%	7.82%
Foreign Equity - Emerging Markets	2.70%	8.96%
Cash	2.00%	0.00%
Total	100.0%	

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Year-Ended September 30, 2020 - 198 - Amounts are expressed in thousands

Note 11 Other Postemployment Retirement Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

The following table summarizes the change in net OPEB liability at December 31, 2019.

Changes in the Total OPEB Liability	
Total OPEB Liability	
Service Cost	$ 2,220
Interest Cost	9,429
Difference Between Expected and Actual Experience	(11,970)
Changes of Assumptions	2,817
Benefit Payments	(7,808)
Net change in Total OPEB Liability	$ (5,312)
Total OPEB Liability - Beginning	146,691
Total OPEB Liability - Ending	$ 141,379
Plan Fiduciary Net Position	
Contributions - Employer	$ 15,308
Contributions - Employee	
Net Investment Loss	(3,164)
Benefit Payments	(7,808)
Administrative Expense	(159)
Net change in Plan Fiduciary Net Position	$ 4,177
Plan Fiduciary Net Position - Beginning	58,511
Plan Fiduciary Net Position - Ending	$ 62,688
Total OPEB Liability	$ 78,691

OPEB Expense – SAWS recognized $5,228 in OPEB expense for the fiscal year-ended December 31, 2019 based on a measurement date of December 31, 2018.

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, 2019 from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ -	$ (10,725)
Changes of Assumptions	2,113	(183)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	3,346	
Contributions Subsequent to the Measurement Date	13,811	
Total	$ 19,270	$ (10,908)

Year-Ended September 30, 2020 - 199 - Amounts are expressed in thousands

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Note 11 Other Postemployment Retirement Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

$13,811 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 liability in the year-ending December 31, 2020.

Other amounts reported as deferred inflow of resources will be recognized in OPEB expense as follows:

Year-Ended December 31,		Net Deferred Outflows (Inflows) of Resources
2020	$	(2,542)
2021		(2,542)
2022		(1,805)
2023		1,440
Thereafter		
Total	$	(5,449)

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Year-Ended September 30, 2020 - 200 - 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, currently a two-unit nuclear power plant with each unit having a nominal output of approximately 1,330 MW. The other owners in STP Units 1 and 2 are NRG South Texas LP, a wholly owned subsidiary of NRG Energy, Inc. (NRG), and the City of Austin. The units, along with their support facilities and administrative offices, are located on a 12,220-acre site in Matagorda County, Texas. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. CPS Energy's 40.0% ownership in STP Units 1 and 2 represents approximately 1,064 MW of total plant capacity.

Effective November 17, 1997, the Participation Agreement among the owners of STP was amended and restated. At that time, the South Texas Project Nuclear Operating Company (STPNOC), a Texas nonprofit, nonmember corporation created by the owners, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STPNOC. STPNOC is financed and controlled by the owners pursuant to an operating agreement among the owners and STPNOC. Currently, a four-member board of directors governs STPNOC, with each owner appointing one member to serve with STPNOC's chief executive officer.

In September 2017, the Nuclear Regulatory Commission (NRC) approved STPNOC's license renewal applications for STP Units 1 and 2, which extends the operating licenses to 2047 and 2048, respectively.

Under the Nuclear Waste Policy Act (NWPA), the Department of Energy (DOE) has an obligation to provide for the permanent disposal of high-level radioactive waste, which includes used nuclear fuel at U.S. commercial nuclear power plants such as STP. To fund that obligation, all owners or operators of commercial nuclear power plants entered into a standard contract under which the owners paid a fee to the DOE based on the amount of electricity generated and sold from the power plant, along with additional assessments. In exchange for collecting this fee and the assessments, the DOE undertook the obligation to develop a high-level waste repository for safe, long-term storage of the fuel and, no later than January 31, 1998, to transport and dispose of the used fuel. 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. Pursuant to STPNOC's analysis of NRC guidance, the first dry cask storage campaign was recently completed, with 12 dry casks now stored at the independent spent fuel storage installation (ISFSI or Dry Cask Storage Project).

Note 12 CPS Energy South Texas Project (STP) (Continued)

Joint Operations (Continued)

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.

Units 3 and 4 Project – In September 2007, NRG and CPS Energy signed the South Texas Project Supplemental Agreement under which CPS Energy elected to participate in the development of two new nuclear units at the STP site, STP Units 3 and 4, pursuant to the terms of the participation agreement among the STP owners and agreed to potentially own up to 50.0% of STP Units 3 and 4. Also in September 2007, STPNOC, on behalf of CPS Energy and NRG, filed with the NRC a combined construction and operating license (COL) application to build and operate STP Units 3 and 4. This COL application was the first complete application for new commercial nuclear units to be filed with the NRC in nearly 30 years. On November 29, 2007, the NRC announced it had accepted the COL application for review.

Despite the project having secured the NRC's authorization for the issuance of the COL, in January 2016 CPS Energy concluded that as a result of sustained changes in a number of environmental and economic factors directly affecting the projected economic feasibility of completing construction of STP Units 3 and 4, the project had experienced a permanent impairment. CPS Energy determined it was appropriate to write off the entire investment in STP Units 3 and 4. The impairment loss was reported as an extraordinary item on CPS Energy's Statements of Revenues, Expenses, and Changes in Net Position for the period ended January 31, 2016.

In fiscal year 2019, a request to terminate the STP Units 3 and 4 COLs was submitted and approved by the NRC. Additionally, an Assignment Agreement and Mutual Release was executed with the owners of STP Units 1 and 2 and STP Units 3 and 4. This agreement returns ownership of the STP Units 3 and 4 assets, including rights for future expansion, to the STP Unites 1 and 2 owners and essentially restores the site ownership arrangement to pre-2006 terms.

See Note 6 Capital Assets for more information about CPS Energy's capital investment in STP.

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Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Insurance

STP maintains required insurance coverage pursuant to the Price-Anderson Act, providing limitations on liability and governmental indemnities with respect to nuclear incidents. Pursuant to the Price-Anderson Act, effective November 1, 2018, the maximum amount that each licensee may be assessed following a nuclear incident at any insured facility is $137,600, taking into account a 5.0% adjustment for administrative fees and subject to adjustment for inflation every five years, for the number of operating nuclear units and for each licensed reactor, payable at $20,496 per year per reactor for each nuclear incident. CPS Energy and each of the other participants of STP are subject to such assessments, which will be borne on the basis of their respective ownership interests. For purposes of these assessments, STP currently has two licensed reactors. The participants have purchased the maximum limits of nuclear liability insurance, as required by law, and have executed indemnification agreements with the NRC in accordance with the financial protection requirements of the Price-Anderson Act. A nuclear liability policy, with a maximum limit of $450,000 for the nuclear industry as a whole, provides protection from nuclear-related claims. A Master Worker Certificate policy, also with a maximum limit of $450,000 for the nuclear industry, provides protection from radiation tort claims of workers at nuclear facilities.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage insurance in a minimum amount of approximately $1,100,000. NRC regulations also require that the proceeds from this insurance be used first to ensure that the licensed reactor is in a safe and stable condition so as to prevent any significant risk to the public health or safety, and then to complete any decontamination operations that may be ordered by the NRC. Any funds remaining would then be available for covering direct losses to property.

The owners of STP Units 1 and 2 currently maintain nuclear property insurance at or above the legally required amount. The nuclear property insurance consists of primary property damage insurance and excess property damage insurance, both subject to a retrospective assessment being paid by all members of Nuclear Electric Insurance Limited (NEIL). A retrospective assessment could occur if property losses, as a result of an accident at any nuclear plant insured by NEIL, exceed the accumulated funds available to NEIL. CPS Energy also maintains accidental outage insurance through STP's NEIL membership that provides weekly indemnity payments for an insured property loss subject to an applied deductible period.

Nuclear Decommissioning

In 1991, CPS Energy started accumulating funds for the decommissioning of its 28.0% ownership in STP Units 1 and 2 in an external trust in accordance with the NRC regulations. The 28% Decommissioning Trust's assets and related liabilities are included in CPS Energy's financial statements as a component unit. Excess or deficient funds related to the 28% Trust will be distributed to or received from CPS Energy's ratepayers after decommissioning is complete.

In conjunction with the acquisition of the additional 12.0% interest in STP Units 1 and 2 in May 2005, CPS Energy also assumed control of a relative portion of the Decommissioning Trust previously established by the prior owner, American Electric Power (AEP). The 12% Decommissioning Trust's assets and related liabilities are also included in CPS Energy's financial statements as a component unit. Subject to Public Utility Commission of Texas (PUCT) approval as may be requested in the future, excess or deficient funds related to the 12% Trust will be distributed to or received from AEP's ratepayers after decommissioning is complete.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Decommissioning (Continued)

CPS Energy, together with the other owners of STP Units 1 and 2, files a certificate of financial assurance with the NRC for the decommissioning of the nuclear power plant every two years or upon transfer of ownership. The certificate assures that CPS Energy and the other owners meet the minimum decommissioning funding requirements mandated by the NRC. The owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically.

In fiscal year 2009, CPS Energy determined that some preshutdown decommissioning and spent fuel management activities would be required prior to shutdown of STP Units 1 and 2. As a result, separate trust accounts were created to pay for preshutdown decommissioning activities. Additionally, funds in the Trusts applicable to spent fuel management were transferred to separate spent fuel management accounts so that they were not commingled with funds allocable to preshutdown or postshutdown decommissioning costs. Based on projected costs, the spent fuel management accounts are currently fully funded; therefore, no contributions were made to these accounts in fiscal year 2020. In fiscal year 2020, no contributions were made to fund preshutdown decommissioning costs for CPS Energy's 28.0% ownership in STP. No preshutdown decommissioning expenses were incurred for the 28.0% ownership in calendar year 2019. For the 12% Trust, preshutdown costs were funded by AEP's ratepayers. The 12% Trust incurred no preshutdown decommissioning expenses in calendar year 2019.

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, 2019, CPS Energy had accumulated $472,986 in the 28% Trust. Total funds are allocated to decommissioning costs, preshutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2018, the 28% Trust funds allocated to decommissioning costs totaled $264,096, which exceeded the calculated financial assurance amount of $111,234.

As of December 31, 2019 $173,893 had been accumulated in the 12% Trust. Total funds are allocated to decommissioning costs, preshutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2018, the 12% Trust funds allocated to decommissioning costs totaled $105,510, which exceeded the calculated financial assurance amount of $47,672.

CPS Energy adopted GASB Statement No. 83 during fiscal year 2019 and accounts for decommissioning by recognizing its pro rata share of an Asset Retirement Obligation (ARO) based on the best estimate of the current values of outlays expected to be incurred, determined by the most recent cost study. A new cost study is performed every five years; and, in years subsequent to the latest study, the statement requires the current value of CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded a deferred outflow of resources that is being amortized over the remaining useful life of the plant. Restatement for the ARO resulted in a change in the calculation of decommissioning expense reflected in the Statements of Activities, which is now based on the amortization of the deferred outflow.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Decommissioning (Continued)

Both Decommissioning Trusts also have separate calendar-year financial statements, which are separately audited and can be obtained by contacting the Controller at CPS Energy.

STP Pension Plan and Other Post-retirement Benefits

STPNOC maintains several pension and other post-retirement benefit plans covering most employees, including a noncontributory defined-benefit pension plan, defined-benefit post-retirement plan, supplementary nonqualified unfunded pension plan, supplemental retirement plan, deferred compensation program, and a contributory savings plan. The owners of STPNOC, including CPS Energy, although not sponsors to the STPNOC plans, share in all plan costs in the same proportion as their respective ownership percentages.

The noncontributory defined-benefit pension plan covers certain employees. Effective January 1, 2007, STPNOC approved a change to the pension plan to preclude the eligibility of employees hired after December 31, 2006, in the plan. Employees hired after this date receive enhanced matching contributions under the STP Nuclear Operating Company Savings Plan.

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, 2018. STPNOC pays monthly premiums for the benefits, to be partially funded by participating employees.

Employees whose eligible compensation exceeds the limitations established under the 1974 Employee Retirement Income Security Act, $280 for 2019, are covered by a supplementary nonqualified, unfunded pension plan, which is provided for by charges to operations sufficient to meet the projected benefit obligations. The accruals for the costs of that plan are based on substantially the same actuarial methods and economics as the noncontributory defined-benefit pension plan.

An unfunded supplemental retirement plan and other unfunded deferred compensation programs are maintained by STPNOC for certain key individuals.

The effect to CPS Energy of funding obligations related to the defined-benefit plans sponsored by STPNOC was $18,668 for fiscal year 2020 and was reflected as an adjustment for STP Pension Cost on the Statement of Activities.

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, 2020. Grant and local funding received from federal, state, and other governmental agencies but not yet earned as of September 30, 2020 was $182,303, which of $179,896 is reported in the COVID-19 Response & Relief Fund.

Capital Improvement Program

The City will be undertaking various capital improvements during fiscal year 2021. The estimated cost of these improvements is $640,801; of this amount $233,192 will be funded from the 2017 General Obligation Bonds. The 2021 Capital Improvements Program consists of the following:

Function/Program	2021
General Government	
Information Technology	$ 33,078
Municipal Facilities and Other	124,616
Total General Government	$ 157,694
Public Health & Safety	
Drainage	$ 78,036
Fire Protection	3,797
Law Enforcement	8,625
Total Public Health & Safety	$ 90,458
Recreation & Culture	
Libraries	$ 10,217
Parks	101,539
Total Recreation & Culture	$ 111,756
Transportation	
Air Transportation	$ 42,602
Street	232,934
Total Transportation	$ 275,536
Total Neighborhood Improvements	$ 5,357
Total Capital Plan	$ 640,801

These projects are scheduled to be funded with a combination of grants, contributions from others, bonds, certificates, notes and other designated City resources.

Year-Ended September 30, 2020 - 206 - 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 Insurance Reserve Fund in the amount $20,939. The City estimates the amounts of unsettled claims under its self-insurance program and believes that the self-insurance reserves recorded as appropriations in the Insurance Reserve Fund are adequate to cover losses for which the City may be liable. Whether additional claims or revisions to estimates required for settlement on existing claims could have a material effect on the basic financial statements cannot be determined.

Jimmy Maspero and Regina Maspero, et al. v. City of San Antonio, et al. Plaintiffs alleged that on September 19, 2012, Plaintiffs' vehicle was involved in a collision with a vehicle being pursued by a San Antonio Police Department (SAPD) patrol car causing the death of two of Plaintiffs' children and severe permanent injuries to the remaining Plaintiffs (two children, two adults). The Plaintiffs asserted a "state-created danger" theory under 42 U.S.C. § 1983 alleging a violation of Plaintiffs' 14th Amendment substantive due process. Plaintiffs are also asserting State law theories of negligence. Plaintiffs seek to recover damages for mental anguish, physical pain, impairment, medical expenses, and the wrongful death of two of their children. Plaintiffs are seeking monetary damages of at least $3,000. The case has been remanded back to State District Court. On February 19, 2018, the District Court granted the City's plea to the jurisdiction, dismissing all claims. Plaintiffs' motion for a new trial was denied. Plaintiffs filed an appeal to the Fourth Court of Appeals. On August 28, 2019, the Fourth Court issued its opinion reversing the trial court and remanding the case to the trial court for further proceedings. The City filed a motion for rehearing en banc, which was denied. The City has filed a Petition for Review with the Texas Supreme Court, which requested full briefing on the merits. All briefing in this matter was completed on January 28, 2021. We await submission of this matter to the Court.

Elena Scott, Individually and as Representative of the Estate of Antronie Scott v. City of San Antonio, et al./Diane Peppar, et al. v. City of San Antonio, et al. An SAPD officer was attempting to execute an arrest warrant when Plaintiffs decedent exited his vehicle with an object the officer believed was a weapon. The officer discharged his service weapon, fatally wounding decedent. Plaintiffs have filed suit under 42 U.S.C. § 198 alleging use of excessive force. This case was consolidated with *Diane Peppar v. City of San Antonio.* Diane Peppar is Decedent Antronie Scott's mother. In March 2019, the Court granted the City's motion for summary judgment, dismissing all claims against the City. The officer's motion for summary judgment was granted in part but denied as to the claims of excessive force and unreasonable seizure. This matter is not currently set for trial.

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, during which procedure, Plaintiff was paralyzed. Plaintiff has filed suit against the City and various officers under 42 U.S.C. § 1983. The Plaintiff has amended his suit to include the physicians involved in the Plaintiffs surgical procedure. 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. This case is not currently set for trial.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Neka Scarborough Jenkins v. City of San Antonio. Plaintiff's decedent was driving northbound on Blanco Road and attempted to turn left onto Lockhill Selma at a controlled traffic signal. Plaintiff contends that the traffic signal for her lane of traffic was facing the wrong direction. While making the turn, decedent was struck by an oncoming vehicle and was killed. Plaintiff claims the City had prior notice but failed to correct the issue within a reasonable period of time. Plaintiff also claims the investigation revealed the light was placed too low and was not at the correct height for a traffic signal. This litigation is brought under the Texas Tort Claims Act (TTCA) and discovery is ongoing. Under the TTCA, damages are capped at $250. This case is not yet set for trial.

Patricia Slack, et al. v. City of San Antonio and Steve Casanova. SAPD officers responded to persons complaining they had been assaulted in front of a nearby residence. The officers went to the address provided by the victims and approached the front door, which was behind a security door made of metal bars. The officers knocked, and the door swung open to the living room, although the security door remained closed. 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 ongoing. No trial date has been set.

Texas Sterling Construction Co. v. City of San Antonio. The City contracted with Plaintiff in a Construction Manager at Risk Contract to build road improvements on Bulverde Road. Plaintiff billed on a unit cost basis and after the City paid all the bills, Texas Sterling Construction Co. (TSC) wrote complaining it should have been paid for actual costs. TSC also claimed the City caused multiple delays. Plaintiff filed suit for breach of contract and is claiming damages in excess of $250. Discovery is ongoing. This matter is set for trial on September 7, 2021.

Jesse Quinones, et al. v. City of San Antonio. On May 2, 2017, an SAPD officer was operating his patrol vehicle on non-emergency patrol, when he rear-ended a 2003 Tahoe with eight passengers. The officer was following Plaintiffs' vehicle as they went through a green light. A third vehicle on the cross street ran the red light in front of the officer. The officer looked back at the third vehicle and did not see Plaintiff Quinones' vehicle stop in front of him for a traffic signal. As a result of the accident, Plaintiff Quinones is claiming back injury and has obtained a future surgical recommendation at a cost greater than $250. This case is still currently set for trial on April 12, 2021, but the parties are circulating an agreed order to reset to November 15, 2021.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Ken Paxton v. City of San Antonio, et al. On December 23, 2017, SAPD received a call concerning an 18-wheeler stopped on I35 at the Splashtown exit. At the scene, 12 immigrants were found in the back of the truck. The driver was still on scene. SAPD initially reached out to Homeland Security Investigations but federal agents did not arrive on the scene for more than three hours. SAPD eventually took jurisdiction of the matter under the Texas Human Smuggling statute. Subsequently, the Texas Attorney General's Office investigated and filed suit against the City, the Chief of Police and the City Manager, alleging that the City materially interfered with the enforcement of federal immigration laws, in violation of Texas Senate Bill 4. The Attorney General also claims the City has policies that materially interfere with the enforcement of federal immigration laws. The Attorney General seeks penalties and attorney's fees in excess of $250. This case is currently set for trial on September 13, 2021.

City of San Antonio et al. v. Hotels.com, et al. In 2006, the City filed suit against 13 online reservation companies alleging that they were not properly paying hotel occupancy taxes. Class certification was granted and approximately 183 (not in thousands) cities and towns joined suit. The matter was tried to a federal jury resulting in a verdict in favor of the cities in the amount of approximately $185,000. The reservation companies appealed to the Fifth Circuit which reversed the decision and ordered the City costs and fees be taxed against the City. The Trial Court determined the amount due and owing is $2,227 and issued judgment against the City in that amount. The City appealed, contending the amount should be limited to $287 and alternatively that the costs should be apportioned to all plaintiff cities. In March 2020, the Fifth Circuit affirmed the Trial Court's judgment. The City appealed this matter to the United States Supreme Court. On January 8, 2021, the Supreme Court granted the City’s petition, agreeing to hear the appeal and requesting full briefing. The City has reserved $2,038 for payment.

Department of Justice v. City of San Antonio. The Department of Justice received a complaint from a servicemember whose vehicle was impounded at the City's impound lot and subsequently auctioned while the servicemember was deployed in violation of the Servicemembers Civil Relief Act. The City cooperated with the investigation and entered into a Consent Decree with the Department of Justice. In its investigation, the Department of Justice identified approximately 225 (not in thousands) additional vehicles that may have been sold in violation of the Servicemembers Civil Relief Act. As part of the consent decree, the City has reserved $250 for payment of any claims that may be made for these vehicles. These reserves are to be held until March 2022.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Leases

The City leases City-owned property to others consisting of buildings, real property, and parking spaces. Costs of specific leased components are not readily determinable. The Airport System's revenue is net of Ground Abatement Credits and Building Improvement Credits allowed to lessees per signed contracts. Total rental revenue from operating leases received for the fiscal year-ended September 30, 2020 was $11,391 for Governmental Activities and $39,970 for Business-Type Activities, which consisted of $39,201 for the Airport System, $118 for Solid Waste Management, and $651 for Nonmajor Enterprise. As of September 30, 2020, the leases provide for the following future minimum rentals:

Leases Revenues					
	Governmental Activities	Aviation	Solid Waste Management	Nonmajor Enterprise	Total
Fiscal year ending September 30,					
2021	$ 9,139	$ 39,979	$ 118	$ 1,265	$ 50,501
2022	11,197	37,759	118	1,276	50,350
2023	15,127	37,598	118	1,293	54,136
2024	15,487	28,463	118	1,252	45,320
2025	15,804	23,860	118	801	40,583
2026-2030	72,165	48,150	589	198	121,102
2031-2035	6,027	1,638	29		7,694
2036-2040	1,719	1,381			3,100
2041-2045	386	412			798
2046-After	3				3
Future Minimum Lease Rentals	$ 147,054	$ 219,240	$ 1,208	$ 6,085	$ 373,587

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, 2020, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of $876. 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 $167 from the prior fiscal year.

Year-Ended September 30, 2020 - 210 - Amounts are expressed in thousands

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Texas Commission on Environmental Quality (TCEQ) Financial Assurance

The City is required, under the provision of the Texas Administrative Code, to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ) related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. In relation to new and modification permits for closed landfills from TCEQ, the City has an obligation to provide financial assurance of the postclosure cost estimates for landfills. Additionally, financial assurance is required to demonstrate financial responsibility for underground storage petroleum facilities. Based on the number of underground petroleum storage tanks, the City is required to provide $1,000 of financial assurance related to the underground storage facilities. The City completes and submits its financial assurance to TCEQ annually.

Arbitrage

The City has issued certain tax-exempt obligations that are subject to IRS arbitrage regulations. Noncompliance with these regulations, which pertain to the utilization and investment of proceeds, can result in penalties, including the loss of the tax-exempt status of the applicable obligations retroactive to the date of original issuance. In addition, the IRS requires that interest income earned on proceeds in excess of the arbitrage rate on applicable obligations be rebated to the federal government. The City monitors its bond proceeds in relation to arbitrage regulations, and "arbitrage rebate" is estimated and recorded in the government-wide and proprietary financial statements when susceptible to accrual, and in the governmental fund type when matured. As of September 30, 2020, the City has no arbitrage liability for its governmental or proprietary funds.

CPS Energy

Litigation

In the normal course of business, CPS Energy is involved in legal proceedings related to alleged personal and property damages, breach of contract, condemnation appeals, and discrimination cases. In addition, CPS Energy's power generation activities and other utility operations are subject to extensive state and federal environmental regulation. In the opinion of CPS Energy's management, the outcome of such proceedings will not have a material adverse effect on the financial position or results of operations of CPS Energy.

Leases

Capital Leases – CPS Energy was not a contracted party to any capital leases during fiscal year 2020, either as a lessee or lessor.

Operating Leases – In fiscal year 2014, CPS Energy entered into an agreement to sell 69 of its communication towers to an independent third party. Title to 62 of the towers was conveyed to the purchaser in January 2014. (Towers count is not expressed in thousands). Resolution of easement issues related to the remaining sites was concluded in February 2017, resulting in the transfer of title to the purchaser for five additional towers for a total of 67 towers. CPS Energy retained title to the remaining two towers. Additionally, new licensing agreements were entered into between CPS Energy and the purchaser for CPS Energy's ongoing use of the towers and the purchaser's use of CPS Energy's communication buildings for a period of 40 years, with three five-year options by the purchaser to extend the agreement.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Leases (Continued)

In accordance with lease guidance provided in GASB Statement No. 62, leases related to the communication towers sale, both with CPS Energy as lessor and as lessee, have been classified as operating leases. Future minimum lease payment information provided on the following pages includes lease revenue and lease expense to be recognized as a result of the following lease components of the communication towers sale.

- **Lease of Tower Space for CPS Energy Communication Equipment –** The parties to the sale transaction agreed that no cash would be paid by CPS Energy for the space it leased on the communication towers for the 40-year term of the lease agreement. As a result, the total sale transaction proceeds received from the purchaser were reduced by an amount representing an advance payment to the purchaser of the net present value of the estimated total lease obligation. This value represents a prepaid lease expense to CPS Energy, benefitting a period of time equal to the 40-year term of the leases. In accordance with GASB Statement No. 62, the value of this prepaid lease obligation for space on the 67 towers (not in thousands) was recorded at fair value and totaled $20,190, which is being amortized to lease expense over the 40-year term.

- **Lease of Communication Building Space –** The parties agreed that no cash would be paid by the purchaser for the space it leased in CPS Energy's communication buildings for the term of the lease agreement. As a result, the total sale transaction proceeds received from the purchaser included an additional amount representing an advance payment by the purchaser of the net present value of the estimated total lease obligation. This value represents unearned lease revenue to CPS Energy to be generated over a period of time equal to the 40-year term of the leases. In accordance with GASB Statement No. 62, the value of this unearned lease revenue for space in the 67 communication buildings (not in thousands) was recorded at fair value and totaled $6,831, which is being amortized to nonoperating income over the 40-year term.

Additionally, the communication towers sale transaction included an assignment of existing operating lease agreements with tenants who had equipment located on the towers. At the time of sale, there were approximately 127 lease agreements outstanding (not in thousands), with CPS Energy as lessor for space on the towers and in CPS Energy's communication buildings, having remaining terms varying from fewer than two years to ten years. In fiscal year 2014, these leases provided approximately $2,845 in proceeds to CPS Energy, which was recognized as nonoperating income. With the sale of the towers, these leases were assigned to the purchaser, and the right to collect future cash flows from the leases was conveyed. The estimated net present value of these cash flows, including annual escalations based on estimated future Consumer Price Indices, total approximately $6,500 for the 62 towers conveyed in the initial closing plus an additional $463 for the five towers subsequently conveyed. Proceeds to CPS Energy from the tower sale transaction included a purchase price for these leases, which was recorded as a deferred inflow of resources totaling $6,500 in accordance with guidance provided in GASB Statement No. 65. As of January 31, 2020, the balance of unearned revenue reported as deferred inflow of resources was $900. Revenue from the sale of future revenues related to these leases will be recognized over the term of the original leases in accordance with guidance provided in GASB Statement No. 48, *Sales and Pledges of Receivable and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues.*

Following is a brief description of CPS Energy's current leases, as well as future minimum payments and receipts related to those leases.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Leases (Continued)

CPS Energy has entered into operating lease agreements to secure the usage of communication towers space, railroad cars, natural gas storage facilities, land, office space, parking lot space and engineering equipment. The lease for the parking lot space and several of the leases for office space, as well as the communication towers space, include an escalation in the monthly payment amount after the first year of each lease.

CPS Energy's projected future minimum lease payments for noncancelable operating leases with terms in excess of one year are as follows:

Year-Ended January 31,	Operating Lease Payments
2021	$ 6,700
2022	3,019
2023	1,786
2024	1,755
2025	1,710
Thereafter	69,853
Total future minimum lease payments	$ 84,823

CPS Energy's minimum lease payments for all operating leases for which CPS Energy was the lessee amounted to $8,773 in fiscal year 2020. Contingent lease payments amounted to $58 in fiscal year 2020.

CPS Energy has entered into operating lease agreements allowing cable and telecommunication companies to attach telephone, cable, and fiber-optic lines to CPS Energy's electric poles. Operating leases also exist between CPS Energy and telecommunication companies allowing the companies to attach communication equipment to CPS Energy's communication and transmission towers. As described previously, CPS Energy sold 67 of its communication towers to a third party.

CPS Energy has three operating leases for the use of land that it owns, and it has entered into multiple agricultural leases allowing the lessees to use CPS Energy's land for sheep and cattle grazing. The three land leases contain provisions for contingent lease receipts based on the Consumer Price Index. Additionally, the majority of the operating leases pertaining to the use of CPS Energy's transmission towers contain provisions for contingent lease receipts that will equal the lesser of a 15.0% increase in the prior five-year lease payment or the percentage increase in the Consumer Price Index over the same five-year period.

Projected future minimum lease receipts to CPS Energy for noncancelable operating leases with terms in excess of one year are as follows:

Year-Ended January 31,	Operating Lease Receipts
2021	$ 1,137
2022	1,152
2023	987
2024	589
2025	597
Thereafter	22,884
Total future minimum lease receipts	$ 27,346

Year-Ended September 30, 2020 - 213 - Amounts are expressed in thousands

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Leases (Continued)

CPS Energy's minimum lease receipts for all operating leases for which CPS Energy was the lessor amounted to $8,472 in fiscal year 2020. Contingent lease receipts amounted to $33 in fiscal year 2020. There were no sublease receipts in fiscal year 2020.

Other

Purchase and construction commitments approximated $6,412,286 at January 31, 2020. This amount includes construction commitments, provisions for coal purchases through December 2021, and natural gas purchases through June 2027; the actual amount to be paid will depend on CPS Energy's actual requirements during the contract period and the price of gas. Also included are provisions for wind power through 2038, solar power through 2044, landfill power through 2029, and raw uranium associated with STP fabrication and conversion services needed for refueling through 2026.

On January 20, 2009, the Board approved a policy statement affirming that CPS Energy's strategic direction centers on transforming from a company focused on providing low-cost power from traditional generation sources to a company providing competitively priced power from a variety of sources, including low and non-carbon emitting sources. As a community owned provider and as part of the *Flexible Path* 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 security, safety, resiliency, reliability, environment, and customer affordability. To be sustainable, CPS Energy has to balance its financial viability, environmental commitments and social responsibility as a community-owned provider.

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.

In fiscal year 2003, CPS Energy entered into a 20-year agreement with Brooks to upgrade the electric and gas utility systems located within the Brooks City-Base. CPS Energy and Brooks have each committed to invest $6,323 ($4,284 in year 2002 dollars, which accumulates interest at the rate of 3.7% compounded annually) to upgrade the infrastructure at that location. Annual reductions to Brooks' obligation were made from incremental revenues to the City for electric and gas sales to customers that reside on the Brooks-developed property. Annual reductions to Brooks' obligation were also made in accordance with contract terms for economic development at Brooks City-Base that benefits CPS Energy's systems. At January 31, 2020, capital renewals and upgrades of $14,651 have surpassed the $12,646 commitment. Brooks has met its obligation, net of annual interest of $4,192.

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Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

In September 2010, CPS Energy and the University of Texas at San Antonio (UTSA) entered into an agreement (Strategic Alliance) whereby UTSA agreed to perform services for CPS Energy in support of its function as a provider of electric and gas utility services while supporting the progress of the City in renewable energy technologies and energy research. The Strategic Alliance calls for CPS Energy to invest up to but not exceeding $50,000 over ten years. The investment made through January 31, 2020, was $9,875 from funds currently allocated to research and development. Future funding will be determined by the scope of the projects defined by the partnership and is subject to annual approval by the CPS Energy Board of Trustees. Projects will be designed to produce clear value to CPS Energy and its customers.

CPS Energy sells its excess power into the wholesale market with a balanced portfolio that includes a mix of short-term (less than a month) and mid-term (one month to a year) transactions with market participants and long-term (one to five years) and super long-term (five years or more) wholesale power agreements with other public power entities and cities. In addition to a long-standing wholesale power relationship with the city of Floresville, CPS Energy currently has agreements to provide either full or partial requirements to six other public power entities. These agreements have varying terms expiring between December 2021 and December 2025. The volumes committed under these agreements represent approximately 5.0% of current capacity. CPS Energy regularly monitors the market values of these transactions to manage contract provisions with the counterparties.

On June 20, 2011, CPS Energy announced its New Energy Economy initiative. The program is designed to focus on more clean energy sources rather than traditional energy sources and includes several major initiatives to which CPS Energy has committed:

- 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 Save for Tomorrow Energy Plan (STEP). As of January 31, 2020, there were 154,364 (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 San Antonio streetlights with 250-Watt equivalent light-emitting diode (LED) streetlights. 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).

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

- The City also requested the replacement of 30,000 residential streetlights with 100-Watt equivalent LED streetlights. CPS Energy began this project in Districts 2 and 5, where a total of 5,100 replacement LED lights were installed in fiscal year 2017. A total of 4,275 were installed in fiscal year 2018. This project has been placed on hold at the request of the City until further notice. At this time, any new lights installed or replaced are done so on an exception basis upon request by the City. LED streetlights have become the standard for ongoing city-wide street light maintenance. As older sodium lights fail, they will be replaced with LED equivalents. (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 $53,732 at January 31, 2020. The agreement expires in 2037, and the purchase of the balance of the output is on a pay-as-you-go basis.

- In July 2012, CPS Energy executed a Master Agreement with OCI Solar Power (OCI) for approximately 400 MW from seven facilities. All seven facilities became operational by the end of 2017. In 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 500 MW for all solar farm facilities included in 25-year power purchase agreements mentioned above:

Facility	Capacity in MW	Achieved Commercial Operations
Alamo 1	40.7	December 2013
St. Hedwig (Alamo 2)	4.4	March 2014
Walzem (Alamo 3)	5.5	January 2015
Eclipse (Alamo 4)	39.6	August 2014
Helios (Alamo 5)	95.0	December 2015
Sirius 1 (Alamo 6)	110.2	March 2017
Solara (Alamo 7)	106.4	September 2016
Sirius 2 (Pearl)	50.0	October 2017
Lamesa 2 (Ivory)	50.0	December 2018
Total 25-years Power Purchase Agreements	501.8	

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

- Simply Solar is the trademarked name for CPS Energy's pilot solar initiatives – Roofless Solar and SolarHostSA. Roofless Solar is being offered by CPS Energy in partnership with Clean Energy Collective (CEC). CEC built and maintains a 1 MW community solar farm in the CPS Energy service territory and sold 107.5-Watt panels in the array to customers who wanted to enjoy the benefits of solar power without having to install their own system. On June 18, 2015, CPS Energy entered into an agreement to purchase the output from the solar farm for 25 years. On December 17, 2018, CPS Energy entered into a 25-year agreement with Big Sun SA 1 (Big Sun) to expand the Roofless Solar program by an additional 5 MW. Big Sun will be installing community solar panels on carports at commercial businesses across San Antonio. The panels will be sold to customers who then receive bill credits from CPS Energy for their share of the solar production. For the SolarHostSA program, CPS Energy partnered with PowerFin Partners to install up to 5 MW of rooftop systems on customer homes and businesses. The program provides participating customers a monthly credit for hosting the systems on their rooftops. The program makes solar accessible to more customers by eliminating the significant upfront cost of traditional rooftop systems. On August 12, 2015, CPS Energy entered into an agreement to purchase the output from the rooftop systems for an initial term of 20 years.

In June 2017, CPS Energy awarded a construction contract to renovate the new corporate headquarters to Sundt Construction. The Board approved a guaranteed maximum price of $145,000. CPS Energy also made provisions for a $5,000 contingency fund which may be used to fund additional requirements related to the headquarters project. CPS Energy moved its employees into the renovated headquarters in October 2020.

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.

Other

In March 2007, SAWS was notified by Region 6 of the United States Environmental Protection Agency (EPA) of alleged failures to comply with the Clean Water Act due to the occurrence of sanitary sewer overflows. The EPA subsequently referred the matter to the United States Department of Justice (DOJ) for enforcement action. SAWS engaged in settlement negotiations with the EPA and the DOJ to resolve the allegations. On June 4, 2013, the Board approved a Consent Decree between SAWS, the United States of America, and the State of Texas to resolve this enforcement action. During the 10-12 year term of the Consent Decree, SAWS estimates the cost to perform the operating and maintenance requirements of the Consent Decree will be approximately $250,000. SAWS currently estimates that the capital expenditures associated with the requirements of the Consent Decree could range from $1,200,000 to $1,300,000. As with any estimate, the actual amounts incurred could differ materially.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

In March 2007, SAWS was notified by Region 6 of the United States Environmental Protection Agency (EPA) of alleged failures to comply with the Clean Water Act due to the occurrence of sanitary sewer overflows. The EPA subsequently referred the matter to the United States Department of Justice (DOJ) for enforcement action. SAWS engaged in settlement negotiations with the EPA and the DOJ to resolve the allegations. On June 4, 2013, the Board approved a Consent Decree between SAWS, the United States of America, and the State of Texas to resolve this enforcement action. During the 10-12 year term of the Consent Decree, SAWS estimates the cost to perform the operating and maintenance requirements of the Consent Decree will be approximately $250,000. SAWS currently estimates that the capital expenditures associated with the requirements of the Consent Decree could range from $1,200,000 to $1,300,000. As with any estimate, the actual amounts incurred could differ materially.

Through December 31, 2019, capital expenditures related to the Consent Decree total $578,088, which includes certain work which was previously planned prior to entry into the Consent Decree. Since entry into the Consent Decree, SAWS has performed its obligations under terms of the Consent Decree and management believes SAWS is in material compliance with such terms, conditions, and requirements. Since 2010, SAWS has seen a significant reduction in sanitary sewer overflows, from 538 in 2010 to 163 in 2019 (Sanitary sewer overflows not reported in thousands).

SAWS operates the Mitchell Lake Site Wastewater Treatment Facility pursuant to a Texas Pollutant Discharge Elimination Permit (Permit) issued by the TCEQ under a delegation of authority from the EPA. In October 2015, the EPA orally notified SAWS that SAWS violated the effluent discharge limitations provided in that Permit as a result of discharges occurring during significant rainfall events.

On August 18, 2016, SAWS received an Administrative Order from EPA that alleged that 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. The Mitchell Lake surface area covers approximately 600 acres and provides an essential habitat where migrating birds can rest and feed. The intermittent nature of the discharges after rainfall makes traditional treatment options impractical. (Acres referenced in this paragraph are not reported in thousands).

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 125 acres below Mitchell Lake. (Acres referenced in this paragraph are not reported in thousands).

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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 will be produced by December of 2020. On January 9, 2018, SAWS purchased a 283-acre tract of land that is anticipated to be used to implement the downstream wetlands project. Negotiations are ongoing for the acquisition of an additional 234-acre tract that will be necessary for the implementation of the downstream wetlands project. At this time, projected costs for the constructed wetlands project are estimated to be $67,500. No monetary penalties have been assessed, although the EPA reserves all rights to seek any appropriate remedies. It is premature to estimate the final cost of the project that SAWS will implement to construct downstream wetlands and modified dam structures, or the ultimate success of the pilot project. (Acres referenced in this paragraph are not reported in thousands).

In addition, SAWS has partnered with the U.S. Army Corps of Engineers (USACE) on an Aquatic Ecosystem Restoration Feasibility Study for Mitchell Lake. The three-year study will include an investigation into the methods of restoring lost and/or degraded ecological functions in several areas adjacent to Mitchell Lake. The total cost of the study is $3,000, with SAWS and USACE each bearing one-half of the total costs.

On October 30, 2014, the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (the Agreement) between the City, acting by and through SAWS and Vista Ridge, LLC (VR), pursuant to which VR has committed to make available to SAWS, and SAWS has agreed to pay for, up to 50,000 acre-feet of potable water (Project Water) per year for an initial period of 30 years plus a limited (20 year) extension period under certain circumstances, hereinafter referred to as the operational phase. To produce and deliver the Project Water, VR has developed well fields to withdraw water from the Carrizo and Simsboro Aquifers in Burleson County, Texas pursuant to currently-held long-term leases with landowners and constructed a 142-mile pipeline from this well field to northern Bexar County (the well fields and the pipeline, together, the Project). The pipeline has been connected to the SAWS distribution system at a delivery point in northern Bexar County (the Connection Point). The execution of the Agreement represents a significant diversification of the City's water source, as SAWS projects that Project Water, if delivered at the maximum amount, will account for approximately 20.0% of the SAWS' current annual usage. (Figures in this paragraph are not in thousands).

At the end of the operational phase, ownership of the Project will be transferred to SAWS at no cost. SAWS has also entered into a separate agreement with Blue Water Vista Ridge, LLC, the lessee of the Project Water, to continue to acquire the 50,000 acre-feet (acre-feet not in thousands) 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 leases.

The Project achieved financial close in November 2016 and is nearing completion of the construction phase. During the construction phase of the Project, SAWS must construct any improvements necessary to accept and integrate the Project Water. The anticipated capital cost of SAWS improvements is currently projected to be $220,649. The construction phase was completed on April 15, 2020, at which time the aforementioned 30-year operational phase commenced. During the operational phase, SAWS is obligated to pay for water (up to 50,000 acre-feet annually) (acre-feet not in thousands) made available to it by Vista Ridge LLC at the Connection Point.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

A portion of the SAWS improvements necessary to integrate the full quantity of water expected to be made available has experienced construction challenges and will not be complete by the anticipated April 2020 commercial operation date. All required improvements were substantially completed by July 30, 2020. During the several month period in which SAWS anticipates being able to take roughly half of the water made available to it, SAWS anticipates building up credits for water that has been paid for but not yet received. Under the terms of the Agreement, SAWS will receive the benefits of these credits in future years.

Pursuant to the terms of the Agreement, SAWS will pay costs arising under the Agreement, as 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 include the costs of operating and maintaining the Project. SAWS will have no obligation to pay for any debt issued by Vista Ridge, and any such debt will be non-recourse to SAWS.

On May 17, 2016, SAWS exercised its contractual right to fix the Capital and Raw Groundwater Unit Price under the Agreement based on the methodology provided for therein. This action served to lock in the price of the Project Water component of SAWS annual payment requirement of $1,606 per acre-foot for the entire 30 year term (and any extension of that term) of the Agreement. (Figures in this sentence are not in thousands).

In addition to the Capital and Raw Groundwater Unit Price, SAWS will pay operations and maintenance costs deemed to be compensable by an independent budget panel as a direct pass through under the Agreement as well as electricity cost (paid directly by SAWS to the utility providers). Finally, SAWS is responsible for compensating the Project Company for any major repairs and replacement costs, which may arise and are deemed to be compensable by the budget panel. It is estimated that the water (including O&M and electricity) will initially cost approximately $2,100 per acre-foot (not in thousands), resulting in an estimated initial annual cost to SAWS of approximately $108,813 for 50,000 acre-feet (acre-feet not in thousands) of delivered water. Delivery of water from the Project began on April 15, 2020. On November 19, 2015, the City Council approved a series of increases to the water supply fee through 2020 to support the acquisition of new water supplies, including water supplied from the Project.

Because all Project assets will transfer to SAWS at the end of the contract, once the operational phase begins, SAWS anticipates recording capital assets and a contract liability equal to the acquisition value of the Project Company infrastructure. Management currently estimates the initial recorded value for the capital assets and contract liability to be $929,326.

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding Vista Ridge debt, contract breakage costs and return of and return on equity contributions by Vista Ridge's principals. SAWS also has the obligation to purchase the Project assets in similar fashion in the event of a SAWS default under the Agreement. The termination payment as of December 31, 2019, was estimated to be $978,446.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

As of December 31, 2019, SAWS has entered into various water leases to obtain rights to pump water from the Edwards Aquifer. The term of these agreements vary, with some expiring as early as 2020 and others continuing until 2028. Some of the leases include price escalations and the annual cost per acre-foot ranges from $100 to $140. (Figures in this sentence are not in thousands). Under these various leases, SAWS paid $3,768 in 2019.

The future commitments under these leases are as follows:

	2020	2021	2022	2023	2024	Thereafter
Lease obligations	$ 3,403	$ 3,207	$ 2,635	$ 1,098	$ 46	$ 139
Lease obligations (acre-feet)	24,741	23,261	19,161	8,536	356	1,069

SAWS also has commitments to purchase water supplies under various contracts. All water provided under these contracts is subject to availability.

Total payments under these water purchase agreements were $41,987 in 2019. A summary of all estimated future payments under all these commitments is provided in the following table. The estimated fixed water payments consist of the take or pay commitments under the agreements. The estimated variable water payments will be made only if water is made available to SAWS. These estimates assume price escalations but do not assume the extension of any water purchase agreement. As with any estimates, the actual amounts paid could differ materially.

	2020	2021	2022	2023	2024	Thereafter
Purchased water payments - fixed	$ 22,274	$ 22,553	$ 22,948	$ 23,348	$ 23,588	$ 537,731
Acre-feet purchased - fixed	43,007	42,507	42,507	42,507	43,007	961,220
Purchased water payments - variable	$ 14,638	$ 14,829	$ 15,025	$ 15,229	$ 15,444	$ 74,370
Acre-feet purchased - variable	14,062	13,924	13,789	13,656	13,526	44,886

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 2020 is estimated to be 2,900 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 $1,140 per acre-foot in 2020 to approximately $1,883 per acre-foot by 2037. SAWS has an option to extend this contract until 2077 under new payment terms. (Figures in this paragraph are not in thousands).

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 $654 to $758 per acre-foot. This agreement expires in 2025 and SAWS has a unilateral option to extend the contract for ten years. (Figures in this paragraph are not in thousands).

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

Under a contract with Sneckner Partners, Ltd., SAWS has a take or pay commitment to purchase 1,500 acre-feet of water annually from the Trinity Aquifer at a minimum annual cost of $225 per acre-foot through February 2020. (Figures in this sentence are not in thousands). SAWS has a unilateral option to extend the contract through 2026. At December 31, 2019 SAWS does not intend to exercise this option. As part of this contract, SAWS agreed to make quarterly defined payments for any residential customers that are connected to the system within a defined geographical area that began taking water service from SAWS. SAWS began making these payments during 2012 as the area began to develop. SAWS has made payments totaling $359 for new customer connections under the terms of this contract.

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 and WECO were terminated. In 2018, Texas Water Supply Company assumed the assets of WECO, including this agreement between SAWS and WECO. The 2012 agreement has a term of 15 years, with two optional five-year extensions. SAWS is obligated to purchase up to 17,000 acre-feet per year in monthly increments not to exceed 1,417 acre-feet if water is available to be produced. SAWS only pays for delivered water meeting all state and federal drinking water standards. Pumping under this contract may not reduce the Trinity Aquifer below 600 feet Mean Sea Level at test wells on the tracts. The projected price to be paid per acre-foot of raw water ranges from $1,009 in 2020 to $1,159 by 2027. (Figures in this paragraph are not in thousands).

In 2010, SAWS was granted a permit by the Gonzales County Underground Water Conservation District (District) to produce 11,688 acre-feet of water from the Carrizo Aquifer in Gonzales County. SAWS has entered into 23 separate agreements with land owners to produce water under that permit. (Agreement count and 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 2020 and projects payments to landowners will be $1,256. These payments escalate annually based on the average of the increase in the Consumer Price Index and Producers Price Index.

In 2011, SAWS entered into an agreement with the Schertz Seguin Local Government Corporation (SSLGC) to treat the water produced by SAWS under its permit with the District at its treatment plant in Gonzales County and transport that water through SSLGC's existing transportation pipeline to a SAWS facility in Schertz, Texas, and to purchase up to 5,000 acre-feet of wholesale water annually from SSLGC. As part of this agreement, SSLGC agreed to expand its treatment facilities to handle the volume of water supplied by SAWS. SSLGC issued contract revenue bonds in 2012 to finance the expansion. SAWS is unconditionally obligated to make monthly payment to SSLGC beginning in December 2014 equal to 1/12th the annual debt service payment owed by SSLGC on the contract revenue bonds regardless of the amount of water actually provided by SAWS to SSLGC for treatment and transportation. In addition to the payment made to SSLGC for the expansion of the treatment plant, SAWS makes payments to SSLGC for treating and transporting the SAWS produced water. (Figures in this paragraph are not in thousands).

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 can be renewed for successive terms of five years unless SAWS chooses to cancel the contract upon the expiration of any term. The projected price paid to SSLGC to treat and transport water provided by SAWS is projected to be $504 per acre-foot in 2020 and ranging from $531 per acre-foot to $636 per acre-foot from 2021 through 2050. This projected price includes the debt service associated with the expansion of SSLGC's treatment plan. Payments for any wholesale water purchased from SSLGC is based on SSLGC's wholesale water rates. The 2020 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 at December 31, 2019, was $151 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 through 2023 and 6,800 acre-feet annually from 2024 through 2042. For 2020, SAWS has committed to taking 5,300 acre-feet with a projected cost of $1,397 per acre-foot. (Figures in this paragraph are not in thousands).

SAWS is also committed under various contracts for completion of construction or acquisition of utility plant totaling $403,264 as of December 31, 2019. Funding of this amount will come from excess revenues, contributions from developers, restricted assets, debt issuances and available commercial paper capacity.

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, 2019, SAWS has no arbitrage rebate liability associated with any outstanding bonds.

Note 14 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 October 1, 2019	Additions	Deletions	Ending Balance September 30, 2020
Governmental Activities:				
Liabilities	$ 376	$ 1,501	$ (326)	$ 1,551
Construction in Progress	298	226	(298)	226
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 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, public works, and culture and recreation activities.

The City foresees receiving $53 in recoveries from third parties for the costs associated with cleaning up these pollution obligations.

The Business-Type Activities' liability was a result of cost estimates to clean existing pollution found on land acquired by the Airport System for the construction of airport structures. As the City acquired this property in the early 1940s, the liability did not meet the criteria to be capitalized, and as such was expensed in fiscal year 2009. The City had no additional pollution remediation costs in business-type activities in fiscal year 2020.

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. The Statement requires the AROs be adjusted for the effects of inflation or deflation at least annually. In addition to the AROs, the City has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups.

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Note 14 Other Obligations (Continued)

Primary Government (City) (Continued)

Asset Retirement Obligations (Continued)

The Governmental Activities include 34 fuel storage tanks and three oil tanks with useful lives of 40 years (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At September 30, 2020, the ARO liability related to the storage tanks was $697.

The Business-Type Activities include ten fuel storage tanks (three above ground) 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, 2020, the ARO liability related to these assets was $543.

	Beginning Balance October 1, 2019	Additions	Deletions	Ending Balance September 30, 2020
Governmental Activities:				
Liabilities	$ 742	$ -	$ (45)	$ 697
Business-Type Activities:				
Liabilities	$ 314	$ 232	$ (3)	$ 543

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 $3,674 as of January 31, 2020. 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 14 Other Obligations (Continued)

CPS Energy (Continued)

Asset Retirement Obligation

CPS Energy 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. 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.

The Statement requires the AROs be adjusted for the effects of inflation or deflation at least annually. In addition to the AROs, CPS Energy has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The following asset groups have been included in the ARO reflected on the Statement of Net Position:

- **STP Units 1 and 2** – CPS Energy is one of three participants in STP, currently a two-unit nuclear power plant located in Matagorda County, Texas. The Code of Federal Regulations (CFR) provides the main decommissioning requirements mandated by the Nuclear Regulatory Commission that issues the operational license of the site. The ARO is based on an external cost study performed every five years. The most recent study was finalized in May 2018 and estimates costs in 2018 dollars. The associated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of the units. Total asset lives for the units are 60 years based on the operating license extensions.

  The deferred outflows of resources are based on the estimated remaining useful life of the assets at the time of implementation. CPS Energy has established two decommissioning trusts that are reported as blended component units combined into the CPS Energy financial statements to cover the eventual decommissioning associated with STP Units 1 and 2. At January 31, 2020, the ARO related to STP Units 1 and 2 was $1,016,643.

- **Vaults** - CPS Energy has approximately 200 underground vaults with useful lives of 46 years (vault count not reported in thousands). The vaults have regulatory requirements to be met prior to removal and after retirement under the CFR and TCEQ. Methods and assumptions to determine the associated liability were based on an internal calculation of cost per square foot of each tank which includes assessment, remediation, transportation and disposal costs. The associated costs are being amortized utilizing a straight-line method over the average estimated remaining useful life of the vaults. At January 31, 2020, the ARO related to the vaults was $9,192.

- **Fuel Storage Tanks** – CPS Energy has 14 underground fuel storage tanks with useful lives of 30 years (fuel storage tank count not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The methods and assumptions used to determine the liability associated with the tanks were based on a cost analysis performed by an outside engineering consulting firm in July 2018. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At January 31, 2020, the ARO related to the storage tanks was $3,650.

Note 14 Other Obligations (Continued)

CPS Energy (Continued)

Other

CPS Energy has two Long-Term Service Agreements (LTSA) with General Electric (GE) for two of its combined-cycle power plants, Arthur Von Rosenberg (AVR) and Rio Nogales.

- **AVR** – In 2007, CPS Energy entered into a 20-year LTSA with GE to provide maintenance services and select replacement parts for the AVR power plant. In September 2015, the contract was amended primarily to add a provision for the advance purchase from GE of three new sets of Advanced Gas Path (AGP) parts to eventually be installed at the AVR plant.

  In fiscal year 2017, delivery was completed and title was transferred to CPS Energy for all three sets of AGP parts. AGP parts not immediately required for maintenance procedures are recorded to inventory until the installation process for each set of parts at the power plant is initiated, at which time the costs are reclassified to capital assets. At January 31, 2020, one AGP part was reported in inventory and the liability for the purchase, along with other LTSA payment obligations, was recorded as a liability on the Statement of Net Position.

  The balance of the AVR LTSA obligation at January 31, 2020, totaled $31,087 of which $16,551 and $14,536 was reported as a current and noncurrent liability, respectively, on the Statement of Net Position.

- **Rio Nogales** – In March 2017, the existing Rio Nogales power plant LTSA contract was amended primarily to add a provision for the advance purchase from GE of four new sets of AGP parts to eventually be installed at the power plant. At January 31, 2020, one set had been put into service and two sets were reported as inventory.

  The balance of the Rio Nogales LTSA obligation at January 31, 2020, totaled $26,267, of which $14,770 and $11,497 was reported as a current and noncurrent liability, respectively, on the Statement of Net Position.

San Antonio Water System (SAWS)

Pollution Remediation Obligation

SAWS had no material pollution remediation liabilities at December 31, 2019.

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. The statement 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 $35,084 at December 31, 2019. The following asset groups have been included in the ARO liability reflected in the Statements of Net Position.

Note 14 Other Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Asset Retirement Obligation (Continued)

Wastewater Treatment Plants (WTPs) – SAWS operates four WTPs in its service area. These plants are the Steven M. Clouse WTP, Leon Creek WTP, Medio Creek WTP and Mitchell Lake WTP. SAWS operates the Mitchell Lake WTP but the plant no longer receives wastewater flows. Due to the environmentally sensitive nature and ongoing wetlands project at the plant, the remaining life and the cost to retire the assets at Mitchell Lake WTP are not reasonably estimable and are not included in the ARO liability. The average remaining useful life of the other WTPs is 50 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 $33,000 at December 31, 2019. The cost was determined using data from various 2006 contracts relating to the decommissioning of the Salado Creek WTP. The contract data was inflated to 2019 dollars. The cost includes a 10.0% design allowance.

Underground Storage Tanks (USTs) – SAWS maintains 14 USTs, with an average remaining useful life of 10 years, 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 $1,589 at December 31, 2019. The cost was determined using data from a 2016 SAWS contract for the removal of USTs from SAWS' Northwest Service Center. The contract data was inflated to 2019 dollars. The cost includes a 10.0% design allowance.

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 46 years based on SAWS experience with other wells throughout the system. The cost to plug these wells was estimated to be $495 at December 31, 2019. 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 2019 dollars. The cost includes a 10% design allowance.

The following table summarizes the ARO activity for 2019.

Beginning Balance January 1, 2019	Additions	Deletions	Ending Balance December 31, 2019
$ 34,120	$ 964	$ -	$ 35,084

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Note 15 Risk Financing

Primary Government (City)

Property and Casualty Liability

Factory Mutual Insurance Company provides coverage for the City’s real property and contents. The City’s deductible for property damage is $100 and the insurance will reimburse up to $2,000,000.

As of October 1, 2013, the City is completely self-insured for liability claims. Effective January 1, 2015, all auto and general liability claims were brought in-house to be administered internally.

Obligations for claims under these programs are accrued in the City’s Self-Insurance Program’s Insurance Reserve Fund based on the City’s estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

In fiscal year 2020, the City purchased cyber liability and excess cyber liability insurance from AIG Insurance Company and Allied World Specialty Insurance Company, respectively. The cyber liability insurance covers the financial costs associated with a breach and cyber extortion that exceed the deductible of $500. The excess cyber liability insurance covers the financial costs associated with a breach and cyber extortion that exceed the underlying policy’s limits, subject to its applicable deductible. The purchase of these insurance policies mitigates the risk to the City’s Self-Insurance Fund – Insurance Reserve Fund in the event a large catastrophic claim occurs.

Workers’ Compensation

As of May 1, 2013, the City is completely self-insured for workers’ compensation claims. The City utilizes a third-party administrator to adjust its claims.

Obligations for claims under these programs are accrued in the City’s Self-Insurance Program’s Workers’ Compensation Fund based on the City’s estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

In fiscal year 2020, the City purchased workers’ compensation stop loss insurance from ACE American Insurance Company. The stop loss insurance covers civilian and uniformed workers’ compensation claims that exceed $3,000. The purchase of the stop loss insurance mitigates the risk to the City’s Self-Insurance Fund – Workers’ Compensation Fund in the event a large catastrophic claim occurs.

Employee Health Benefits

The City offers employees and their eligible dependents a comprehensive employee benefits program including medical, dental, vision, and basic and supplemental life insurance. Employees may also participate in healthcare or dependent care spending accounts. The City’s health program is self-insured, and the City’s vision plan is fully-insured. The City offers two dental plans that are both fully-insured. Obligations for benefits are accrued in the Employee Health Benefits Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

In fiscal year 2020, 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. The purchase of the stop loss insurance mitigates the risk to the City’s Self Insurance Fund – Employee Benefits and Retiree Health Care Fund in the event a large catastrophic claim occurs.

Note 15 Risk Financing (Continued)

Primary Government (City) (Continued)

Retiree Health Benefits

The City offers medical coverage for its retirees and their dependents. The City offers both self-insured and fully-insured plans to participating employees who are eligible to retire from the TMRS Pension Plan immediately following severance from the City. Self-Funded obligations for benefits are accrued in the City's Retiree Health Care Insurance Fund (a fiduciary fund of the City) based upon the City's estimates of the aggregate liability for unpaid benefits. The City additionally determined and accrued OPEB liabilities based on an actuarial assessment of historical self-funded claims data performed and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the OPEB liability as additional contributions.

Unemployment Compensation Program

The Unemployment Compensation Program provides a central account for payment of unemployment compensation claims. As of the fiscal year-end, claims were being administered externally and are paid to the Texas Workforce Commission on a reimbursement basis. All costs incurred are recorded on a claim paid basis in the Employee Benefits Insurance Fund.

Extended Sick Leave Program

The Extended Sick Leave Program is used to pay benefits associated with short-term disability, long-term disability and continued long-term disability. Benefits are administered by the City. Actual costs are incurred when extended leave is taken. Short-term and long-term disability is funded by the employee's department. Continued long-term disability is funded out of the Employee Health Benefits Insurance Fund and is reimbursed by the employee's department.

Employee Wellness Program

The Employee Wellness Program supports a culture of wellness and provides employees and their family members with the necessary tools to achieve and maintain a healthy lifestyle, while positively impacting medical claim trends. The City offers a variety of programs including personalized onsite and telephonic health coaching, smoking cessation, health education sessions, and an activity-based program that outfits employees with a free pedometer. Through this activity-based program, employees are able to track their activity over the course of 12 months, during which they can earn up to $0.5 in financial contributions. In fiscal year 2020, the City contributed $812 towards employees' Flexible Spending or Health Savings accounts. The Employee Wellness Program is managed out of the Employee Benefits Insurance Fund.

Note 15 Risk Financing (Continued)

Primary Government (City) (Continued)

Claims Liability

The liability for the Employee Health Benefits Program is based on the estimated aggregate amount outstanding at the Statement of Net Position date for unpaid benefits. Liabilities for the Insurance Reserve and Workers' Compensation Programs are reported when it is probable that a loss has occurred as of the Statement of Net Position date, and the amount of the loss can be reasonably estimated. These liabilities include allocable loss adjustment expenses, specific incremental claim adjustment expenses such as the cost of outside legal counsel, and a provision for claims that have been incurred but not reported (IBNR). Unallocated claim adjustment expenses have not been included in the calculation of the outstanding claims liability, as management of the City feels it would not be practical or cost beneficial. In addition, based on the difficulty in determining a basis for estimating potential recoveries and the immateriality of prior amounts, no provision for subrogation or salvage has been included in the calculation of the claims' liability. The claims liability reported in the accompanying financial statements for both the Insurance Reserve and Workers' Compensation Programs is based on a 2.0% discount rate due to the multi-year life cycle to close out these claims and the average historical, as well as forecasted, yield on the City's investments.

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Health Benefits, and Workers' Compensation Programs Funds for the fiscal years as indicated:

Fund	October 1,	Change in Estimate	Claims Incurred	Claims Payments	September 30,
Insurance Reserve:					
Fiscal Year 2019	$ 16,880	$ 3,301	$ 1,639	$ (5,297)	$ 16,523
Fiscal Year 2020	16,523	11,424	2,638	(9,646)	20,939
Employee Health Benefits[1]:					
Fiscal Year 2019	$ 9,209	$ 32,769	$ 89,765	$ (123,937)	$ 7,806
Fiscal Year 2020	7,806	30,012	93,726	(124,846)	6,698
Retiree Health Care:					
Fiscal Year 2019	$ 449	$ 2,855	$ 3,976	$ (6,929)	351
Fiscal Year 2020	351	2,479	3,238	(5,873)	195
Workers' Compensation:					
Fiscal Year 2019	$ 34,462	$ (4,041)	$ 9,340	$ (8,745)	$ 31,016
Fiscal Year 2020	31,016	5,657	7,700	(9,019)	35,354

[1] Fiscal Year 2020 fund financial claims expense reflects an additional $2,453 paid for Unemployment Claims that are not included in the calculation of claims liability.

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Note 15 Risk Financing (Continued)

CPS Energy

Insurance and Reserves — CPS Energy is exposed to various risks of loss including, but not limited to, those related to torts, theft or destruction of assets, errors and omissions, and natural disasters. CPS Energy maintains property and liability insurance programs that combine self-insurance with commercial insurance policies to cover major risks. The property insurance program provides $3,500,000 of replacement-value coverage for property and boiler machinery loss, including comprehensive automobile coverage, and fire damage coverage for construction equipment, and valuable papers. The deductible for the property insurance policy is $1,000 for non-power plant/non-substation locations, $2,500 for substations, and $5,000 for power plant locations.

The liability insurance program includes:

- $100,000 of excess general liability coverage over a retention amount of $3,000;
- $25,000 of fiduciary liability coverage;
- $100,000 of employment practices liability coverage; and
- Other property and liability insurance coverage, which includes directors and officers, cyber insurance, commercial crime, employee travel and event insurance.

CPS Energy also manages its own workers' compensation program. To support this program, $35,000 of excess workers' compensation coverage over a retention amount of $3,000 is maintained. No claims settlements exceeded insurance coverage and there were no decreases in coverage in the last three fiscal years.

Actuarial studies are performed periodically to assess and determine the adequacy of CPS Energy insurance reserve retentions. Actuarial valuations include nonincremental claims expenses. An actuarial study was performed in the fourth quarter of fiscal year 2020.

A property insurance reserve was established on January 31, 2020 at an $8,500 reserve level to address insurable CPS Energy property damage losses. The $8,500 level represents the aggregated total of the tiered deductible levels applicable for losses under CPS Energy's blanket property insurance policy. Since the property insurance reserve was not established until January 31, 2020, it was not included in the fiscal year 2020 actuarial study. Until an actuarial study can be performed, the property insurance reserve will be set at these deductible levels. CPS Energy intends to include the analysis of the property insurance reserve in the fiscal year 2021 actuarial study scope of services.

In the following table, the remaining balance under the property reserves column at January 31, 2020 relates to estimated obligations for the cleanup, closure, and post-closure care requirements of CPS Energy's landfills. CPS Energy has seven landfill sites, four of which are at full capacity. The estimates for landfills, surface impoundment, and ash ponds liability are based upon capacity to date and are subject to change due to inflation or deflation, as well as new developments in technology, applicable laws, or regulations.

Note 15 Risk Financing (Continued)

CPS Energy (Continued)

Under CPS Energy's reserve program, all 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 2019	$ 8,608	$ 2,915	$ -	$ 11,523
Fiscal Year 2020	11,523	329		11,852
Property Reserves (Insurance):				
Fiscal Year 2019	$ -	$ -	$ -	$ -
Fiscal Year 2020		8,500		8,500
Employee and Public Liability Claims:				
Fiscal Year 2019	$ 20,817	$ 6,369	$ (6,383)	$ 20,803
Fiscal Year 2020	20,803	(1,781)	(3,083)	15,939

Counterparty Risk — CPS Energy is exposed to counterparty risk associated with various transactions primarily related to debt, investments, fuel hedging, suppliers, and wholesale power. Counterparty risk is the risk that a counterparty will fail to meet its obligations in accordance with the terms and conditions of its contract with CPS Energy. CPS Energy has policies and practices in place to ensure the solvency of counterparties is assessed accurately, monitored regularly, and managed actively through its Enterprise Risk Management and Solution Division.

Fuel Hedging — The 1999 Texas utility deregulation legislation, Senate Bill 7, contained provisions modifying the Texas Public Funds Investment Act (PFIA) to allow municipal utilities the ability to purchase and sell energy-related derivative instruments in order to hedge or mitigate the effect of market price fluctuations of natural gas, fuel oil, and electric energy. In 2002, CPS Energy began hedging its exposure to changes in natural gas prices, with the goal of controlling fuel costs to native load customers and stabilizing the expected cash flows associated with wholesale power transactions.

CPS Energy reports its derivative instruments in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses recognition, measurement, and disclosures related to derivative instruments. CPS Energy does not use derivative instruments for speculative purposes. The only derivative instruments entered into are for the purposes of risk mitigation; therefore, these instruments are considered potential hedging derivative instruments under GASB Statement No. 53.

On October 28, 2019, the Board reaffirmed the Energy Price Risk Management Policy, which sets forth the guidelines for the purchase and sale of certain financial instruments and certain physical products, collectively defined as hedge instruments. The essential goal of the Energy Price Risk Management Policy is to provide a framework for the operation of a fuel and energy price hedging program to better manage CPS Energy's risk exposure in order to stabilize pricing and costs for the benefit of CPS Energy and its customers.

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.

Year-Ended September 30, 2020 - 233 - Amounts are expressed in thousands

Note 15 Risk Financing (Continued)

CPS Energy (Continued)

As of January 31, 2020, the total fair value of outstanding hedge instruments was a net liability of $32,107. Fuel hedging instruments with a fair value of $959 and ($25,545) 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 $1,971 and ($9,554) 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, 2020. 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 transaction occur, the deferred balance is recorded as an adjustment to fuel expense. The deferred outflows of resources related to fuel hedges totaled $33,564 at January 31, 2020. There were no deferred inflows of resources related to fuel hedges at January 31, 2020.

In fiscal year 2020, as a result of revisions to the expected volumes of some underlying physical transactions, it was determined that a group of existing financial hedge positions were no longer effective. Offsetting financial positions were executed, and fair value of the ineffective hedges resulted in a loss totaling $277, which was recognized as a reduction to investment income.

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 Transactions as of January 31, 2020

Type of Transaction		Duration	Volumes in MMBtu	Fair Value	Changes in Fair Value
Long	Natural Gas SWAP	Feb 2020 - Feb 2023	39,242,075	$ (15,386)	$ (13,231)
Short	Natural Gas SWAP	Feb 2020 - Dec 2022	2,893,913	1,385	1,200
Long	Natural Gas Call Option	Feb 2020 - Jan 2023	30,584,576	1,615	1,657
Short	Natural Gas Call Option	Apr 2020 - Mar 2021	440,914	(1)	(1)
Short	Natural Gas Put Option	Feb 2020 - Jan 2023	30,584,576	(4,464)	(4,278)
Long	HSC Basis Swap	Feb 2020 - Feb 2023	21,878,324	(561)	(1,280)
Short	HSC Basis Swap	Feb 2020 - Dec 2022	753,913	(27)	80
Long	HSC Gas Daily Swap	Feb 2020	4,495		27
Long	WAHA Basis Swap	Feb 2020 - Jan 2023	25,487,722	(14,636)	(14,033)
Short	WAHA Basis Swap	Apr 2020	402,977	(40)	(40)
Long	WAHA Gas Daily Swap	Feb 2020	901,871	34	48
				$ (32,081)	$ (29,851)

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.

Year-Ended September 30, 2020 - 234 - Amounts are expressed in thousands

Note 15 Risk Financing (Continued)

CPS Energy (Continued)

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, 2020, the exposure to all hedge-related counterparties was such that no material counterparty credit risk existed.

Termination Risk — For CPS Energy's fuel hedges that are executed over-the-counter directly with approved counterparties, the possibility exists that one or more of these derivative instruments may end earlier than expected, thereby depriving CPS Energy of the protection from the underlying risk that was being hedged or potentially requiring CPS Energy to make a significant termination payment. This termination payment between CPS Energy and its counterparty is determined based on current market prices. In the event a transaction is terminated early, CPS Energy would likely be able to replace the transaction at current market prices with similar, although not exact, terms with one of its other approved counterparties.

Basis Risk — CPS Energy is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged will be priced based on a pricing point (HSC or WAHA) different than that at which the contracts are expected to settle (Henry Hub). For January 2020, the HSC price was $2.06 per MMBtu, the WAHA price was $1.09 per MMBtu and the Henry Hub price was $2.16 per MMBtu. (Figures in this paragraph are not in thousands).

Congestion Revenue Rights — In the normal course of business, CPS Energy acquires Preassigned Congestion Revenue Rights (PCRR) and Congestion Revenue Rights (CRR) as a hedge against unexpected congestion costs. The CRRs are purchased at market value, at semi-annual and monthly auctions. Non-Opt-In Entities are granted the right to purchase PCRRs annually at a percentage of the cost of CRRs. While PCRRs exhibit the three characteristics of derivatives as defined in GASB Statement No. 53, they are generally used by CPS Energy as factors in the cost of transmission. Therefore, these PCRRs meet the normal purchases and sales scope exception and are reported on the Statement of Net Position at cost and classified as prepayments.

From time to time, CPS Energy purchases PCRRs and sells them at the same auction at market price. In this case, the PCRRs are considered investments, and the proceeds are reported as either investment gains or losses. There were no gains or losses on the sale of PCRRs and CRRs for fiscal year 2020.

Note 15 Risk Financing (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. More information regarding GASB Statement No. 72 is disclosed in Note 5 Cash and Cash Equivalents, Security Lending and Investments. Below is the liability portion disclosure of GASB Statement No. 72:

	January 31, 2020			
	Level 1	Level 2	Level 3	Total
Liabilities				
Financial Instruments				
Current fuel hedges	$ 22,432	$ 3,111	$ -	$ 25,543
Noncurrent fuel hedges	8,492	1,353		9,845
Total financial instruments	$ 30,924	$ 4,464	$ -	$ 35,388

San Antonio Water System (SAWS)

Risk Management — SAWS provides health care benefits to eligible employees and retirees through a self-insured plan that includes medical, prescription drug, and dental benefits. The payment of claims associated with these benefits is handled by third party administrators. Plan participants contribute a portion of the cost of providing these benefits through payroll deductions or monthly premiums, annual deductibles, and other co-payments. SAWS was self-insured for the first $350 of medical claims per person during 2019.

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, 2018	7,187	26,738	(25,728)	8,197	8,197
December 31, 2019	$ 8,197	$ 22,398	$ (22,283)	$ 8,312	$ 8,312

Year-Ended September 30, 2020 - 236 - Amounts are expressed in thousands

Note 15 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

Pay-Fixed, Receive-Variable Interest Rate Swap — In 2003, SAWS entered into an interest rate swap agreement in connection with its City of San Antonio, Texas, Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B (Series 2003 Bonds) issued in a variable interest rate mode. The Series 2003 Bonds were issued to provide funds for SAWS' capital improvements program and to refund certain outstanding commercial paper notes.

The swap was used to hedge interest rates on the Series 2003 Bonds to a synthetic fixed rate that produced a lower interest rate cost than a traditional long-term fixed rate bond issued at that time. In August 2008, SAWS used commercial paper notes to redeem $110,615 of the $111,615 outstanding principal of the Series 2003 Bonds due to unfavorable market conditions relating to the ratings downgrade of the 2003 Bond insurer, MBIA Insurance Corporation. In 2009, SAWS redeemed the remaining $1,000 of the Series 2003 Bonds through the issuance of additional commercial paper. The interest rate swap agreement was not terminated upon the redemption of the 2003 Bonds and instead serves as an off-market hedge for that portion of the commercial paper notes outstanding which pertain to the redemption of the 2003 Bonds. SAWS currently intends to maintain a portion of its outstanding commercial paper in amounts matching the notional amounts of the swap. SAWS did not recognize any economic gain or loss as a result of this refunding since the debt service requirements of the commercial paper notes are expected to closely match the debt service requirements of the refunded debt. At December 31, 2019, $77,115 of commercial paper notes was hedged by the interest rate swap agreement.

Terms — The swap agreement contains scheduled reductions to the outstanding notional amounts that are expected to follow the original scheduled reductions in the Series 2003 Bonds. The Series 2003 Bonds were issued on March 27, 2003, with a principal amount of $122,500. The swap agreement matures on May 1, 2033. At the time the swap was entered into, the counterparty was Bear Stearns Financial Products, Inc. (Bear Stearns FPI), with the index for the variable rate leg of the swap being the Securities Industry and Financial Markets Association Municipal Swap Index.

In 2008, JPMorgan Chase & Co. announced its acquisition of The Bear Stearns Companies, Inc., the parent of Bear Stearns FPI. JPMorgan Chase & Co. has guaranteed the trading obligations of Bear Stearns and its subsidiaries. Effective June 16, 2009, the swap agreement was amended between SAWS, JPMorgan Chase & Co., and MBIA to provide for JPMorgan Chase Bank N.A. to become the swap counterparty and allow for the remainder of outstanding Series 2003 Bonds to be redeemed, while maintaining the swap agreement as an obligation to all parties. The amendment provides for the conditional release of MBIA's swap insurance policy upon the occurrence of certain future events. The combination of commercial paper notes and a floating-to-fixed swap creates a synthetic fixed-rate of 4.18%. The synthetic fixed-rate protects against the potential of rising interest rates.

Fair Value — The swap had a negative fair value of approximately $15,096 at December 31, 2019. 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.

Note 15 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

The swap agreement meets the criteria of an effective hedge under GASB Statement No. 53 and therefore qualifies for hedge accounting treatment. Since the fair value is negative, the fair value is recorded as a 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 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 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 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was $2,840 at December 31, 2019.

Credit Risk — As of December 31, 2019, SAWS was not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, SAWS would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, JPMorgan Chase Bank, N.A., was rated 'Aa2' by Moody's Investors Service, 'A+' by Standard & Poor's, and 'AA' by Fitch Ratings as of December 31, 2019. The amended swap agreement contains a credit support annex which will become effective upon the release of MBIA from the swap insurance policy. Collateralization would be required by either party should the fair market value of the swap reach applicable thresholds as stated in the amended swap agreement.

Basis Risk — SAWS is exposed to basis risk to the extent that the interest payments on its hedged commercial paper notes do not match the variable-rate payments received on the associated swap. SAWS attempts to mitigate this risk by matching the outstanding hedged commercial paper notes associated with the redemption of the variable-rate debt to the notional amount and amortization schedule of the swap and selecting an index for the variable-rate leg of the swap that is reasonably expected to closely match the interest rate on the hedged commercial paper notes.

Termination Risk — SAWS may terminate the swap at any time for any reason. JPMorgan Chase may terminate the swap if SAWS fails to perform under the terms of the agreement. The ongoing payment obligations under the swap are insured as provided for in the swap amendment, and JPMorgan Chase cannot terminate as long as the insurer does not fail to perform. Also, if at the time of the termination the swap has a negative fair value, SAWS would be liable to the counterparty for a payment equal to the swap's fair value.

Market-access Risk — SAWS is subject to market-access risk as $77,115 of variable-rate debt hedged by the swap is outstanding in commercial paper notes with current maturities of approximately 33 days hedged by the interest rate swap. As previously noted, SAWS intends to reissue the commercial paper notes in amounts matching the notional amounts of the swap.

Swap Payments and Associated Debt — As of December 31, 2019, 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.

Note 15 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

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
2020	$ 4,055	$ 848	$ 1,912	$ 6,815
2021	4,240	801	1,805	6,846
2022	4,435	751	1,693	6,879
2023	4,640	699	1,575	6,914
2024	4,850	644	1,452	6,946
2025-2029	27,770	2,313	5,214	35,297
2030-2033	27,125	584	1,317	29,026
Total	$ 77,115	$ 6,640	$ 14,968	$ 98,723

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Year-Ended September 30, 2020 - 239 - Amounts are expressed in thousands

Note 16 Interfund Transfers

The following is a summary of interfund transfers for the City for the fiscal year-ended September 30, 2020:

Interfund Transfers	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund:		
Debt Service Fund	$ -	$ 3,251
COVID-19 Response & Relief Fund		104,007
Nonmajor Governmental Funds	9,953	52,210
Airport System	96	
Solid Waste Management	1,472	206
Nonmajor Enterprise Funds	2,560	4,285
Internal Service Funds		848
Total General Fund	$ 14,081	$ 164,807
Debt Service Fund:		
General Fund	3,251	
Nonmajor Governmental Funds	11,126	
Internal Service Funds	1,241	
Total Debt Service Fund	$ 15,618	$ -
COVID-19 Response & Relief Fund		
General Fund	104,007	
Total COVID-19 Response & Relief Fund	$ 104,007	$ -
Convention Center Hotel Finance Corporation:		
Nonmajor Governmental Funds	337	
Total Convention Center Hotel Finance Corporation	$ 337	$ -
2017 General Obligation Bonds:		
Nonmajor Governmental Funds		126,978
Total 2017 General Obligation Bonds	$ -	$ 126,978
Nonmajor Governmental Funds:		
General Fund	52,210	9,953
Debt Service Fund		11,126
Convention Center Hotel Finance Corporation		337
2017 General Obligation Bonds	126,978	
Nonmajor Governmental Funds	343,369	342,553
Solid Waste Management		128
Nonmajor Enterprise Funds	1,408	612
Internal Service Funds	456	
Total Nonmajor Governmental Funds	$ 524,421	$ 364,709
Airport System:		
General Fund		96
Total Airport System	$ -	$ 96
Solid Waste Management:		
General Fund	206	1,472
Nonmajor Governmental Funds	128	
Internal Service Funds	334	
Total Solid Waste Management	$ 668	$ 1,472
Nonmajor Enterprise Funds:		
General Fund	4,285	2,560
Nonmajor Governmental Funds	612	1,408
Nonmajor Enterprise Funds	225	225
Internal Service Funds	81	
Total Nonmajor Enterprise Funds	$ 5,203	$ 4,193
Internal Service Funds:		
General Fund	848	
Debt Service Fund		1,241
Nonmajor Governmental Funds		456
Solid Waste Management		334
Nonmajor Enterprise Funds		81
Internal Service Funds	390	390
Total Internal Service Funds	$ 1,238	$ 2,502
Total	$ 665,573	$ 664,757

Year-Ended September 30, 2020 - 240 - Amounts are expressed in thousands

Note 16 Interfund Transfers (Continued)

Transfers are made to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. These transfers are in the form of operating subsidies, grant matches, and funding for capital projects. In addition, transfers are routinely made from other funds to fund debt service payments and for other restricted purposes. Some examples include the 1/8 cent sales and use tax collected by the City and provided to Pre-K 4 SA for operations; 15.0% of the Hotel Occupancy Tax (HOT) collections are used to fund Historic Preservation which operates in the General Fund; and Bond proceeds used to fund capital projects. All transfers are in accordance with budgetary authorizations.

Due to the COVID-19 pandemic Convention Center Hotel Finance Corporation did not have sufficient funds to pay all the Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds, thus the City paid the debt obligation shortfalls from HOT revenues.

Different fiscal year-ends exist between the City and Pre-K 4 SA (September 30th and June 30th, respectively); therefore, interfund transfers do not eliminate by $816. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to Pre-K 4 SA represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30, 2020; however, Pre-K 4 SA's transfers from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2020. These transfers are in accordance with legislative and contractual requirements.

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Note 17 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 Response & Relief Fund	Convention Center Hotel Finance Corp.	2017 General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
In nonspendable form:							
Materials and Supplies	$ 7,160	$ -	$ 2,417	$ -	$ -	$ 2,635	$ 12,212
Prepaid, Deposits and Other	654					3,100	3,754
Legally or contractually intact:							
Permanent Fund Corpus						5,253	5,253
Total Nonspendable	$ 7,814	$ -	$ 2,417	$ -	$ -	$ 10,988	$ 21,219
Restricted:							
Education						21,774	21,774
Environmental						151	151
Social Services						1,281	1,281
Parks & Recreation						93,305	93,305
Library						1,609	1,609
Health Services						30,788	30,788
Welfare						294	294
Convention and Tourism						507	507
Urban Redevelopment and Housing						2,956	2,956
Economic Development & Opportunity						48,305	48,305
Law Enforcement						4,914	4,914
Fire Protection						31	31
Debt Service		41,787		3,734		9,127	54,648
Other Purposes						139	139
Drainage - Capital Projects					53,243	85,136	138,379
Municipal Facilities - Capital Projects					38,466	57,087	95,553
Parks - Capital Projects					80,781	8,979	89,760
Streets - Capital Projects					251,345	105,482	356,827
Other Capital Projects					14,429	64,039	78,468
Total Restricted	$ -	$ 41,787	$ -	$ 3,734	$ 438,264	$ 535,904	$ 1,019,689
Committed:							
Parks & Recreation	7,349					11,361	18,710
Health Services	1,303						1,303
Welfare	1,252						1,252
Convention and Tourism						68,669	68,669
Urban Redevelopment and Housing	3,233					12,668	15,901
Economic Development & Opportunity	9,043						9,043
Law Enforcement	1,844					837	2,681
Fire Protection	3,508						3,508
Public Works	5,913						5,913
General Government	9,658						9,658
Other Purposes						392	392
Drainage - Capital Projects						3,139	3,139
Municipal Facilities - Capital Projects						61,765	61,765
Parks - Capital Projects						33,638	33,638
Streets - Capital Projects	4,411					39,402	43,813
Other - Capital Projects	2,307					14,286	16,593
Total Committed	$ 49,821	$ -	$ -	$ -	$ -	$ 246,157	$ 295,978
Assigned:							
Education						218	218
Parks & Recreation						3,661	3,661
Health Services						7	7
Economic Development & Opportunity						3,452	3,452
Other Purposes	6						6
Total Assigned	$ 6	$ -	$ -	$ -	$ -	$ 7,338	$ 7,344
Unassigned	284,708		(6,047)			(158,255)	120,406
Total Fund Balance	$ 342,349	$ 41,787	$ (3,630)	$ 3,734	$ 438,264	$ 642,132	$ 1,464,636

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Note 17 Fund Balance Classifications (Continued)

The City utilizes encumbrance accounting to ensure specified remaining unspent balances are adequately carried forward into the next fiscal year. Encumbrances are created for purchase order, grant match requirements, and capital project funding. The City further carries forward available unspent uncommitted funds identified through the Closing Ordinance into the next fiscal year as authorized by City Council. The encumbrance and carryforward amounts are reported in the committed and restricted fund balance as follows:

General Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 46,352	$ 518,042	$ 564,394

With adoption of the 2020 Budget, the City continued to follow 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 home owners; 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% 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, 2020 was $126,522 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 2020, $79,697, or 6.5% 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.

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Note 18 Deficits in Fund Balances / Net Position

Grants

As of September 30, 2020, deficit fund balances are reported in the Categorical Grant-in Aid Fund, HOME Program, and COVID-19 Response & Relief Fund in the amounts of $10,981, $361, and $3,630, respectively. These deficits are due to cost not being reimbursed by the grantor within 60 days after year-end. The City anticipates receiving payment in fiscal year 2021 for the costs.

Capital Projects Funds

As of September 30, 2020, a deficit fund balance is reported in the Improvement Projects Fund in the amount of $8,728 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 2021.

Enterprise Funds

As of September 30, 2020, deficit net positions are reported in Solid Waste Management and Development Services in the amounts of $60,546 and $5,852, respectively. The City does not currently prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit an increasing deficit net position. The City will continue to pay for these obligations as they become due.

Internal Service Funds

As of September 30, 2020, a deficit net position is reported for Information Services in the amount of $44,407 and for Capital Management Service Fund (CMS) in the amount of $25,318. The deficit is due to the funds not including long-term liabilities in their rate assessments. The City does not prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit an increasing deficit net position. The City will continue to pay for these obligations as they become due.

As of September 30, 2020, a deficit net position is reported for Self-Insurance Programs - Insurance Reserve in the amount of $6,586. The deficit is primarily due to an increasing trend in reserves for both general and auto liability and their associated actuarial accrual as well as costs for some infrequent and unanticipated claims. This deficit will be addressed through assessments within the next three to five years in accordance with our financial policy.

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Note 19 Other Disclosures

Primary Government (City)

Donor Restricted Endowment

The City has five Permanent Funds: Carver Cultural Center Endowment, City Cemeteries, William C. Morris Endowment, Boza Becica Endowment and Southern Edwards Plateau Endowment. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The City's endowments' spending policy for authorizing and spending investment income is a total return policy. Income will include not only interest and dividends, but also include increases and/or decreases in the market value of the endowed assets, if applicable. Market value fluctuations are included as an integral part of investment returns. The net position from these endowment funds are reported in the government-wide financial statements.

The Carver Cultural Center Endowment Fund generated $5 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 $61 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 $3,781 was increased by $153 in fiscal year 2020.

The William C. Morris Endowment Fund generated $5 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 $8 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 generated $7 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 $307 was increased by $32 in fiscal year 2020.

Note 19 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements

The City has a fixed term agreement with Mission Park in which Mission Park pays the City 40.0% of burial plot sales and 10.0% of revenue from services, merchandise, and products for the life of the contract (ending December 2035 with an option to renew). All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Mission Park will provide. Mission Park collects all fees and pays the City its portion. The assets include 84 acres acquired at a value of $1,820. The City received an upfront payment of $130 in fiscal year 2011. In fiscal year 2020, the City received $340 in revenue from Mission Park.

The City has a management agreement with MGA-SA (ending May 2022 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 $45,480. MGA-SA collects all fees and pays the City loan payments due on outstanding debt and a short term loan. In fiscal year 2020, the City received $1,125 in revenue from MGA-SA.

The City has a concession agreement with Go Rio San Antonio, LLC (Go Rio) in which Go Rio pays the City 51.0% of river barge services and 15.0% of revenue from merchandise, food and beverage, advertising, and other ancillary services for the life of the contract (ending December 2027 with an option to renew). The assets include 44 barges and accompanying equipment acquired at a value of $9,189. All capital improvements to the barges become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Go Rio will provide. Go Rio collects all fees and pays the City its portion. In fiscal year 2020, the City received $4,775 in revenue from Go Rio.

The City has a management agreement with Landry's for operation of the Tower of the Americas (ending June 2021 with an option to renew). The City will receive the greater of a minimum annual guaranteed payment of $984 or revenue based on 10.0% of restaurant services, 35.0% of revenue from admission fees, 30.0% of revenue from parking, 15.0% from retail at the ground level gift shop and observation deck, 5.0% from theater tickets and vending, and 50.0% from telescope and other revenues not otherwise listed. The assets include the Tower of the Americas building, telescopes, movie theater equipment and renovations with a combined value of $2,690. All capital improvements have to be approved and become property of the City. The City retains ownership of the property after the contract expires. The City approves the rates and services Landry's will provide. Landry's collects all fees and pays the City its portion. In fiscal year 2020, the City received $856 in revenue from Landry's. Due to the pandemic and closures Landry's did not pay the minimum annual guaranteed payment.

Note 19 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements (Continued)

The City has a concession agreement with Alanis Wrecker Service for operation of the Growden Vehicle Storage Facility (ending September 30, 2023 with an option to extend). The City will receive a minimum annual guaranteed payment of $2,000 or a percentage amount calculated based on their total adjusted gross sales, whichever is greater. Alanis Wrecker Service is required to make minimum $500 in improvements per year for the first two years to the vehicle storage facility. All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The assets include the vehicle storage facility, administration building, supply shed, drop shed, golf cart shed, and property shed with a combined value of $1,244. In fiscal year 2020, the City received $6,142 in revenue from Alanis.

CPS Energy

Service Concession Arrangements

In accordance with GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, a service concession arrangement between CPS Energy, owner, and Thousand Trails Management Services, Inc. (TTMSI), provider, was signed on November 20, 2009. TTMSI provides labor, supervision, management, services and equipment for Braunig Lake Park and Calaveras Lake Park, which are owned by CPS Energy. Gross receipts are distributed based on the contract agreement, which expires on November 30, 2024. CPS Energy is to retain ownership of both parks upon expiration of the arrangement.

At January 31, 2020, a receivable was recorded in the amount of $1,183, related to the TTMSI concession agreement. This balance represents the net amount of gross receipts less expenses as of January 31, 2020 for both parks. The asset book values as of January 31, 2020 for Braunig Lake Park and Calaveras Lake Park were $825 and $802, respectively.

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Note 20 Prior Period Adjustments / Restatement

Primary Government (City)

In fiscal year 2020, the Community Services Fund and the Other Internal Service Fund's beginning balances were restated. The City Tower Fund, a reporting subfund formerly reported in the Community Services Fund, was reevaluated in fiscal year 2020. The primary sources of revenues are from the services being provided to City Departments, therefore it was determined the City Tower Fund is an internal service fund, reported within the Other Internal Service Fund.

As the capital assets associated with the City Tower were already reported in fiscal year 2019 in the Governmental Activities column, a beginning balance adjustment for Governmental Activities on the Statement of Activities is not necessary. The City's Statement of Net Position and balance sheet for the Other Internal Service Funds and the Community Services Fund, respectively, are reported below.

Westside Development Corporation (WDC)

WDC's, a blended component unit of the City, fiscal year 2020 audited financial statements will not be available for inclusion within the City's Comprehensive Annual Financial Report. Therefore, the City adjusted its financials accordingly for Governmental Activities and the Special Revenue – Nonmajor Governmental Funds, removing WDC's beginning balance.

The table below provides impact to the Balance Sheet and Statement of Net Position for both City Tower and WDC:

	Nonmajor Governmental Funds					
	Community Services Funds	Blended Component Units [1]	Total Governmental Funds	Other Internal Service Funds	Total Internal Service Funds	Governmental Activities
Net Position/Fund Balance, as previously reported:	$ 68,330	$ 22,591	$ 1,486,613	$ 152,882	$ 120,989	$ 1,954,838
Inclusion of City Tower Fund				5,786	5,786	
Removal of City Tower Fund	(5,772)		(5,772)			
Removal of WDC		(368)	(368)			(681)
Net Position/Fund Balance, Adjusted, October 1, 2019	$ 62,558	$ 22,223	$ 1,480,473	$ 158,668	$ 126,775	$ 1,954,157

[1] Blended Component Units beginning fund balance, as previously reported, includes $7,126 from Pre-K 4 SA that was presented as a major fund in fiscal year 2019.

Year-Ended September 30, 2020 - 248 - Amounts are expressed in thousands

Note 20 Prior Period Adjustments / Restatement (Continued)

Discretely Presented Component Units

San Antonio Water System (SAWS)

Effective January 1, 2018, SAWS implemented GASB Statement No. 83, *Certain Asset Retirement Obligations*. GASB Statement No. 83 requires the effects of accounting change to be applied retroactively by restating the financial statements. SAWS adopted GASB Statement No. 83 in 2019 and accordingly, has restated amounts of the affected balances within the financial statements for the fiscal year-ending December 31, 2018 as follows:

	As Previously Reported	As Restated	Effect of Change
Statement of Net Position			
Deferred outflows of resources - AROs			
Unamortized asset retirement obligation costs	$ -	$ 32,511	$ 32,511
Total deferred outflows of resources		32,511	32,511
Noncurrent liabilities			
Payables under construction contracts	41,841	41,360	(481)
Asset retirement obligation		34,120	34,120
Total noncurrent liabilities	41,841	75,480	33,639
Net Position			
Net investment in capital assets	2,353,841	2,355,450	1,609
Unrestricted	368,348	365,611	(2,737)
Total Net Position	$ 3,106,823	$ 3,105,695	$ (1,128)
Statement of Revenues, Expenses and Changes in Net Position			
Operating costs			
Depreciation and amortization expense	$ 154,422	$ 155,550	$ 1,128

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Year-Ended September 30, 2020 - 249 - Amounts are expressed in thousands

Note 20 Prior Period Adjustments / Restatement (Continued)

Discretely Presented Component Units (Continued)

Nonmajor Component Units

Several of the City's nonmajor component unit's fiscal year 2020's audited financial statements will not be available for inclusion within the City's Comprehensive Annual Financial Report. Therefore, the City adjusted its financials accordingly, removing the component unit's ending fiscal year 2019 net position from the fiscal year 2020 beginning balances, which results in an adjusted beginning Statement of Net Position of $185,638 for nonmajor component units. The table below provides impact to the Statement of Net Position:

	Nonmajor Discretely Presented Component Units	Total Component Units
Net Position, as previously reported:	$ 234,577	$ 6,855,427
Removal of Brooks	(37,338)	(37,338)
Removal of San Antonio Housing Trust Foundation, Inc.	(6,548)	(6,548)
Removal of San Antonio Housing Trust Public Facility Corporation	(5,053)	(5,053)
SAWS Restatement (see note disclosure above)		(1,128)
Net Position, Adjusted/Restated, October 1, 2019	$ 185,638	$ 6,805,360

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Year-Ended September 30, 2020 - 250 - Amounts are expressed in thousands

Note 21 Subsequent Events

Primary Government (City)

Charter Amendments

The following Propositions on the November 3, 2020 election ballot permitted qualified voters of the City to vote on the three following propositions to amend the City Charter of the City. The following are the propositions as stated on the Ballot and their respective results.

CITY OF SAN ANTONIO PROPOSITION A
Sales and Use Tax for the “Pre-K 4 SA” Early Childhood Education Program, renewed adoption of a sales and use tax at the rate of one-eighth of one percent for the purpose of continued financing of authorized programs of the San Antonio Early Childhood Education Municipal Development Corporation for a maximum period of eight years. Voters elected to pass this proposition.

CITY OF SAN ANTONIO PROPOSITION B
Ready to Work SA Workforce Program for job training and scholarships, a reallocation of an existing sales and use tax resulting in no net tax increase. For the purpose of financing authorized programs related to job training and the awarding of scholarships of the San Antonio Early Childhood Education Municipal Development Corporation, an increase of one-eighth of one percent of sales and use tax not to extend beyond December 31, 2025 and commencing upon the full collection of the sales and use tax previously authorized by the voters for the Edwards Aquifer Protection Venue Project and the Parks Development and Expansion Venue Project. This is a reallocation of an existing sales and use tax resulting in no net tax increase. Voters elected to pass this proposition.

ADVANCED TRANSPORTATION DISTRICT PROPOSITION A
To provide enhanced public transportation mobility options, the Advanced Transportation District (District) will utilize a one-eighth of one percent sales and use tax. The one-eighth of one percent sales and use tax proceeds shall be used for advanced public transportation services, operations, passenger amenities, equipment and other innovative advanced transportation purposes or public transportation mobility enhancement purposes. The District’s local sales and use tax will increase by a rate of one-eighth of one percent to a rate of three-eighths of one percent, with such increase to begin on January 1, 2026. This is a reallocation of an existing sales and use tax resulting in no net tax increase. This funding will replace the City Proposition B upon its expiration. Voters elected to pass this proposition.

Charter Amendment for Bond Language Restrictions

On February 11, 2021, Council approved to add a proposal to the May 1st ballot for voter approval. Current City charter language restricts bond dollars to “public works.” Under the proposed amendment, voters will decide whether to broaden the language in the charter to *“permanent public improvements or for any other public purpose not prohibited by the Texas Constitution or the general laws of the State of Texas, to include affordable housing programs in scope and breadth as determined by ordinance of the City Council.”*

Note 21 Subsequent Events (Continued)

Primary Government (City) (Continued)

Witte

On February 4, 2021, Council approved the notice of intention to issue Combination Tax and Revenue Certificates of Obligation in a maximum aggregate principal amount not to exceed $16,100 for purchasing, improving, constructing, renovating, enlarging, extending, equipping, and/or repairing related infrastructure of the Witte Museum and the payment of professional services related to the construction, project management, and financing of the aforementioned projects. If approved, the proceeds from the issuance will be used to refinance an outstanding construction loan currently held by the Witte.

Edwards Aquifer Protection Program

The COVID-19 global pandemic has had significant impacts on the San Antonio community. To provide resources toward addressing these challenges, on August 13, 2020 City Council approved an ordinance to place a proposition on the November 3, 2020 ballot for workforce training and higher education, effectively redirecting currently funded sales tax programs including the Edwards Aquifer Protection Program (EAPP). With the reallocation of the sales and use tax previously authorized by the voters for the EAPP and the Parks Development and Expansion Venue Project, the City approved an alternative funding source for the (EAPP) on September 17, 2020 which is scheduled to begin in fiscal year 2023. Funding from the current 1/8-cent sales and use tax is expected to carry the EAPP through fiscal year 2022. Funding for the next iteration of the EAPP totals $100,000, which will be primarily funded from the issuance of debt through the City's existing Municipal Facilities Corporation. It is expected to be issued in roughly equal installments over a ten-year period, however, the annual amount can be adjusted based upon the needs of the Program and the financial capacity of the City. To meet the legal requirement for the issuance of debt for the EAPP, the City will pledge a portion of its revenue payment from the San Antonio Water System. The City, through its annual budget, will utilize any lawful available revenue to transfer sufficient amounts to meet the obligations of funding for the EAPP to the MFR for debt service obligations or any cash funding.

Grand Hyatt

Prior to the COVID-19 pandemic, debt service obligations had been met by the Convention Center Hotel and no City pledged HOT revenues had been used for Hotel debt service. With the impact of COVID-19 on the Hotel, a portion of the City's pledged HOT revenues were used to make up a shortfall on the debt service payment for the first time in July 2020. Revenues from the Convention Center Hotel operations were insufficient to pay all Hotel debt service and approximately $338 of City pledged HOT revenue were applied towards the Convention Center Hotel's $8,903 July 2020 debt service payment.

In January 2021, revenues from the Convention Center Hotel operations were insufficient to pay all Hotel debt service and approximately $4,318 of City pledged HOT revenue were applied towards the Convention Center Hotel's $4,355 January 2021 debt service payment. The City will be reimbursed as revenues are available through the flow of funds for the bonds and a receivable will be recorded for the debt payments made by the City on behalf of the Convention Center Hotel. See Note 8 Long-Term Debt, for additional information on the Convention Center Hotel Bonds.

Note 21 Subsequent Events (Continued)

Primary Government (City) (Continued)

Collective Bargaining Agreement

On January 20, 2021, City staff briefed the Council on the process, timeline and City's goals for negotiating the next Collective Bargaining Agreement (CBA) with the San Antonio Police Officers Association (SAPOA). The City and SAPOA met on February 12, 2021 to establish ground rules and negotiation priorities. Substantive negotiations will commence on February 26, 2021. While the two parties have a 60-day period to negotiate in good faith to agree on a new contract, that timeline may be extended. A new agreement would potentially take effect when the current CBA expires September 30, 2021.

Fix SAPD Campaign

Fix SAPD, a police accountability group, campaigned to collect signatures to place certain provisions, Chapter 143 and 174 of the Local Government Code on a ballot for repeal. On February 4, 2021 the City Clerk certified the Chapter 174 petition that will allow City residents to vote in the May 1st election choosing to opt out of a state law that would repeal collective bargaining rights for San Antonio police officers. If voters approve the measure, the City and the police officers would not possess the ability to negotiate collective bargaining agreements.

Texas 2021 Winter Weather Event

From February 14, 2021 through February 19, 2021, the continental United States experienced a severe winter storm resulting from the southern migration of a polar vortex that meteorologists characterize as the most significant in terms of scope and duration since monitoring of these weather phenomenon began in the 1950s. As a result of this storm, the City experienced three consecutive days of record low temperatures and record low daily high temperatures and windchills of -6 degrees Fahrenheit.

On February 19, 2021, Federal Emergency Management Agency (FEMA) declared Active Disaster 4586 for Severe Winter Storms covering 108 counties across Texas, including Bexar County. The incident period began February 11 and is currently ongoing. The disaster includes individual assistance programs as well as public assistance grants. With this disaster declaration, the City has gathered the required documentation to submit to FEMA to determine eligibility for reimbursement of eligible costs. If approved, costs associated with the City's emergency response may include public safety support; temporary sheltering; aid to residents associated with power and water losses; and facility and equipment damages incurred by the City. Additionally, CPS Energy and SAWS may submit eligible costs to FEMA for reimbursement. Eligible costs, if approved, would be reimbursed by FEMA at 75% for the City, CPS Energy, and SAWS.

Initial estimates of costs as of March 1st that may be eligible for reimbursement from FEMA for each entity is as follows: City $8,900; CPS Energy $11,200; SAWS $14,800. These estimates are preliminary and may not reflect the actual costs necessary to provide the service or repair infrastructure/facilities. These preliminary estimates are subject to change as more information becomes available.

Note 21 Subsequent Events (Continued)

Primary Government (City) (Continued)

Texas 2021 Winter Weather Event (Continued)

CPS Energy, the City's electric and gas utility system, along with many other Texas electric utility providers and the Electric Reliability Council of Texas (ERCOT), experienced significant operational and financial impacts. Operationally, the CPS Energy service territory experienced rolling and (in some cases) extended outages. CPS Energy, from its available sources, saw natural gas prices that normally trade between $2 and $4 per million British thermal unit (MMBtu) instead traded above $100 per MMBtu and, in some cases, up to $500 MMBtu. In addition, power prices in ERCOT reached and were held for a period that extended over days at the market cap of $9,000 per megawatt hour (when the average for planning purposes ranges between $25 and $30 per megawatt hour). (Numbers in this paragraph are not in thousands).

CPS Energy initially estimates the components of potential liability as follows: natural gas fuel costs of approximately $675,000 to $850,000; and purchase power costs of approximately $175,000 to $250,000. CPS Energy is currently investigating the scope and legitimacy of these alleged charges. CPS Energy filed a material event notice to the Electronic Municipal Market Access (EMMA) on February 25th. The full text can be found at the following link https://emma.msrb.org/P11474048-P11142627-P11556146.pdf.

SAWS began experiencing operational challenges due to the sustained below freezing temperatures and the accompanying snow and ice as well. On February 15th, four of SAWS contracted water suppliers suspended the delivery of water into San Antonio which resulted in SAWS increasing production from its wells in the Edwards Aquifer. At the same time, power outages resulting from ERCOT demand reduction requirements began to impact operations. The elimination of power for long periods of time at multiple pumping stations resulted in a complete loss of water service for areas served by these stations. The resultant lack of water movement within these stations ultimately caused many of them to become frozen, which combined with snow and ice on the roads, made the subsequent restarting of these facilities very difficult. By February 21st, pressure was restored across all service levels of the system. The costs of SAWS various water sources are largely fixed (except for electricity charges associated with pumping and distributing the water. SAWS filed a material event notice to EMMA on March 3rd. The full text can be found at the following link https://emma.msrb.org/P21439469-P21117615-P21528778.pdf

CPS Energy & San Antonio Water System (SAWS)

CPS Energy & San Antonio Water System (SAWS) Petitions

In September 2020, a coalition of citizen groups, known as Our Power PAC (a political action committee) began a petition drive seeking to amend the City Charter as it relates to CPS Energy and its governance structure (the CPS Petition). Among other things, the CPS Petition seeks to (1) replace the CPS Energy Board with a board comprised of the City Council members, (2) replace the CPS Energy President & CEO with a director to be selected by the newly comprised board, (3) proscribe the powers and duties of the director, (4) establish an advisory commission, and (5) mandate certain energy and rate related policies including (a) closure of the Spruce Coal Plant by 2030 and divestiture from all fossil fuels by 2040, (b) promote social equity in rate setting, and (c) financially incentivize energy efficiency, renewable generation, and electric vehicles. In October 2020, Fitch ratings changed CPS Energy's creditworthiness from "stable" to "negative" in part citing the petition drive.

Note 21 Subsequent Events (Continued)

CPS Energy & San Antonio Water System (SAWS) (Continued)

The SAWS Act Political Action Committee registered with the City in February 2020. The PAC began a petition drive seeking to amend the City Charter as it relates to SAWS (the SAWS Petition). Among other things, the SAWS Petition seeks to (1) set compensation and term limits for the SAWS President & CEO, (2) ban lobbying by SAWS, (3) end the practice, allowed by SAWS founding ordinance, of Board Members continuing to serve after their term has expired until a successor is appointed, and (4) requiring an "independent performance audit" of projects that cost more than $1,000,000.

In order for either petition to trigger an election to amend the City Charter, a valid petition consisting of at least 20 thousand signatures of registered City voters must be received by the City Clerk for review and certification. The earliest possible uniform election date upon which such an election may be held is May 1, 2021. Neither petition met the required 20 thousand certified signatures in time for the May 2021 ballot.

CPS Long-Term Debt

On March 11, 2020, May 21, 2020, July 29, 2020, September 22, 2020, November 13, 2020, and November 17, 2020 CPS Energy issued $55,000, $50,000, $40,000, $60,000, $80,000 and $40,000, respectively, for a total of $325,000 in commercial paper to help fund construction costs.

On November 5, 2020, CPS Energy issued $418,225 of Taxable New Series 2020 Revenue Refunding Bonds. Bond proceeds were used to refund $375,000 par value of the 2013 Junior Lien Revenue Bonds. The refunding transaction resulted in net present value debt service savings of $85,971, or 22.9%, of the par amount of the bonds being refunded. The true interest cost for this issue, which has maturities in 2034 through 2048, is 2.9%.

On December 1, 2020, CPS Energy remarketed $99,450 of the Series 2015D Variable-Rate Junior Lien Revenue Refunding Bonds. The issuance of the $1,012 premium, in conjunction with the remarketing, resulted in a principal paydown of the remarketed bonds of $550. The bonds have maturities in 2038 through 2045. The coupon rate for these bonds is 1.13%, with a current yield of 0.95% and true interest cost of 4.7%, which reflects stepped interest rate provisions application to the bonds.

San Antonio Water System (SAWS) Long-Term Debt

On February 19, 2020, SAWS issued $276,815 City of San Antonio, Texas Water System Revenue and Refunding Bonds, Series 2020A (No Reserve Fund). The proceeds from the sale of the bonds were issued to (i) refund the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2010A (Series 2010A), (ii) refund the City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2011A (Series 2011A), (iii) refund $93,000 in outstanding commercial paper notes, (iv) finance capital improvements projects, and (v) pay the cost of issuance. The refunding of the Series 2010A and 2011A bonds reduced total future debt service payments by approximately $47,528 and resulted in an economic gain of $32,232. 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.

Note 21 Subsequent Events (Continued)

CPS Energy & San Antonio Water System (SAWS) (Continued)

San Antonio Water System (SAWS) Long-Term Debt (Continued)

On March 18, 2020, SAWS issued $25,285 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2020B through the Texas Water Development Board. The bonds were sold under the Clean Water State Revolving Fund Program. The proceeds from the sale of the bonds were used to (i) finance capital improvement projects which qualify under the Texas Water Development Board Program, and (ii) pay the cost of issuance. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On August 11, 2020, SAWS issued $153,390 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 20202C (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, and (ii) pay the cost of issuance. The bonds are 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 15, 2020, SAWS deposited $23,585 from available cash on hand to the paying agent to redeem the remaining par amount of the City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2009A. The redemption of these bonds will reduce future debt service by approximately $26,434 between 2021 and 2029.

On December 3, 2020, SAWS issued $11,805 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2020D through the Texas Water Development Board. The bonds were sold under the Drinking Water State Revolving Fund Program. The proceeds from the sale of the bonds were used to (i) finance capital improvement projects which qualify under the Texas Water Development Board Program, and (ii) pay the cost of issuance. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

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REQUIRED SUPPLEMENTARY INFORMATION

Table of Contents

Budgetary Comparison Schedule - (Unaudited)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020			
	BUDGETED AMOUNTS		BUDGETARY BASIS	VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
Resources (Inflows):				
Taxes	$ 728,614	$ 710,400	$ 709,823	$ (577)
Licenses and Permits	9,276	8,970	9,130	160
Intergovernmental	4,981	109,478	110,137	659
Revenues from Utilities	382,914	373,439	373,426	(13)
Charges for Services	70,862	55,025	59,142	4,117
Fines and Forfeits	10,316	6,848	6,256	(592)
Miscellaneous	10,657	13,686	16,678	2,992
Investment Earnings	7,506	4,983	5,678	695
Contributions			491	491
Transfers from Other Funds	21,381	13,720	14,081	361
Amounts Available for Appropriation	$ 1,246,507	$ 1,296,549	$ 1,304,842	$ 8,293
Charges to Appropriations (Outflows):				
General Government	87,513	89,695	87,825	1,870
Public Safety	794,862	808,403	807,643	760
Public Works	71,823	71,663	70,990	673
Health Services	31,604	30,470	29,731	739
Welfare	43,975	42,515	40,208	2,307
Culture and Recreation	122,078	126,949	120,402	6,547
Economic Development and Opportunity	10,098	15,446	14,267	1,179
Urban Redevelopment and Housing	27,159	25,604	24,343	1,261
Debt Service:				
Principal Retirement	3,335	3,335	3,335	
Interest	39	39	39	
Transfers to Other Funds	64,901	176,024	175,104	920
Total Charges to Appropriations:	$ 1,257,387	$ 1,390,143	$ 1,373,887	$ 16,256
Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations	(10,880)	(93,594)	(69,045)	24,549
Fund Balance Allocation	10,880	93,594	69,045	(24,549)
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	$ 1,304,842
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(14,081)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,290,761
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,373,887
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	(46,352)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(164,807)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,162,728

General Fund Budgetary Information

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City department and activity within individual funds cannot legally exceed the final budget approved by the City Council. Amendments to line items within a departmental budget may be initiated by Department Directors.

The City's prepares an annual budget for the General Fund on a modified accrual basis which is consistent with generally accepted accounting principles. The annual budgetary data reported for the General Fund represents the original appropriation ordinance and amendments thereto as adopted by the City Council, adjusted for encumbrances outstanding at the beginning of the fiscal year. All annual appropriations lapse at fiscal year-end.

Pension and Postemployment Schedules

Table of Contents

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended					
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability						
Service Cost	$ 58,786	$ 55,964	$ 53,965	$ 51,329	$ 47,521	$ 40,902
Interest Cost	134,394	128,149	122,010	115,882	114,257	109,316
Differences Between Expected and Actual Experience	(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	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Net Change in Total Pension Liability	$ 94,200	$ 93,918	$ 92,636	$ 92,181	$ 83,384	$ 69,042
Total Pension Liability - Beginning	2,007,975	1,914,057	1,821,421	1,729,240	1,645,856	1,576,814
Total Pension Liability - Ending (a)	$ 2,102,175	$ 2,007,975	$ 1,914,057	$ 1,821,421	$ 1,729,240	$ 1,645,856
Plan Fiduciary Net Position						
Contributions - Employer	$ 46,687	$ 44,278	$ 41,828	$ 36,327	$ 35,915	$ 33,125
Contributions - Employee	24,060	22,783	21,922	20,830	20,027	18,438
Net Investment Income (Loss)	220,290	(44,654)	183,805	85,229	1,888	70,349
Benefit Payments, including Refunds of Employee Contributions	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Administrative Expense	(1,246)	(864)	(953)	(963)	(1,150)	(735)
Other	(37)	(45)	(48)	(52)	(57)	(60)
Net Change in Plan Fiduciary Net Position	$ 197,058	$ (65,572)	$ 164,852	$ 65,115	$ (18,119)	$ 49,920
Plan Fiduciary Net Position - Beginning	1,426,052	1,491,624	1,326,772	1,261,657	1,279,776	1,229,856
Plan Fiduciary Net Position - Ending (b)	$ 1,623,110	$ 1,426,052	$ 1,491,624	$ 1,326,772	$ 1,261,657	$ 1,279,776
City's Net Pension Liability - Ending (a) - (b)	$ 479,065	$ 581,923	$ 422,433	$ 494,649	$ 467,583	$ 366,080
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.21%	71.02%	77.93%	72.84%	72.96%	77.76%
Covered Payroll	$ 399,366	$ 379,417	$ 365,112	$ 346,584	$ 333,714	$ 307,138
City's Net Pension Liability as a Percentage of Covered Payroll	119.96%	153.37%	115.70%	142.72%	140.11%	119.19%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2015 through September 30, 2020.

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.

Year-Ended September 30, 2020 - 258 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended					
	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015[1]	9/30/2014
Total Pension Liability						
Service Cost	$ 75,880	$ 73,354	$ 71,161	$ 74,771	$ 96,631	$ 75,600
Interest Cost	271,542	259,758	246,848	233,943	277,002	207,003
Differences Between Expected and Actual Experience	(7,535)	50,057	(27,776)	(47,670)	(20,698)	
Changes of Assumptions					148,315	
Benefit Payments, including Refunds of Employee Contributions	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Net Change in Total Pension Liability	$ 166,393	$ 210,477	$ 134,096	$ 108,748	$ 321,463	$ 160,297
Total Pension Liability - Beginning	3,756,277	3,545,800	3,411,704	3,302,956	2,981,493	2,821,196
Total Pension Liability - Ending (a)	$ 3,922,670	$ 3,756,277	$ 3,545,800	$ 3,411,704	$ 3,302,956	$ 2,981,493
Plan Fiduciary Net Position						
Contributions - Employer	$ 81,016	$ 78,312	$ 75,916	$ 75,958	$ 94,816	$ 76,146
Contributions - Employee	40,508	39,182	37,958	37,978	47,408	38,073
Net Investment Income (Loss)	449,067	(122,694)	407,278	242,007	(1,919)	223,054
Benefit Payments, including Refunds of Employee Contributions	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Administrative Expense	(3,565)	(3,480)	(3,034)	(2,795)	(3,677)	(2,790)
Net Change in Plan Fiduciary Net Position	$ 393,532	$ (181,372)	$ 361,981	$ 200,852	$ (43,159)	$ 212,177
Plan Fiduciary Net Position - Beginning	3,015,157	3,196,529	2,834,548	2,633,696	2,676,855	2,464,678
Plan Fiduciary Net Position - Ending (b)	$ 3,408,689	$ 3,015,157	$ 3,196,529	$ 2,834,548	$ 2,633,696	$ 2,676,855
City's Net Pension Liability - Ending (a) - (b)	$ 513,981	$ 741,120	$ 349,271	$ 577,156	$ 669,260	$ 304,638
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.90%	80.27%	90.15%	83.08%	79.74%	89.78%
Covered Payroll	$ 328,796	$ 318,038	$ 308,101	$ 308,263	$ 384,807	$ 309,031
City's Net Pension Liability as a Percentage of Covered Payroll	156.32%	233.03%	113.36%	187.23%	173.92%	98.58%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2014 through December 31, 2019.

[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.

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.

Year-Ended September 30, 2020 - 259 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Change of Assumptions: A detailed study of experience for the five-year period ending September 30, 2014 was performed and the recommendations of the experience study were approved by the Board in October 2015. The following assumption changes are included in the disclosure.

- The net income return was lowered from 7.50% to 7.25%.
- The inflation assumption (including COLA) was lowered from 3.50% to 3.00%.
- Each salary scale rate was lowered by 0.50%.
- The administrative expense assumption of $2,750 was increased to $2,800.
- Nonactive liabilities are loaded by 0.10% and the active liabilities are loaded by 0.03% as an estimate for future payment of 13th and 14th checks. There was no assumption for this benefit previously.
- The pre-retirement mortality assumption was changed from the 1994 Group Annuity Mortality Table (GAM94), loaded by 25% for females, to the RP-2014 Employee Table, Loaded by 7.00% for females. The table is projected generationally with 50.00% of Scale MP-2014.
- The post-retirement mortality assumption for healthy annuitants was changed from the 1994 Group Annuity Mortality Table (GAM94), loaded by 25.00%for females, to the RP-2014 Healthy Annuity Table, loaded by 7.00% for females. The table is projected generationally with 50.00% of Scale MP-2014.
- The mortality assumption for disabled retirees was changed from the 1994 Male Group Annuity Mortality Table, with ages set forward five years, to the sex-distinct RP-2014 Healthy Annuitant Table, set forward six years. The table is projected generationally with 50.00% of Scale MO-2014.
- The assumption for the percentage of active deaths occurring in the line of duty was lowered from 30.00% to 10.00%.
- The turnover rates for Firefighters were reduced, and the rates for Police Officers were increased, to reflect the observed experience.
- The assumed retirement rates were adjusted to reflect experience during the five-year study period.
- The assumed DROP period was changed from three and a half years to four years for Firefighters, and from three and a half year to three years for Police Officers. The assumption for DROP utilization was decreased from 80.00% to 75.00% for Police Officers.
- Disability rates were lowered by 20.00%.
- Based on average service at retirement, the assumed sick leave load on service was reduced from 1.33% to 0.20% for Police Officers and 1.00% for Firefighters.
- The load on spousal beneficiary liability to account for future increased spousal benefits when dependent children reach the age of majority and are no longer eligible to receive benefits was reduced from 4.00% to 2.00%.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015	1/31/2014	1/31/2013	1/31/2012
Total Pension Liability								
Service Cost	$ 37,175	$ 32,569	$ 31,547	$ 30,183	$ 32,591	$ 33,417	$ 33,470	$ 31,420
Interest Cost	137,954	132,861	128,991	122,800	117,802	116,155	112,356	105,013
Differences Between Expected and Actual Experience	(19,385)	6,025	(18,647)	19,691	(35,634)	(24,410)	25,158	(13,581)
Changes of Assumptions	(10,129)	77,574			38,296			
Benefit Payments	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)	(66,147)
Net Change in Total Pension Liability	$ 48,646	$ 155,479	$ 50,661	$ 81,381	$ 68,736	$ 50,810	$ 100,307	$ 56,705
Total Pension Liability - Beginning	1,940,317	1,784,838	1,734,177	1,652,796	1,584,060	1,533,250	1,432,943	1,376,238
Total Pension Liability - Ending (a)	$ 1,988,963	$ 1,940,317	$ 1,784,838	$ 1,734,177	$ 1,652,796	$ 1,584,060	$ 1,533,250	$ 1,432,943
Plan Fiduciary Net Position								
Contributions - Employer	58,700	$ 46,200	$ 44,500	$ 46,000	$ 55,800	$ 44,400	$ 39,016	$ 37,687
Contributions - Employee	13,363	13,039	12,144	11,563	12,140	12,569	12,332	11,745
Net Investment Income (Loss)	(48,316)	246,772	207,196	(52,945)	85,520	145,883	110,529	22,510
Benefit Payments	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)	(66,147)
Administrative Expense	(391)	(389)						
Net Change in Plan Fiduciary Net Position	$ (73,613)	$ 212,072	$ 172,610	$ (86,675)	$ 69,141	$ 128,500	$ 91,200	$ 5,795
Plan Fiduciary Net Position - Beginning	1,684,448	1,472,376	1,299,766	1,386,441	1,317,300	1,188,800	1,097,600	1,091,805
Plan Fiduciary Net Position - Ending (b)	$ 1,610,835	$ 1,684,448	$ 1,472,376	$ 1,299,766	$ 1,386,441	$ 1,317,300	$ 1,188,800	$ 1,097,600
Net Pension Liability - Ending (a) - (b)	$ 378,128	$ 255,869	$ 312,462	$ 434,411	$ 266,355	$ 266,760	$ 344,450	$ 335,343
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.99%	86.81%	82.49%	74.95%	83.88%	83.16%	77.53%	76.60%
Covered Payroll	$ 254,241	$ 242,477	$ 235,360	$ 256,236	$ 261,085	$ 260,730	$ 251,136	$ 241,318
Net Pension Liability as a Percentage of Covered Payroll	148.73%	105.52%	132.76%	169.54%	102.02%	102.31%	137.16%	138.96%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2013 through January 31, 2020.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: For fiscal years 2020 and 2019, the annual investment rate of return underlying the calculation of total pension liability was assumed to be 7.25%. For fiscal year 2018, 2017 and 2016, the annual investment rate of return was assumed to be 7.50%. For the previous years presented, the rate used was 7.75%. Based on an experience study completed in 2017, the fiscal year 2019 valuation results include the impact of other revised actuarial assumptions including salary increases and the use of updated mortality tables.

Year-Ended September 30, 2020 - 261 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended				
	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability					
Service Cost	$ 5,551	$ 5,332	$ 4,979	$ 4,810	$ 4,379
Interest Cost	13,952	13,268	12,623	12,480	11,960
Differences Between Expected and Actual Experience	240	54	29	(1,311)	(1,717)
Changes of Assumptions				433	
Benefit Payments	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Net Change in Total Pension Liability	$ 10,783	$ 10,322	$ 9,445	$ 9,075	$ 7,161
Total Pension Liability - Beginning	208,391	198,069	188,624	179,549	172,388
Total Pension Liability - Ending (a)	$ 219,174	$ 208,391	$ 198,069	$ 188,624	$ 179,549
Plan Fiduciary Net Position					
Contributions - Employer	$ 4,059	$ 3,852	$ 3,609	$ 3,953	$ 3,721
Contributions - Employee	3,291	3,149	2,935	2,892	2,722
Net Investment Income (Loss)	(5,773)	23,639	10,909	239	8,818
Benefit Payments, including Refunds of Employee Contributions	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Administrative Expense	(111)	(123)	(123)	(146)	(92)
Other	(6)	(6)	(7)	(7)	(8)
Net Change in Plan Fiduciary Net Position	$ (7,500)	$ 22,179	$ 9,137	$ (406)	$ 7,700
Plan Fiduciary Net Position - Beginning	192,768	170,589	161,452	161,858	154,158
Plan Fiduciary Net Position - Ending (b)	$ 185,268	$ 192,768	$ 170,589	$ 161,452	$ 161,858
Net Pension Liability - Ending (a) - (b)	$ 33,906	$ 15,623	$ 27,480	$ 27,172	$ 17,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.53%	92.50%	86.13%	85.59%	90.15%
Covered Payroll	$ 109,703	$ 104,960	$ 97,818	$ 96,389	$ 90,721
Net Pension Liability as a Percentage of Covered Payroll	30.91%	14.88%	28.09%	28.19%	19.50%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2015, 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.

Year-Ended September 30, 2020 - 262 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended				
	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability					
Service Cost	$ 5,629	$ 5,859	$ 5,724	$ 5,004	$ 5,204
Interest Cost	15,101	14,354	13,680	12,596	11,709
Change of Benefit Terms				4,339	
Differences Between Expected and Actual Experience	1,926	(1,394)	712	555	(622)
Changes of Assumptions	4,653	1,152	5,532	(405)	2,771
Benefit Payments	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Net Change in Total Pension Liability	$ 18,694	$ 11,997	$ 18,365	$ 15,771	$ 13,266
Total Pension Liability - Beginning	230,568	218,571	200,206	184,435	171,169
Total Pension Liability - Ending (a)	$ 249,262	$ 230,568	$ 218,571	$ 200,206	$ 184,435
Plan Fiduciary Net Position					
Contributions - Employer	$ 7,923	$ 7,982	$ 7,367	$ 7,890	$ 10,339
Contributions - Employee	2,434	2,484	2,533	2,357	
Net Investment Income (Loss)	(7,767)	30,741	6,971	1,215	15,695
Benefit Payments	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Administrative Expense	(360)	(380)	(195)	(17)	
Net Change in Plan Fiduciary Net Position	$ (6,385)	$ 32,853	$ 9,393	$ 5,127	$ 20,238
Plan Fiduciary Net Position - Beginning	208,132	175,279	165,886	160,759	140,521
Plan Fiduciary Net Position - Ending (b)	$ 201,747	$ 208,132	$ 175,279	$ 165,886	$ 160,759
Net Pension Liability - Ending (a) - (b)	$ 47,515	$ 22,436	$ 43,292	$ 34,320	$ 23,676
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.94%	90.27%	80.19%	82.86%	87.16%
Covered Payroll	$ 78,348	$ 79,417	$ 83,493	$ 85,299	$ 83,812
Net Pension Liability as a Percentage of Covered Payroll	60.65%	28.25%	51.85%	40.23%	28.25%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2019.

Notes to Schedule:

Total pension liability at December 31, 2019 is based on a rollforward of the January 1, 2019 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 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 long-term rate of returned was reduced to 6.50%. In the measurement period of January 1, 2015, amounts reported as changes of assumptions resulted primarily from a reduction in the assumed long-term rate of return from 7.00% to 6.75%. In 2015, mortality rates were updated to reflect updated historical data.

Year-Ended September 30, 2020 - 263 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended				
	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability					
Service Cost	$ 257	$ 108	$ 71	$ 124	$ 123
Interest Cost	388	424	418	446	424
Differences Between Expected and Actual Experience	(622)	101	(381)	18	153
Changes of Assumptions	6	15	224		
Benefit Payments	(485)	(776)	(324)	(261)	(230)
Net Change in Total Pension Liability	$ (456)	$ (128)	$ 8	$ 327	$ 470
Total Pension Liability - Beginning	6,566	6,694	6,686	6,359	5,889
Total Pension Liability - Ending (a)	$ 6,110	$ 6,566	$ 6,694	$ 6,686	$ 6,359
Plan Fiduciary Net Position					
Contributions - Employer	$ 400	$ 315	$ 280	$ 308	$ 414
Net Investment Income (Loss)	(75)	764	306	18	394
Benefit Payments, including Refunds of Employee Contributions	(485)	(776)	(324)	(261)	(230)
Administrative Expense	(7)	(7)	(8)	(6)	(11)
Net Change in Plan Fiduciary Net Position	$ (167)	$ 296	$ 254	$ 59	$ 567
Plan Fiduciary Net Position - Beginning	5,706	5,410	5,156	5,097	4,530
Plan Fiduciary Net Position - Ending (b)	$ 5,539	$ 5,706	$ 5,410	$ 5,156	$ 5,097
Net Pension Liability - Ending (a) - (b)	$ 571	$ 860	$ 1,284	$ 1,530	$ 1,262
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.65%	86.90%	80.82%	77.12%	80.15%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2019.

Notes to Schedule:

The plan was frozen in 2008. Therefore, current and future wages have no impact on net pension liability.
Total pension liability at December 31, 2019, is based on a rollforward of the January 1, 2019 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 2019, the mortality projection scales was updated to MP-2018. In 2018, the mortality projection scale was based on MP-2017. In 2017, the morality table was changed from 1994 GAR projected to 2002 to the PR-2014 table using the MP-2016 improvement scale. The interest rate of return was modified from 7.00% to 6.50% in 2017. In 2017, the inflation rate was changed to 2.75%. Previously, 2.00% was used. In 2018, the inflation rate was changed to 2.50%.

Year-Ended September 30, 2020 - 264 - Amounts are expressed in thousands

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
2011	$ 33,883	$ 33,883	$ -	$ 270,708	12.52%
2012	29,981	28,171	1,810	276,095	10.20%
2013	30,416	30,416		288,246	10.55%
2014	32,585	32,585		303,141	10.75%
2015	34,176	34,176		317,518	10.76%
2016	35,942	35,942		340,660	10.55%
2017	40,374	40,374		361,009	11.18%
2018	43,631	43,631		375,931	11.61%
2019	45,943	45,943		393,916	11.66%
2020	47,311	47,311		398,863	11.86%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10-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 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.

Other Information:

Notes	Granted 70.00% ad hoc COLA

Year-Ended September 30, 2020 - 265 - 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
2011	$ 69,648	$ 69,648	$ -	$ 281,897	24.64%
2012	69,998	69,998		283,689	24.64%
2013	73,038	73,038		296,180	24.64%
2014	75,911	75,911		307,987	24.64%
2015	75,641	75,641		306,827	24.64%
2016	74,414	74,414		301,993	24.64%
2017	75,039	75,039		320,955	24.64%
2018	77,488	77,488		313,951	24.64%
2019	79,973	79,973		324,430	24.64%
2020	84,775	84,775		343,799	24.64%

[1] Payroll is estimated based on the actual member contributions received and a 12.32% contribution rate.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	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 3.50% annual increases
Remaining Amortization Period	13.89 years remaining as of January 1, 2019
Asset Valuation Method	Five-year smoothed market value based on expected return of 7.25%

Actuarial assumptions:

Inflation Rate	3.00%
Salary Increases	3.00% (plus merit scale of 0.75% - 11.25%)
Investment Rate of Return	7.25% including inflation, net of pension plan investment expense
Cost-of-living Adjustments	3.00% for retirement before October 1, 1999; 2.25% for retirement on or after October 1, 1999
Retirement Rates	Group-specific rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at earlier of age 65 or 40 years of service

Mortality:

Healthy	RP-2014 Employee and Healthy Annuitant Tables, with rates loaded by 7.00% for females, projected generationally with 50.00% of Scale MP-2014
Disabled	RP-2014 Annuitant Tables, set forward six years, loaded by 7.00% for females, projected generationally with 50.00% of Scale MP-2014

Year-Ended September 30, 2020 - 266 - 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
2013	$ 39,016	$ 39,016	$ -	$ 251,136	15.54%
2014	44,362	44,400	(38)	260,730	17.03%
2015	48,696	55,800	(7,104)	261,085	21.37%
2016	46,001	46,000	1	256,236	17.95%
2017	44,532	44,500	32	235,360	18.91%
2018	46,234	46,200	34	242,477	19.05%
2019	58,657	58,700	(43)	254,241	23.09%
2020	53,435	73,435	(20,000)	271,449	27.05%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2013 through January 31, 2020.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years
Asset Valuation Method	Market value gains/losses recognized over five years, beginning with calendar year 2014; expected value adjusted market value for all prior periods

Actuarial assumptions:

Inflation Rate	2.30% for fiscal year 2020 and 3.00% for previous years presented, compounded annually
Salary Increases	Average, including inflation: 5.36% for fiscal year 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, 5.07% for fiscal year 2014, and 5.18% for fiscal year 2013
Investment Rate of Return	7.25% per year, compounded annually, for fiscal years 2020 and 2019, 7.50% for fiscal years 2018, 2017 and 2016, 7.75% for prior years
Cost-of-living Increases	1.50% per year
Mortality	Based on RP-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 2017 and 2016, and Scale AA for prior years.

Year-Ended September 30, 2020 - 267 - 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	4,100	4,100		113,749	3.60%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2014 through December 31, 2019.

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 2019, the remaining amortization period is 27 years. In 2015 the amortization period was adjusted to 30 years from 23 in 2014.
Asset Valuation Method	10 year smoothed market value; 15.00% soft corridor

Actuarial assumptions:

Inflation Rate	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates that are specific to SAWS plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109.00% and female rates multiplied by 103.00% and projected on a fully generational basis with scale BB.

Year-Ended September 30, 2020 - 268 - 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%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2014 through December 31, 2019.

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 10 years.
Asset Valuation Method	Four-year smoothed market value

Actuarial assumptions:

Inflation Rate	2.25%
Salary Increases	Scale based on 2011-2013 SAWS experience
Investment Rate of Return	6.50% including inflation, net of pension plan investment expense
Retirement Age	In 2015, expected retirement ages were adjusted to reflect actual experience from 2011-2013.
Mortality	In 2019, 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 recently issued by the Society of Actuaries (SOA). In 2018 and 2017, the mortality table was changed to use adjusted RP-2014 mortality with scale MP-2016 based on data published by the SOA in 2016. In 2016, the mortality table was changed to use adjusted RP-2014 mortality with scale MP-2016 based on data published by the SOA in 2015. Previously the IRS Prescribed Generational Mortality table was used.

Year-Ended September 30, 2020 - 269 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
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

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2014 through December 31, 2019.

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	2019: 8 years; 2018: 9 years; 2017: 10 years; 2016: 11 years; 2015: 12 years; 2014: 13 years
Asset Valuation Method	Fair value with smoothing

Actuarial assumptions:

Inflation Rate	2.50%
Salary Increases	Earned benefits frozen in 2008
Investment Rate of Return	6.50% including inflation, net of pension plan investment expense
Retirement Age	Normal retirement age – the earlier of age 65, or the “rule of 90” where the participant’s age and years of service added together equal 90 or greater
Mortality	In 2019, the 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, 2020 - 270 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended		
	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability			
Service Cost	$ 12,294	$ 16,893	$ 11,665
Interest Cost	10,653	13,464	11,999
Differences Between Expected and Actual Experience	(36,898)	(12,617)	
Changes of Assumptions	83,865	78,030	(32,771)
Benefit Payments	(5,874)	(7,111)	(7,439)
Net Change in Total OPEB Liability	$ 64,040	$ 88,659	$ (16,546)
Total OPEB Liability - Beginning	394,724	306,065	322,611
Total OPEB Liability - Ending (a)	$ 458,764	$ 394,724	$ 306,065
Plan Fiduciary Net Position			
Contributions - Employer	$ 5,874	$ 7,111	$ 7,439
Contributions - Employee			
Net Investment Income			
Benefit Payments, including Refunds of Employee Contributions	(5,874)	(7,111)	(7,439)
Administrative Expense			
Other			
Net Change in Plan Fiduciary Net Position	$ -	$ -	$ -
Plan Fiduciary Net Position - Beginning			
Plan Fiduciary Net Position - Ending (b)	$ -	$ -	$ -
City's Total OPEB Liability - Ending (a) - (b)	$ 458,764	$ 394,724	$ 306,065
Covered-employee Payroll	$ 398,863	$ 393,916	$ 375,931

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2020.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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 fiscal year 2020, the discount rate was updated from 2.66% to 2.21%. The retirement rates were updated to the rates from the Texas Municipal Retirement System Actuarial Valuation as of December 31, 2019. In fiscal year 2019, the discount rate was updated from 4.24% to 2.66%. A discount rate of 4.24% was assumed for the previous year presented.

Year-Ended September 30, 2020 - 271 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
Fire and Police Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended		
	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability			
Service Cost	$ 26,077	$ 25,345	$ 24,289
Interest Cost	72,602	71,055	68,947
Differences Between Expected and Actual Experience	28,124	2,169	(5,165)
Changes of Assumptions	28,936	(43,489)	(25,344)
Benefit Payments	(33,146)	(35,821)	(33,560)
Net Change in Total OPEB Liability	$ 122,593	$ 19,259	$ 29,167
Total OPEB Liability - Beginning	991,905	972,646	943,479
Total OPEB Liability - Ending (a)	$ 1,114,498	$ 991,905	$ 972,646
Plan Fiduciary Net Position			
Contributions - Employer	$ 35,234	$ 30,892	$ 27,242
Contributions - Employee	17,605	15,442	13,616
Net Investment Income (loss)	19,867	(21,629)	25,294
Benefit Payments, including Refunds of Employee Contributions	(33,146)	(35,821)	(33,560)
Administrative Expense	(3,056)	(3,070)	(2,660)
Other Contributions - Retirees	1,571	1,817	1,829
Net Change in Plan Fiduciary Net Position	$ 38,075	$ (12,369)	$ 31,761
Plan Fiduciary Net Position - Beginning	364,439	376,808	345,047
Plan Fiduciary Net Position - Ending (b)	$ 402,514	$ 364,439	$ 376,808
City's Net Pension Liability - Ending (a) - (b)	$ 711,984	$ 627,466	$ 595,838
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	36.12%	36.74%	38.74%
Covered Payroll	$ 328,795	$ 318,038	$ 308,101
City's Net OPEB Liability as a Percentage of Covered Payroll	216.54%	197.29%	193.39%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2017 through December 31, 2019.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.00% for fiscal year 2020. A rate of 7.25% was assumed for the previous year presented.

Year-Ended September 30, 2020 - 272 - 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

	Measurement Period Ended				
	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability					
Service Cost	$ 4,466	$ 3,376	$ 3,435	$ 3,319	$ 3,207
Interest Cost	18,032	17,182	18,176	17,601	17,050
Changes in Plan Benefits		415	(19,185)		
Differences Between Expected and Actual Experience	1,763		475		
Changes of Assumptions	(2,190)	9,657			
Benefit Payments	(11,390)	(12,197)	(14,001)	(12,756)	(13,275)
Net Change in Total OPEB Liability	$ 10,681	$ 18,433	$ (11,100)	$ 8,164	$ 6,982
Total OPEB Liability - Beginning	253,241	234,808	245,908	237,744	230,762
Total OPEB Liability - Ending (a)	$ 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	872	998	933	976	933
Earnings (Loss) on Plan Assets	(10,571)	41,718	38,949	(9,765)	12,536
Benefit Payments	(11,390)	(19,353)	(20,804)	(19,490)	(19,299)
Administrative Expense	(1,223)	(1,346)	(1,621)	(1,456)	(1,137)
Net Change in Plan Fiduciary Net Position	$ (22,312)	$ 29,173	$ 32,759	$ (14,195)	$ 2,257
Plan Fiduciary Net Position - Beginning	289,821	260,648	227,889	242,084	239,827
Plan Fiduciary Net Position - Ending (b)	$ 267,509	$ 289,821	$ 260,648	$ 227,889	$ 242,084
Net OPEB (Asset) Liability - Ending (a) - (b)	$ (3,587)	$ (36,580)	$ (25,840)	$ 18,019	$ (4,340)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	101.36%	114.44%	111.00%	92.67%	101.83%
Covered-employee Payroll	$ 228,240	$ 220,522	$ 223,523	$ 215,964	$ 242,652
Net OPEB (Asset) Liability as a Percentage of Covered Employee Payroll	-1.57%	-16.59%	-11.56%	8.34%	-1.79%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2020.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal years 2020 and 2019. A rate of 7.50% was assumed for the previous years presented. The Plan was amended to eliminate the CPS Energy contribution to participants' Health Reimbursement Account and the actuary valuation used for fiscal year 2019 reflects the impact of this change. For fiscal years 2019 and 2018, claim costs were updated to reflect plan changes and to reflect recent experience. Medical and prescription trend was reset in all years presented.

Year-Ended September 30, 2020 - 273 - 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

	Measurement Period Ended				
	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability					
Service Cost	$ 473	$ 349	$ 336	$ 325	$ 313
Interest Cost	3,284	3,432	3,256	3,244	3,228
Differences Between Expected and Actual Experience	(936)		2,378		
Changes of Assumptions	594	(457)			
Benefit Payments	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Net Change in Total OPEB Liability	$ (613)	$ (489)	$ 2,501	$ 211	$ 228
Total OPEB Liability - Beginning	46,800	47,289	44,788	44,577	44,349
Total OPEB Liability - Ending (a)	$ 46,187	$ 46,800	$ 47,289	$ 44,788	$ 44,577
Plan Fiduciary Net Position					
Contributions - Employer	$ -	$ -	$ -	$ -	$ -
Contributions - Employee	1,030	1,000	972	930	911
Earnings (Loss) on Plan Assets	(2,135)	8,066	6,936	(2,102)	2,460
Benefit Payments	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Administrative Expense	(28)	(30)	(27)	(21)	(16)
Net Change in Plan Fiduciary Net Position	$ (5,161)	$ 5,223	$ 4,412	$ (4,551)	$ 42
Plan Fiduciary Net Position - Beginning	54,921	49,698	45,286	49,837	49,795
Plan Fiduciary Net Position - Ending (b)	$ 49,760	$ 54,921	$ 49,698	$ 45,286	$ 49,837
Net OPEB (Asset) - Ending (a) - (b)	$ (3,573)	$ (8,121)	$ (2,409)	$ (498)	$ (5,260)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.74%	117.35%	105.09%	101.11%	111.80%
Covered-employee Payroll	$ 218,003	$ 210,631	$ 198,704	$ 191,984	$ 218,939
Net OPEB (Asset) as a Percentage of Covered-employee Payroll	-1.64%	-3.86%	-1.21%	-0.26%	-2.40%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2020.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal years 2020 and 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience.

Year-Ended September 30, 2020 - 274 - 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

	Measurement Period Ended				
	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability					
Service Cost	$ 620	$ 516	$ 527	$ 509	$ 492
Interest Cost	475	473	455	448	426
Differences Between Expected and Actual Experience	(656)		255		
Changes of Assumptions	189	94			
Benefit Payments	(880)	(1,012)	(974)	(775)	(559)
Net Change in Total OPEB Liability	$ (252)	$ 71	$ 263	$ 182	$ 359
Total OPEB Liability - Beginning	6,366	6,295	6,032	5,850	5,491
Total OPEB Liability - Ending (a)	$ 6,114	$ 6,366	$ 6,295	$ 6,032	$ 5,850
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,000	$ 1,300	$ 700	$ 175	$ 175
Contributions - Employee	274	265	260	248	211
Earnings (Loss) on Plan Assets	(205)	627	501	(158)	177
Benefit Payments	(880)	(1,012)	(974)	(775)	(559)
Administrative Expense	(19)	(18)	(15)	(14)	(18)
Net Change in Plan Fiduciary Net Position	$ 170	$ 1,162	$ 472	$ (524)	$ (14)
Plan Fiduciary Net Position - Beginning	5,396	4,234	3,762	4,286	4,300
Plan Fiduciary Net Position - Ending (b)	$ 5,566	$ 5,396	$ 4,234	$ 3,762	$ 4,286
Net OPEB Liability - Ending (a) - (b)	$ 548	$ 970	$ 2,061	$ 2,270	$ 1,564
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.04%	84.76%	67.26%	62.37%	73.26%
Covered-employee Payroll	$ 224,137	$ 216,558	$ 212,904	$ 205,704	$ 218,939
Net OPEB Liability as a Percentage of Covered-employee Payroll	0.24%	0.45%	0.97%	1.10%	0.71%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2020.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.25% for fiscal years 2020 and 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience.

Year-Ended September 30, 2020 - 275 - 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

	Measurement Period Ended	
	12/31/2019	12/31/2018
Total OPEB Liability		
Service Cost	$ 2,220	$ 2,428
Interest Cost	9,429	9,221
Differences Between Expected and Actual Experience	(11,970)	(3,358)
Changes of Assumptions	2,817	(351)
Benefit Payments	(7,808)	(6,209)
Net Change in Total OPEB Liability	$ (5,312)	$ 1,731
Total OPEB Liability - Beginning	146,691	144,960
Total OPEB Liability - Ending (a)	$ 141,379	$ 146,691
Plan Fiduciary Net Position		
Contributions - Employer	$ 15,308	$ 13,709
Contributions - Employee		
Net Investment Income (Loss)	(3,164)	7,127
Benefit Payments	(7,808)	(6,209)
Administrative Expense	(159)	(144)
Net Change in Plan Fiduciary Net Position	$ 4,177	$ 14,483
Plan Fiduciary Net Position - Beginning	58,511	44,028
Plan Fiduciary Net Position - Ending (b)	$ 62,688	$ 58,511
Net OPEB Liability - Ending (a) - (b)	$ 78,691	$ 88,180
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.34%	39.89%
Covered-employee Payroll	$ 71,520	$ 79,417
Net OPEB Liability as a Percentage of Covered-employee Payroll	110.03%	111.03%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal year-end December 31, 2019.

Notes to Schedule:

Total OPEB liability at December 31, 2019 is based on a rollforward of the January 1, 2019 actuarial valuation.

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 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.

Year-Ended September 30, 2020 - 276 - Amounts are expressed in thousands

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
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
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%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2020.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution is determined by the adopted OPEB funding policy, through adoption of the City's annual budget. The OPEB programs are funded on a pay-as-you-go basis.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 7.3 years starting on October 1, 2019, equal to the average remaining service of active and inactive plan members (who have no future service).
Remaining Amortization Period	6.3 years
Asset Valuation Method	N/A

Actuarial assumptions:

Discount Rate	2.21% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 6.00% and Ultimate 4.50%; Post-65 Select 5.00% and Ultimate 4.50%, Administrative Fees Select 4.50% and Ultimate 4.50%
Salary Increase Rate	3.50% per annum
Mortality	PUB 2010 mortality table with generational scale MP-2019 for general employees.

Year-Ended September 30, 2020 - 277 - Amounts are expressed in thousands

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Required Supplementary Schedule – (Unaudited)
Fire and Police Retiree Health Care 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 Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 29,776	$ 29,776	$ -	$ 313,951	9.48%
2019	33,987	33,987		324,430	10.48%
2020	38,656	38,656		343,799	11.24%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2017 through December 31, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution is using a January valuation date as of the beginning of the fiscal year in which contributions are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Period	30 years
Asset Valuation Method	Adjusted market value gains/losses spread over a five-year period

Actuarial Assumptions:

Discount Rate	7.00% per year
Inflation	2.75%
Healthcare Cost Trend Rates	12.00% for 2021 and 6.75% for 2022 decreasing 0.50% per year to an ultimate rate of 4.25% for 2027 and beyond.
Salary Increases	2.75% plus merit and promotion increases that vary by age and service
Mortality	Based on the PubS.H-2010 (public safety, headcount weighted) total dataset mortality tables for employees and retirees (sex distinct), projected for mortality improvement generationally using the projected scale SSA2019-2D.

Actuarially Determined Contribution Amounts:

Biweekly Contributions:	
Active Members	$181.58
City per Active Member	$363.15
Monthly Contributions:	
Retirees with Less Than 30 Years of Service	$393.42
Dependent Children	$891.67

Year-Ended September 30, 2020 - 278 - Amounts are expressed in thousands

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 Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ 8,806	$ (8,806)	$ 215,964	4.08%
2017		8,500	(8,500)	223,523	3.80%
2018				220,522	0.00%
2019				228,240	0.00%
2020				244,010	0.00%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2020.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years
Asset Valuation Method	Market value gains/losses recognized over five years

Actuarial assumptions:

Inflation	2.30% for fiscal year 2020 and 3.00% prior years, compounded annually
Investment Rate of Return	7.25% per year, compounded annually for fiscal years 2020 and 2019, 7.50% for previous years
Healthcare Cost Trend Rates	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	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 3.10% to 11.60% for fiscal years 2020 and 2019; ranging from 4.00% to 9.50% for previous years
Mortality	Based on 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); Based on RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale BB, Male and Female Tables for active and retirees, based on 1987 Commissioners Group Disabled Life Mortality Table for disabled lives

Year-Ended September 30, 2020 - 279 - 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 Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 561	$ -	$ 561	$ 191,984	0.00%
2017	145		145	198,704	0.00%
2018	515		515	210,631	0.00%
2019	435		435	218,003	0.00%
2020				244,010	0.00%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2020.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years
Asset Valuation Method	Market value gains/losses recognized over five years

Actuarial assumptions:

Inflation	2.30% for fiscal year 2020 and 3.00% prior years, compounded annually
Investment Rate of Return	7.25% per year, compounded annually, for fiscal years 2020 and 2019, 7.50% for previous years
Salary Increases	Projected average annual base salary increases from 3.10% to 11.60% for fiscal year 2020; 4.54% average, including inflation for fiscal year 2019; 4.78% average, including inflation, in prior years
Mortality	Based on RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale BB, Male and Female Tables for Active and Retirees; based on 1987 Commissioners Group Disabled Life Mortality Table for disabled lives

Year-Ended September 30, 2020 - 280 - 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 Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 793	$ 175	$ 618	$ 205,704	0.09%
2017	886	700	186	212,904	0.33%
2018	1,035	1,300	(265)	216,558	0.60%
2019	1,045	1,000	45	224,137	0.45%
2020	769	769		251,482	0.31%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended January 31, 2016 through January 31, 2020.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years
Asset Valuation Method	Market value gains/losses recognized over five years

Actuarial assumptions:

Inflation	2.30% for fiscal year 2020 and 3.00% prior years, compounded annually
Investment Rate of Return	7.25% per year, compounded annually, for fiscal years 2020 and 2019; 7.50% for previous years
Salary Increases	Projected average annual base salary increases from 3.10% to 11.60% for fiscal year 2020; 4.72% average, including inflation for fiscal year 2019; 4.78% for prior years
Mortality	Based on 1987 Commissioners Group Disabled Life Mortality table

Year-Ended September 30, 2020 - 281 - 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 Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 12,412	$ 13,709	$ (1,297)	$ 75,916	18.06%
2019	11,392	15,308	$ (3,916)	71,520	21.40%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2018 and December 31, 2019.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	15 years - Closed
Asset Valuation Method	Market value

Actuarial assumptions:

Inflation	2.40% for fiscal year 2019 and 2.50% for fiscal year 2018.
Investment Rate of Return	6.50%
Salary Increases	Scale based on 2011 – 2013 SAWS experience, 3.25% to 10.50%, varies by age.
Mortality	Mortality rates for the January 1, 2019 valuation were based PubG-2010. General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were recently 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 MP2018 published in October 2018.
Pre-retirement	RP-2014 Healthy Employee Mortality Tables, updated annually
Postemployment	RP-2014 Healthy Employee Annuitant Tables, updated annually
Healthcare Cost Trend Rates:	Current year 5.40%; Ultimate trend rate 2019 – 3.94%, 2018 - 3.84%, Ultimate year 2019 and 2018 – 2075

Year-Ended September 30, 2020 - 282 - Amounts are expressed in thousands

COMBINING FINANCIAL STATEMENTS

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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 grants), except for Community Development Block Grants, HUD 108 loans, HOME Investment Partnership Grants, Confiscated Property, and the American Recovery and Reinvestment Act Grants.

COMMUNITY DEVELOPMENT PROGRAM – to accept, receipt, and disburse federal funds designated for Community Development Block Grants' Programs and the American Recovery and Reinvestment Act Grants.

CONFISCATED PROPERTY – to account for receipts and disbursement of funds confiscated by law enforcement officers within the City.

HOME PROGRAM – to accept, receipt, and disburse federal funds designated for HOME Investment Partnership Programs.

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 4-year-olds throughout the City.

RIGHT OF WAYS – to account for funds used in the maintenance and improvement of right of ways. Financing is provided by street resurfacing charges.

SAN ANTONIO HOUSING TRUST – to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from investment earnings that were designated from the sale of Roger's Cable System.

STORMWATER OPERATIONS – to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a storm water fee.

TAX INCREMENT REINVESTMENT ZONE – to account for all revenues and expenditures associated with the operations of Tax Increment Reinvestment Zones (TIRZ) and the Tax Increment Financing Fund (TIF). Financing is provided by property taxes contributed from the City and other participating jurisdictions.

PARKS ENVIRONMENTAL & SANITATION – to account for the administrative and operational activities of the Parks Environmental Program. Financing is provided by a parks environmental fee.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

BLENDED COMPONENT UNITS

PRE-K 4 SA – 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.

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, and the redevelopment of two buildings at Brooks City Base, for the City. Financing was derived from the sale of City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds.

STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION (SIDC) – was established to account for the purchase of the project site for the Toyota plant and finance other costs of the project site including site preparation and a training facility as provided in the Project Starbright Agreement. Financing was derived from the prior sale of City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds.

SAN ANTONIO ECONOMIC DEVELOPMENT CORPORATION (EDC) – was established to promote, assist, and enhance economic development activities for the City.

TEXAS PUBLIC FACILITIES CORPORATION (TPFC) – was established in accordance with state laws for the purpose of, and to act on the behalf of the City, to effectuate the buyout of its existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds.

HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION (HPARC) – was established by the City in August 2009 for the purpose of aiding and acting on behalf of the City to assist with acquiring property, planning, developing, constructing, managing, maintaining, and financing projects within Hemisfair Park and adjacent to or near Hemisfair Park.

URBAN RENEWAL AGENCY (OUR SA) – OUR SA is responsible for implementing the City's Urban Renewal Program. Financing is provided from the City as well as the sale of redeveloped real estate.

VISIT SAN ANTONIO (VSA) – was established to attract leisure visitors to the City, and attract and secure meetings, events, and conventions to the City, including but not limited to, the Henry B. Gonzalez Convention Center and other City-owned facilities.

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Nonmajor Governmental Funds

Capital Projects Funds

GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS – to account for financial resources to be used for the acquisition or construction of major capital facilities, such as drainage and library improvements, excluding those financed by proprietary-type funds and trust funds. Financing is derived by the sale of General Obligation Bonds.

PRE-2007 GENERAL OBLIGATION BONDS – consist of eight bond elections from 1980 to 2003 held on January 26, 1980, April 2, 1983, April 6, 1985, November 3, 1987, May 6, 1989, May 7, 1994, May 1, 1999, and November 4, 2003 respectively, for development and improvement projects. These eight bond elections covered projects within seven areas: libraries, fire protection, crime prevention and public safety, parks and recreation, San Antonio River flood control, drainage and flood control, and street, bridge, pedestrian and related improvements.

2007 GENERAL OBLIGATION BONDS – a bond election held on May 12, 2007 approved $550 million in physical infrastructure development and improvement projects. These projects were within five areas: streets and pedestrian, drainage improvements, library improvements, parks and recreation, and public safety.

2012 GENERAL OBLIGATION BONDS – a bond election held on May 13, 2012 approved $596 million in physical infrastructure development and improvement projects. These projects were within five areas; streets and pedestrian, drainage improvements, library improvements, parks and recreation, and public safety.

GENERAL OBLIGATION PROJECTS FUND – to account for the acquisition of construction of major capital facilities such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of General Obligation Bonds.

CERTIFICATES OF OBLIGATION

CERTIFICATES OF OBLIGATION – to account for permanent public improvements and/or construction of municipal facilities, streets, drainage, and emergency fire protection projects. Financing is derived from the sale of Certificates of Obligation.

PRE-2016 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold between the years of 2006 to 2015 for construction of municipal facilities, library, streets, drainage, parks, police, and emergency fire protection projects.

2016 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2016 for construction and improvement of City facilities, streets and street lighting, parks and infrastructure; and acquisition and installation of upgrades in technology systems.

2017 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2017 for improvements to the City's Riverwalk Marina; parks and recreation; public safety facilities; service and community centers; sidewalks and other pedestrian mobility enhancement improvements; libraries; and drainage facilities.

2018 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2018 for acquisition, construction and improvement, of City facilities and infrastructure, streets, drainage, and sidewalks; and acquisition and installation of upgrades in technology systems.

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.

Nonmajor Governmental Funds

Capital Projects Funds (Continued)

CERTIFICATES OF OBLIGATION (Continued)

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.

CERTIFICATES OF OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital facilities such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of Certificates of Obligation.

OTHER CAPITAL PROJECTS

EDWARDS AQUIFER PROTECTION VENUE – to account for the acquisition and development of land in the Edwards Aquifer Recharge Zones. Financing is derived from a ⅛ cent sales tax approved by voters on May 7, 2007 and a portion from the sale of sales tax revenue commercial paper notes.

EQUIPMENT ACQUISITION – to account for the lease financing of large or bulk capital assets for the City to include a mainframe computer, fire trucks, police video equipment, various medical emergency services equipment, etc.

IMPROVEMENT PROJECTS – to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds and notes payables issued.

MUNICIPAL DRAINAGE UTILITY SYSTEM – to account for financial resources to be used to finance the costs of drainage improvements, including the acquisition, construction, and repair of structures, equipment and facilities for the City's Municipal Drainage Utility System. Financing is derived from the prior sale of City of San Antonio, Texas Municipal Drainage Utility System Revenue Bonds.

PARKS DEVELOPMENT AND EXPANSION – to account for the acquisition and development of new parkland in the Edwards Aquifer Recharge Zones, as well as linear parks along Leon Creek and Salado Creek. Financing is derived from a ⅛ cent sales tax approved by voters on May 6, 2000, and extended by voters on May 7, 2005, November 2, 2010, and May 9, 2015. Balance also includes a portion from the prior sale of sales tax revenue commercial paper notes.

TAX & REVENUE NOTES – to account for capital projects where funding is derived from the sale of short-term tax and revenue notes.

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, 2020
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	$ 61,789	$ 438	$ -	$ 62,227
Investments	43,376	387		43,763
Receivables, Net	1,841	2		1,843
Materials and Supplies, at Cost	280			280
Prepaid Expenditures	188			188
Due From Other Governmental Agencies, Net	499			499
Restricted Assets:				
Cash and Cash Equivalents	168,119	216,513	3,033	387,665
Investments	129,100	88,386	2,624	220,110
Receivables, Net	83,114	4,411	140	87,665
Materials and Supplies, at Cost	2,355			2,355
Deposits	2			2
Prepaid Expenditures	2,910			2,910
Due From Other Funds	7,242	1		7,243
Due From Other Governmental Agencies, Net	25,186	2,850		28,036
Total Assets	$ 526,001	$ 312,988	$ 5,797	$ 844,786
Liabilities and Fund Balances:				
Liabilities:				
Vouchers Payable	$ 1,255	$ -	$ -	$ 1,255
Accounts Payable - Other	9,244			9,244
Accrued Payroll	115			115
Unearned Revenue	57			57
Due To Other Funds	148			148
Liabilities Payable From Restricted Assets:				
Vouchers Payable	11,292	33,862	13	45,167
Accounts Payable - Other	16,734	24,864		41,598
Accrued Payroll	4,512	12	3	4,527
Accrued Leave Payable	23			23
Unearned Revenue	2,667	1,429		4,096
Due To Other Funds	24,127	4,662		28,789
Due To Other Governmental Agencies	271			271
Total Liabilities	70,445	64,829	16	135,290
Deferred Inflows of Resources	65,282	2,082		67,364
Fund Balances:				
Nonspendable	5,735		5,253	10,988
Restricted	281,401	253,975	528	535,904
Committed	103,351	142,806		246,157
Assigned	7,338			7,338
Unassigned	(7,551)	(150,704)		(158,255)
Total Fund Balances	390,274	246,077	5,781	642,132
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 526,001	$ 312,988	$ 5,797	$ 844,786

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year-Ended September 30, 2020
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes:				
Property	$ 36,825	$ -	$ -	$ 36,825
General Sales and Use	92,709			92,709
Gross Receipts Business	2,617			2,617
Occupancy	58,177			58,177
Penalties and Interest on Delinquent Taxes	199			199
Intergovernmental	193,219	24,895		218,114
Charges for Services	115,219		373	115,592
Fines and Forfeits	214			214
Miscellaneous	50,110	49		50,159
Investment Earnings	6,009	4,164	86	10,259
Contributions	34,594	85		34,679
Total Revenues	589,892	29,193	459	619,544
Expenditures:				
Current:				
General Government	7,702	486		8,188
Public Safety	29,334			29,334
Public Works	55,619			55,619
Health Services	32,210			32,210
Sanitation	10,929			10,929
Welfare	130,220			130,220
Culture and Recreation	39,583		229	39,812
Convention and Tourism	46,460			46,460
Urban Redevelopment and Housing	43,000			43,000
Education	69,700			69,700
Economic Development and Opportunity	35,913			35,913
Environmental	226			226
Capital Outlay		417,118		417,118
Debt Service:				
Principal Retirement	6,889	11,113		18,002
Interest	22,910	69		22,979
Issuance Costs	65	921		986
Total Expenditures	530,760	429,707	229	960,696
Excess (Deficiency) of Revenue Over (Under) Expenditures	59,132	(400,514)	230	(341,152)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	6,065	111,035		117,100
Issuance of Notes and Loans	1,558			1,558
Premium on Long-Term Debt		13,050		13,050
Transfers In	132,427	391,961	33	524,421
Transfers Out	(195,425)	(169,284)		(364,709)
Total Other Financing Sources (Uses), Net	(55,375)	346,762	33	291,420
Net Change in Fund Balances	3,757	(53,752)	263	(49,732)
Fund Balances, October 1 (adjusted)	386,517	299,829	5,518	691,864
Fund Balances, September 30	$ 390,274	$ 246,077	$ 5,781	$ 642,132

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

Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2020
(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Assets:				
Cash and Cash Equivalents	$ -	$ 53,399	$ 8,390	$ 61,789
Investments		42,910	466	43,376
Receivables, Net		780	1,061	1,841
Materials and Supplies, at Cost		52	228	280
Prepaid Expenditures			188	188
Due From Other Governmental Agencies, Net		499		499
Restricted Assets:				
Cash and Cash Equivalents	3,508	154,009	10,602	168,119
Investments	3,820	124,016	1,264	129,100
Receivables, Net	45,823	34,879	2,412	83,114
Materials and Supplies, at Cost	689	321	1,345	2,355
Deposits	1	1		2
Prepaid Expenditures	80	2,792	38	2,910
Due From Other Funds		3,652	3,590	7,242
Due From Other Governmental Agencies, Net	23,398	1,788		25,186
Total Assets	$ 77,319	$ 419,098	$ 29,584	$ 526,001
Liabilities and Fund Balances (Deficits):				
Liabilities:				
Vouchers Payable	$ -	$ 736	$ 519	$ 1,255
Accounts Payable - Other		8,489	755	9,244
Accrued Payroll		115		115
Unearned Revenue			57	57
Due To Other Funds		148		148
Liabilities Payable From Restricted Assets:				
Vouchers Payable	4,123	6,464	705	11,292
Accounts Payable - Other	4,811	9,352	2,571	16,734
Accrued Payroll	1,391	3,110	11	4,512
Accrued Leave Payable		6	17	23
Unearned Revenue	2,407	111	149	2,667
Due To Other Funds	14,999	9,128		24,127
Due To Other Governmental Agencies	20		251	271
Total Liabilities	27,751	37,659	5,035	70,445
Deferred Inflows of Resources	57,007	8,275		65,282
Fund Balances (Deficits):				
Nonspendable	770	3,166	1,799	5,735
Restricted	3,903	267,179	10,319	281,401
Committed		103,351		103,351
Assigned			7,338	7,338
Unassigned	(12,112)	(532)	5,093	(7,551)
Total Fund Balances (Deficits)	(7,439)	373,164	24,549	390,274
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 77,319	$ 419,098	$ 29,584	$ 526,001

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
Year-Ended September 30, 2020
(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:				
Taxes:				
Property	$ -	$ 36,825	$ -	$ 36,825
General Sales and Use		92,709		92,709
Gross Receipts Business		2,617		2,617
Occupancy		58,177		58,177
Penalties and Interest on Delinquent Taxes		199		199
Intergovernmental	177,637	10,147	5,435	193,219
Charges for Services	264	101,488	13,467	115,219
Fines and Forfeits		214		214
Miscellaneous	4,117	43,222	2,771	50,110
Investment Earnings	159	5,710	140	6,009
Contributions	17,969	14,467	2,158	34,594
Total Revenues	200,146	365,775	23,971	589,892
Expenditures:				
Current:				
General Government	756	6,946		7,702
Public Safety	19,774	9,560		29,334
Public Works	8,201	47,418		55,619
Health Services	18,841	13,369		32,210
Sanitation	68	10,861		10,929
Welfare	130,094	126		130,220
Culture and Recreation	390	28,336	10,857	39,583
Convention and Tourism		29,120	17,340	46,460
Urban Redevelopment and Housing	19,137	17,470	6,393	43,000
Education		27,181	42,519	69,700
Economic Development and Opportunity	132	26,957	8,824	35,913
Environmental		226		226
Debt Service:				
Principal Retirement			6,889	6,889
Interest			22,910	22,910
Issuance Costs			65	65
Total Expenditures	197,393	217,570	115,797	530,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,753	148,205	(91,826)	59,132
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			6,065	6,065
Issuance of Notes and Loans			1,558	1,558
Transfers In	5,805	38,717	87,905	132,427
Transfers Out	(11,567)	(182,482)	(1,376)	(195,425)
Total Other Financing Sources (Uses), Net	(5,762)	(143,765)	94,152	(55,375)
Net Change in Fund Balances	(3,009)	4,440	2,326	3,757
Fund Balances (Deficits), October 1 (restated)	(4,430)	368,724	22,223	386,517
Fund Balances (Deficits), September 30	$ (7,439)	$ 373,164	$ 24,549	$ 390,274

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

Combining Balance Sheet
Nonmajor Governmental Funds - Grants
As of September 30, 2020
(In Thousands)

	CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	$ 615	$ 277	$ 1,848	$ 768	$ 3,508
Investments	248	1,762	1,618	192	3,820
Receivables, Net	60	10,222	24	35,517	45,823
Materials and Supplies, at Cost	689				689
Deposits	1				1
Prepaid Expenditures	80				80
Due From Other Governmental Agencies, Net	22,624	774			23,398
Total Assets	$ 24,317	$ 13,035	$ 3,490	$ 36,477	$ 77,319
Liabilities and Fund Balances (Deficits):					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	$ 3,216	$ 630	$ 14	$ 263	$ 4,123
Accounts Payable - Other	3,996	373	1	441	4,811
Accrued Payroll	1,256	115	1	19	1,391
Unearned Revenue	1,435	718		254	2,407
Due To Other Funds	14,398	601			14,999
Due To Other Governmental Agencies	16		4		20
Total Liabilities	24,317	2,437	20	977	27,751
Deferred Inflows of Resources	10,981	10,165		35,861	57,007
Fund Balances (Deficits):					
Nonspendable	770				770
Restricted		433	3,470		3,903
Unassigned	(11,751)			(361)	(12,112)
Total Fund Balances (Deficits)	(10,981)	433	3,470	(361)	(7,439)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 24,317	$ 13,035	$ 3,490	$ 36,477	$ 77,319

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Grants
Year-Ended September 30, 2020
(In Thousands)

	CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Revenues:					
Intergovernmental	$ 155,443	$ 16,045	$ 991	$ 5,158	$ 177,637
Charges for Services		264			264
Miscellaneous	328	1,171	28	2,590	4,117
Investment Earnings	2	72	52	33	159
Contributions	16,006		9	1,954	17,969
Total Revenues	171,779	17,552	1,080	9,735	200,146
Expenditures:					
Current:					
General Government	558	198			756
Public Safety	18,823		951		19,774
Public Works	8,201				8,201
Health Services	18,841				18,841
Sanitation	68				68
Welfare	123,508	6,586			130,094
Culture and Recreation	390				390
Urban Redevelopment and Housing	470	9,221		9,446	19,137
Economic Development and Opportunity		132			132
Total Expenditures	170,859	16,137	951	9,446	197,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	920	1,415	129	289	2,753
Other Financing Sources (Uses):					
Transfers In	5,803	1		1	5,805
Transfers Out	(10,049)	(1,517)		(1)	(11,567)
Total Other Financing Sources (Uses), Net	(4,246)	(1,516)			(5,762)
Net Change in Fund Balances	(3,326)	(101)	129	289	(3,009)
Fund Balances (Deficits), October 1	(7,655)	534	3,341	(650)	(4,430)
Fund Balances (Deficits), September 30	$ (10,981)	$ 433	$ 3,470	$ (361)	$ (7,439)

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

Combining Balance Sheet
Nonmajor Governmental Funds - Other Special Revenues
As of September 30, 2020
(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Assets:												
Cash and Cash Equivalents	$ -	$ 46,726	$ -	$ -	$ -	$ -	$ -	$ 6,673	$ -	$ -	$ -	$ 53,399
Investments		37,150						5,760				42,910
Receivables, Net		771						9				780
Materials and Supplies, at Cost		52										52
Due From Other Governmental Agencies, Net		499										499
Restricted Assets:												
Cash and Cash Equivalents	5,668	5,437	40,927	4,576	44,702	76	2,654		23,715	25,856	398	154,009
Investments	6,097	1,737	32,687	2	39,039		2,280		20,383	21,519	272	124,016
Receivables, Net	3,102	3,235	8,996	935	6,488	6,345	285		4,091	522	880	34,879
Materials and Supplies, at Cost		80	99						142			321
Deposits			1									1
Prepaid Expenditures			2,792									2,792
Due From Other Funds				3,614		38						3,652
Due From Other Governmental Agencies			1,099				322			367		1,788
Total Assets	$ 14,867	$ 95,687	$ 86,601	$ 9,127	$ 90,229	$ 6,459	$ 5,541	$ 12,442	$ 48,331	$ 48,264	$ 1,550	$ 419,098
Liabilities and Fund Balances:												
Liabilities:												
Vouchers Payable	$ -	$ 736	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 736
Accounts Payable - Other		8,489										8,489
Accrued Payroll		115										115
Due To Other Funds		148										148
Liabilities Payable From Restricted Assets:												
Vouchers Payable	10	1,601	2,737				1		290	1,669	156	6,464
Accounts Payable - Other	42	4,443	1,833			414	44		500	1,954	122	9,352
Accrued Payroll	106	333	367			1,145	110		747	21	281	3,110
Accrued Leave Payable						6						6
Unearned Revenue		12	99									111
Due To Other Funds		3,466	768			4,894						9,128
Total Liabilities	158	19,343	5,804			6,459	155		1,537	3,644	559	37,659
Deferred Inflows of Resources			7,887							388		8,275
Fund Balances:												
Nonspendable		132	2,892						142			3,166
Restricted	14,709	56	55,797	9,127	90,229		5,386		46,652	44,232	991	267,179
Committed		76,156	14,753					12,442				103,351
Unassigned			(532)									(532)
Total Fund Balances	14,709	76,344	72,910	9,127	90,229		5,386	12,442	46,794	44,232	991	373,164
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,867	$ 95,687	$ 86,601	$ 9,127	$ 90,229	$ 6,459	$ 5,541	$ 12,442	$ 48,331	$ 48,264	$ 1,550	$ 419,098

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Other Special Revenues
Year-Ended September 30, 2020
(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Revenues:												
Taxes:												
Property	$ -	$ -	$ 5,333	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,492	$ -	$ 36,825
General Sales and Use	18,257				37,226	37,226						92,709
Gross Receipts Business			2,617									2,617
Occupancy		40,509	6,094	11,574								58,177
Penalties and Interest on Delinquent Taxes		153		46								199
Intergovernmental		499	9,648									10,147
Charges for Services		17,737	8,332				4,022		60,463		10,934	101,488
Fines and Forfeits			214									214
Miscellaneous		4,781	10,242			27,670		328	185	16		43,222
Investment Earnings	195	1,612	1,006	89	1,238		67	217	553	728	5	5,710
Contributions			14,467									14,467
Total Revenues	18,452	65,291	57,953	11,709	38,464	64,896	4,089	545	61,201	32,236	10,939	365,775
Expenditures:												
Current:												
General Government			6,946									6,946
Public Safety			9,560									9,560
Public Works	6,790						3,167		37,461			47,418
Health Services			13,369									13,369
Sanitation											10,861	10,861
Welfare			126									126
Culture and Recreation		22,993	4,584		759							28,336
Convention and Tourism		23,023	6,090	7								29,120
Urban Redevelopment and Housing			17,293					177				17,470
Education						27,181						27,181
Economic Development and Opportunity			5,026							21,931		26,957
Environmental			226									226
Total Expenditures	6,790	46,016	63,220	7	759	27,181	3,167	177	37,461	21,931	10,861	217,570
Excess of Revenues Over (Under) Expenditures	11,662	19,275	(5,267)	11,702	37,705	37,715	922	368	23,740	10,305	78	148,205
Other Financing Sources (Uses):												
Transfers In		178	19,476	19,063								38,717
Transfers Out	(9,974)	(49,557)	(3,857)	(24,430)	(31,191)	(37,715)			(11,910)	(13,848)		(182,482)
Total Other Financing Sources (Uses), Net	(9,974)	(49,379)	15,619	(5,367)	(31,191)	(37,715)			(11,910)	(13,848)		(143,765)
Net Change in Fund Balances	1,688	(30,104)	10,352	6,335	6,514		922	368	11,830	(3,543)	78	4,440
Fund Balances, October 1 (adjusted)	13,021	106,448	62,558	2,792	83,715		4,464	12,074	34,964	47,775	913	368,724
Fund Balances, September 30	$ 14,709	$ 76,344	$ 72,910	$ 9,127	$ 90,229	$ -	$ 5,386	$ 12,442	$ 46,794	$ 44,232	$ 991	$ 373,164

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

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Combining Balance Sheet
Nonmajor Governmental Funds - Blended Component Units
As of September 30, 2020
(In Thousands)

	PRE-K 4 SA	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	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Assets:													
Cash and Cash Equivalents	$ -	$ 218	$ 7	$ 29	$ -	$ -	$ -	$ -	$ -	$ 2,716	$ 12	$ 5,408	$ 8,390
Investments										456	10		466
Receivables, Net										67		994	1,061
Materials and Supplies, at Cost											138	90	228
Prepaid Expenditures										6		182	188
Restricted Assets:													
Cash and Cash Equivalents	5,019				4,487		283	247	1		565		10,602
Investments								775			489		1,264
Receivables, Net	1,779				344			25			264		2,412
Materials and Supplies, at Cost					208						1,137		1,345
Prepaid Expenditures					35		3						38
Due From Other Funds	3,590												3,590
Total Assets	$ 10,388	$ 218	$ 7	$ 29	$ 5,074	$ -	$ 286	$ 1,047	$ 1	$ 3,245	$ 2,615	$ 6,674	$ 29,584
Liabilities and Fund Balances:													
Liabilities:													
Vouchers Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 519	$ 519
Accounts Payable - Other											3	752	755
Unearned Revenue												57	57
Vouchers Payable	552							6			147		705
Accounts Payable - Other	1,507				1,025					39			2,571
Accrued Payroll										11			11
Accrued Leave Payable										17			17
Unearned Revenue					145					4			149
Due To Other Governmental Agencies											251		251
Total Liabilities	2,059				1,170			6		71	401	1,328	5,035
Fund Balances:													
Nonspendable					243		3			6	1,275	272	1,799
Restricted	8,329						283		1	786	920		10,319
Assigned		218	7	29	3,661			1,041		2,382			7,338
Unassigned											19	5,074	5,093
Total Fund Balances	8,329	218	7	29	3,904		286	1,041	1	3,174	2,214	5,346	24,549
Total Liabilities and Fund Balances	$ 10,388	$ 218	$ 7	$ 29	$ 5,074	$ -	$ 286	$ 1,047	$ 1	$ 3,245	$ 2,615	$ 6,674	$ 29,584

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Blended Component Units
Year-Ended September 30, 2020
(In Thousands)

	PRE-K 4 SA	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	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Revenues:													
Taxes:													
Intergovernmental	$ 5,435	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,435
Charges for Services					12,949					518			13,467
Miscellaneous	734	20			75						929	1,013	2,771
Investment Earnings	97	1				5	4		4	16	13		140
Contributions								130		862	1,166		2,158
Total Revenues	6,266	21			13,024	5	4	130	4	1,396	2,108	1,013	23,971
Expenditures:													
Current:													
Culture and Recreation					10,857								10,857
Convention and Tourism												17,340	17,340
Urban Redevelopment and Housing											6,393		6,393
Education	42,519												42,519
Economic Development and Opportunity						6,001	4	340		2,479			8,824
Debt Service:													
Principal Retirement					726	2,025	985		3,115	38			6,889
Interest					113	1,257	674		20,862	4			22,910
Issuance Costs						65							65
Total Expenditures	42,519				11,696	9,348	1,663	340	23,977	2,521	6,393	17,340	115,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,253)	21			1,328	(9,343)	(1,659)	(210)	(23,973)	(1,125)	(4,285)	(16,327)	(91,826)
Other Financing Sources (Uses):													
Issuance of Long-Term Debt						6,065							6,065
Issuance of Notes and Loans					1,370					188			1,558
Transfers In	37,456				556	2,662	1,650	200	23,965	1,687	2,258	17,471	87,905
Transfers Out					(1,125)						(251)		(1,376)
Total Other Financing Sources (Uses), Net	37,456				801	8,727	1,650	200	23,965	1,875	2,007	17,471	94,152
Net Change in Fund Balances	1,203	21			2,129	(616)	(9)	(10)	(8)	750	(2,278)	1,144	2,326
Fund Balances, October 1	7,126	197	7	29	1,775	616	295	1,051	9	2,424	4,492	4,202	22,223
Fund Balances, September 30	$ 8,329	$ 218	$ 7	$ 29	$ 3,904	$ -	$ 286	$ 1,041	$ 1	$ 3,174	$ 2,214	$ 5,346	$ 24,549

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

Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
As of September 30, 2020
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	$ -	$ -	$ 438	$ 438
Investments			387	387
Receivables, Net			2	2
Restricted Assets:				
Cash and Cash Equivalents	65,891	94,949	55,673	216,513
Investments	36,935	40,727	10,724	88,386
Receivables, Net	3,164	197	1,050	4,411
Due From Other Funds			1	1
Due From Other Governmental Agencies, Net	2,452	16	382	2,850
Total Assets	$ 108,442	$ 135,889	$ 68,657	$ 312,988
Liabilities and Fund Balances:				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	$ 14,043	$ 2,932	$ 16,887	$ 33,862
Accounts Payable - Other	12,799	2,295	9,770	24,864
Accrued Payroll	5		7	12
Unearned Revenue	517		912	1,429
Due To Other Funds		1	4,661	4,662
Total Liabilities	27,364	5,228	32,237	64,829
Deferred Inflows of Resources	1,481		601	2,082
Fund Balances:				
Restricted	79,597	130,661	43,717	253,975
Committed			142,806	142,806
Unassigned			(150,704)	(150,704)
Total Fund Balances	79,597	130,661	35,819	246,077
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 108,442	$ 135,889	$ 68,657	$ 312,988

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects
Year-Ended September 30, 2020
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Revenues:				
Intergovernmental	$ 16,062	$ 5,212	$ 3,621	$ 24,895
Miscellaneous	49			49
Investment Earnings	1,408	2,095	661	4,164
Contributions			85	85
Total Revenues	17,519	7,307	4,367	29,193
Expenditures:				
Current:				
General Government			486	486
Capital Outlay	153,224	48,494	215,400	417,118
Debt Service:				
Principal Retirement			11,113	11,113
Interest			69	69
Issuance Costs		542	379	921
Total Expenditures	153,224	49,036	227,447	429,707
(Deficiency) of Revenues (Under) Expenditures	(135,705)	(41,729)	(223,080)	(400,514)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt		55,940	55,095	111,035
Premium on Long-Term Debt		9,038	4,012	13,050
Transfers In	139,228	48,858	203,875	391,961
Transfers Out	(16,894)	(100,377)	(52,013)	(169,284)
Total Other Financing Sources (Uses), Net	122,334	13,459	210,969	346,762
Net Change in Fund Balances	(13,371)	(28,270)	(12,111)	(53,752)
Fund Balances, October 1	92,968	158,931	47,930	299,829
Fund Balances, September 30	$ 79,597	$ 130,661	$ 35,819	$ 246,077

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

Combining Balance Sheet
Nonmajor Governmental Funds - General Obligation Bonds
As of September 30, 2020
(In Thousands)

	PRE 2007 GENERAL OBLIGATION BONDS	2007 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	$ 176	$ 11,173	$ 30,704	$ 23,838	$ 65,891
Investments	153	9,672	27,110		36,935
Receivables, Net	1	38	106	3,019	3,164
Due From Other Governmental Agencies, Net				2,452	2,452
Total Assets	$ 330	$ 20,883	$ 57,920	$ 29,309	$ 108,442
Liabilities and Fund Balances:					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	$ 6	$ -	$ -	$ 14,037	$ 14,043
Accounts Payable - Other				12,799	12,799
Accrued Payroll				5	5
Unearned Revenue				517	517
Total Liabilities	6			27,358	27,364
Deferred Inflows of Resources				1,481	1,481
Fund Balances:					
Restricted	324	20,883	57,920	470	79,597
Total Fund Balances	324	20,883	57,920	470	79,597
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 330	$ 20,883	$ 57,920	$ 29,309	$ 108,442

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - General Obligation Bonds
Year-Ended September 30, 2020
(In Thousands)

	PRE 2007 GENERAL OBLIGATION BONDS	2007 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ 16,062	$ 16,062
Miscellaneous			30	19	49
Investment Earnings	8	372	1,028		1,408
Total Revenues	8	372	1,058	16,081	17,519
Expenditures:					
Capital Outlay				153,224	153,224
Total Expenditures				153,224	153,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	8	372	1,058	(137,143)	(135,705)
Other Financing Sources (Uses):					
Transfers In				139,228	139,228
Transfers Out	(132)	(3,374)	(11,943)	(1,445)	(16,894)
Total Other Financing Sources (Uses), Net	(132)	(3,374)	(11,943)	137,783	122,334
Net Change in Fund Balances	(124)	(3,002)	(10,885)	640	(13,371)
Fund Balances (Deficits), October 1	448	23,885	68,805	(170)	92,968
Fund Balances, September 30	$ 324	$ 20,883	$ 57,920	$ 470	$ 79,597

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

Combining Balance Sheet
Nonmajor Governmental Funds - Certificates of Obligation
As of September 30, 2020
(In Thousands)

	PRE-2016 CERTIFICATES OF OBLIGATION	2016 CERTIFICATES OF OBLIGATION	2017 CERTIFICATES OF OBLIGATION	2018 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Assets:								
Restricted Assets:								
Cash and Cash Equivalents	$ 3,246	$ 22,694	$ 4,566	$ 20,594	$ 12,317	$ 20,790	$ 10,742	$ 94,949
Investments	2,668	8,969	3,851	14,388	10,851			40,727
Receivables, Net	11	58	16	67	45			197
Due From Other Governmental Agencies							16	16
Total Assets	$ 5,925	$ 31,721	$ 8,433	$ 35,049	$ 23,213	$ 20,790	$ 10,758	$ 135,889
Liabilities and Fund Balances:								
Liabilities:								
Liabilities Payable From Restricted Assets:								
Vouchers Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,932	$ 2,932
Accounts Payable - Other							2,295	2,295
Due To Other Funds							1	1
Total Liabilities							5,228	5,228
Fund Balances:								
Restricted	5,925	31,721	8,433	35,049	23,213	20,790	5,530	130,661
Total Fund Balances	5,925	31,721	8,433	35,049	23,213	20,790	5,530	130,661
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,925	$ 31,721	$ 8,433	$ 35,049	$ 23,213	$ 20,790	$ 10,758	$ 135,889

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Certificates of Obligation
Year-Ended September 30, 2020
(In Thousands)

	PRE-2016 CERTIFICATES OF OBLIGATION	2016 CERTIFICATES OF OBLIGATION	2017 CERTIFICATES OF OBLIGATION	2018 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Revenues:								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,212	$ 5,212
Investment Earnings	107	562	150	855	421			2,095
Total Revenues	107	562	150	855	421		5,212	7,307
Expenditures:								
Capital Outlay							48,494	48,494
Debt Service:								
Issuance Costs					12	530		542
Total Expenditures					12	530	48,494	49,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	107	562	150	855	409	(530)	(43,282)	(41,729)
Other Financing Sources (Uses):								
Issuance of Long-Term Debt						55,940		55,940
Premium on Long-Term Debt						9,038		9,038
Transfers In							48,858	48,858
Transfers Out	(1,236)	(5,746)	(1,727)	(37,853)	(10,108)	(43,658)	(49)	(100,377)
Total Other Financing Sources (Uses), Net	(1,236)	(5,746)	(1,727)	(37,853)	(10,108)	21,320	48,809	13,459
Net Change in Fund Balances	(1,129)	(5,184)	(1,577)	(36,998)	(9,699)	20,790	5,527	(28,270)
Fund Balances, October 1	7,054	36,905	10,010	72,047	32,912		3	158,931
Fund Balances, September 30	$ 5,925	$ 31,721	$ 8,433	$ 35,049	$ 23,213	$ 20,790	$ 5,530	$ 130,661

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

Combining Balance Sheet
Nonmajor Governmental Funds - Other Capital Projects
As of September 30, 2020
(In Thousands)

	EDWARDS AQUIFER PROTECTION VENUE	EQUIPMENT ACQUISITION	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	PARKS DEVELOPMENT AND EXPANSION	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Assets:							
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ 438	$ 438
Investments						387	387
Receivables, Net						2	2
Restricted Assets:							
Cash and Cash Equivalents			22,716	2,565	5	30,387	55,673
Investments		1		2,231	6	8,486	10,724
Receivables, Net		2	994	9		45	1,050
Due From Other Funds			1				1
Due From Other Governmental Agencies, Net			382				382
Total Assets	$ -	$ 3	$ 24,093	$ 4,805	$ 11	$ 39,745	$ 68,657
Liabilities and Fund Balances (Deficits):							
Liabilities:							
Liabilities Payable From Restricted Assets:							
Vouchers Payable	$ -	$ -	$ 16,874	$ 13	$ -	$ -	$ 16,887
Accounts Payable - Other			9,770				9,770
Accrued Payroll			3	4			7
Unearned Revenue			912				912
Due To Other Funds			4,661				4,661
Total Liabilities			32,220	17			32,237
Deferred Inflows of Resources			601				601
Fund Balances (Deficits):							
Restricted				4,788	11	38,918	43,717
Committed			141,979			827	142,806
Unassigned		3	(150,707)				(150,704)
Total Fund Balances (Deficits)		3	(8,728)	4,788	11	39,745	35,819
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ -	$ 3	$ 24,093	$ 4,805	$ 11	$ 39,745	$ 68,657

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Other Capital Projects
Year-Ended September 30, 2020
(In Thousands)

	EDWARDS AQUIFER PROTECTION VENUE	EQUIPMENT ACQUISITION	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	PARKS DEVELOPMENT AND EXPANSION	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Revenues:							
Intergovernmental	$ -	$ -	$ 3,621	$ -	$ -	$ -	$ 3,621
Investment Earnings		52		84	2	523	661
Contributions			85				85
Total Revenues		52	3,706	84	2	523	4,367
Expenditures:							
Current:							
General Government		486					486
Capital Outlay			215,072	328			215,400
Debt Service:							
Principal Retirement		11,113					11,113
Interest		69					69
Issuance Costs		118				261	379
Total Expenditures		11,786	215,072	328		261	227,447
Excess (Deficiency) of Revenue Over (Under) Expenditures		(11,734)	(211,366)	(244)	2	262	(223,080)
Other Financing Sources (Uses):							
Issuance of Long-Term Debt		11,300				43,795	55,095
Premium on Long-Term Debt						4,012	4,012
Transfers In		431	203,171	273			203,875
Transfers Out	(14)			(549)	(211)	(51,239)	(52,013)
Total Other Financing Sources (Uses), Net	(14)	11,731	203,171	(276)	(211)	(3,432)	210,969
Net Change in Fund Balances	(14)	(3)	(8,195)	(520)	(209)	(3,170)	(12,111)
Fund Balances (Deficits), October 1	14	6	(533)	5,308	220	42,915	47,930
Fund Balances (Deficits), September 30	$ -	$ 3	$ (8,728)	$ 4,788	$ 11	$ 39,745	$ 35,819

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

Combining Balance Sheet
Nonmajor Governmental Funds - Permanent
As of September 30, 2020
(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	$ 188	$ 2,149	$ 172	$ 279	$ 245	$ 3,033
Investments	162	1,859	149	242	212	2,624
Receivables, Net	1	136	1	1	1	140
Total Assets	$ 351	$ 4,144	$ 322	$ 522	$ 458	$ 5,797
Liabilities and Fund Balances:						
Liabilities:						
Liabilities Payable From Restricted Assets:						
Vouchers Payable	$ -	$ 10	$ 3	$ -	$ -	$ 13
Accrued Payroll		3				3
Total Liabilities		13	3			16
Fund Balances:						
Nonspendable	334	3,784	314	514	307	5,253
Restricted	17	347	5	8	151	528
Total Fund Balances	351	4,131	319	522	458	5,781
Total Liabilities and Fund Balances	$ 351	$ 4,144	$ 322	$ 522	$ 458	$ 5,797

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Permanent
Year-Ended September 30, 2020
(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	$ -	$ 340	$ -	$ -	$ 33	$ 373
Miscellaneous						
Investment Earnings	5	61	5	8	7	86
Total Revenues	5	401	5	8	40	459
Expenditures:						
Current:						
Culture and Recreation	5	203	8	13		229
Total Expenditures	5	203	8	13		229
Excess (Deficiency) of Revenue Over (Under) Expenditures		198	(3)	(5)	40	230
Other Financing Sources:						
Transfers In					33	33
Total Other Financing Sources					33	33
Net Change in Fund Balances		198	(3)	(5)	73	263
Fund Balances, October 1	351	3,933	322	527	385	5,518
Fund Balances, September 30	$ 351	$ 4,131	$ 319	$ 522	$ 458	$ 5,781

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

Supplementary Budget and Actual Schedules for Legally Adopted Funds

Schedules of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes	$ 710,400	$ 709,823	$ (577)
Licenses and Permits	8,970	9,130	160
Intergovernmental	109,478	110,137	659
Revenues from Utilities	373,439	373,426	(13)
Charges for Services	55,025	59,142	4,117
Fines and Forfeits	6,848	6,256	(592)
Miscellaneous	13,686	16,678	2,992
Investment Earnings	4,983	5,678	695
Contributions		491	491
Total Revenues	$ 1,282,829	$ 1,290,761	$ 7,932
Expenditures:			
General Government	89,695	87,825	1,870
Public Safety	808,403	807,643	760
Public Works	71,663	70,990	673
Health Services	30,470	29,731	739
Welfare	42,515	40,208	2,307
Culture and Recreation	126,949	120,402	6,547
Economic Development and Opportunity	15,446	14,267	1,179
Urban Redevelopment and Housing	25,604	24,343	1,261
Debt Service:			
Principal Retirement	3,335	3,335	
Interest	39	39	
Total Expenditures	$ 1,214,119	$ 1,198,783	$ 15,336
Excess of Revenues Over Expenditures	$ 68,710	$ 91,978	$ 23,268
Other Financing Sources (Uses):			
Transfers In	13,720	14,081	361
Transfers Out	(176,024)	(175,104)	920
Total Other Financing Sources (Uses), Net	$ (162,304)	$ (161,023)	$ 1,281
Net Change in Fund Balance	(93,594)	(69,045)	$ 24,549
Fund Balances, October 1	365,042	365,042	
Add Encumbrances		46,352	
Fund Balances, September 30	$ 271,448	$ 342,349	

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020 FINAL BUDGET	2020 ACTUAL	2020 VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Property:			
Current	$ 380,366	$ 379,649	$ (717)
Delinquent	1,000	238	(762)
General Sales and Use:			
City Sales	296,324	297,804	1,480
Selective Sales and Use:			
Alcoholic Beverages	8,073	6,876	(1,197)
Gross Receipts Business:			
Telecommunication Access Lines Fees	9,577	9,674	97
Cablevision Franchise	11,357	10,944	(413)
Bingo	917	1,481	564
Other	675	739	64
Penalties and Interest on Delinquent Taxes	2,111	2,418	307
Total Taxes	$ 710,400	$ 709,823	$ (577)
Licenses and Permits:			
Alarm Licenses	1,922	1,897	(25)
Alcoholic Beverages Licenses	1,056	978	(78)
Amusement Licenses	206	164	(42)
Building Permits	103	119	16
Health Licenses	4,237	4,451	214
Professional and Occupational Licenses	759	661	(98)
Street Permits	687	860	173
Total Licenses and Permits	$ 8,970	$ 9,130	$ 160
Intergovernmental:			
Federal Reimbursement - COVID 19	104,479	104,479	
Bexar County - Child Support	42	40	(2)
Health Aid from Bexar County	191	191	
Library Aid from Bexar County	2,584	2,583	(1)
Magistration and Detention - Bexar	73	74	1
Other	1,752	2,413	661
VIA Contributions	357	357	
Total Intergovernmental	$ 109,478	$ 110,137	$ 659
Revenues from Utilities:			
CPS Energy	343,023	342,787	(236)
San Antonio Water System	30,416	30,639	223
Total Revenues from Utilities	$ 373,439	$ 373,426	$ (13)

(Continued)

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Charges for Services:			
General Government	$ 2,774	$ 3,193	$ 419
Public Safety:			
Fire Department	29,543	35,229	5,686
Police Department	8,417	7,832	(585)
Sanitation:			
Demolition of Unsafe Structures	659	591	(68)
Health	2,039	2,221	182
Streets	21	5	(16)
Culture and Recreation:			
Attractions and Venues	9,896	8,745	(1,151)
Community Centers	169	95	(74)
Concessions & Rentals	296	163	(133)
Library	488	350	(138)
Miscellaneous Recreation Revenue	17	18	1
Recreation Fees	693	690	(3)
Swimming Pools	13	10	(3)
Total Charges for Services	$ 55,025	$ 59,142	$ 4,117
Fines and Forfeits:			
Municipal Court Fines	$ 6,848	$ 6,256	$ (592)
Miscellaneous:			
Interfund Charges	2,200	2,335	135
Other	2,788	2,783	(5)
Recovery of Expenditures	3,015	4,374	1,359
Rents, Leases, and Concessions	374	314	(60)
Sales	5,309	6,872	1,563
Total Miscellaneous	$ 13,686	$ 16,678	$ 2,992
Investment Earnings:			
Interest	$ 4,983	$ 5,678	$ 695
Contributions:			
Contributions	$ -	$ 491	$ 491
Total Revenues	$ 1,282,829	$ 1,290,761	$ 7,932

(End of Schedule)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures:			
General Government:			
Executive:			
Personal Services	$ 40,936	$ 40,221	$ 715
Contractual Services	5,210	5,118	92
Commodities	536	328	208
Other Expenditures	8,377	8,401	(24)
Capital Outlay	469	485	(16)
Total Executive	$ 55,528	$ 54,553	$ 975
Judicial:			
Personal Services	11,379	10,929	450
Contractual Services	1,829	1,671	158
Commodities	133	117	16
Other Expenditures	2,158	2,157	1
Capital Outlay	150	143	7
Total Judicial	$ 15,649	$ 15,017	$ 632
Legislative:			
Personal Services	5,420	4,472	948
Contractual Services	3,557	3,136	421
Commodities	288	357	(69)
Other Expenditures	9,114	10,077	(963)
Capital Outlay	139	213	(74)
Total Legislative	$ 18,518	$ 18,255	$ 263
Total General Government	$ 89,695	$ 87,825	$ 1,870
Public Safety:			
Fire:			
Personal Services	288,328	288,265	63
Contractual Services	12,492	11,741	751
Commodities	9,861	9,361	500
Other Expenditures	26,038	25,703	335
Capital Outlay	8,718	9,592	(874)
Total Fire	$ 345,437	$ 344,662	$ 775
Police:			
Personal Services	396,658	396,650	8
Contractual Services	18,404	18,398	6
Commodities	5,392	5,388	4
Other Expenditures	37,277	37,272	5
Capital Outlay	5,235	5,273	(38)
Total Police	$ 462,966	$ 462,981	$ (15)
Total Public Safety	$ 808,403	$ 807,643	$ 760

(Continued)

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Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Public Works:			
Administration:			
Personal Services	$ 2,665	$ 2,624	$ 41
Contractual Services	4,756	5,404	(648)
Commodities	21	13	8
Other Expenditures	1,058	1,054	4
Capital Outlay	33	21	12
Total Administration	$ 8,533	$ 9,116	$ (583)
Streets:			
Personal Services	14,838	14,409	429
Contractual Services	6,635	7,004	(369)
Commodities	6,110	6,522	(412)
Other Expenditures	20,982	20,047	935
Capital Outlay	37	40	(3)
Total Streets	$ 48,602	$ 48,022	$ 580
Traffic and Transportation:			
Personal Services	6,227	6,326	(99)
Contractual Services	5,408	4,706	702
Commodities	1,045	1,062	(17)
Other Expenditures	1,810	1,708	102
Capital Outlay	38	50	(12)
Total Traffic and Transportation	$ 14,528	$ 13,852	$ 676
Total Public Works	$ 71,663	$ 70,990	$ 673
Health Services:			
Personal Services	17,690	17,586	104
Contractual Services	6,730	6,247	483
Commodities	1,583	1,430	153
Other Expenditures	3,930	3,925	5
Capital Outlay	537	543	(6)
Total Health Services	$ 30,470	$ 29,731	$ 739
Welfare:			
Personal Services	9,572	9,370	202
Contractual Services	24,771	23,354	1,417
Commodities	254	229	25
Other Expenditures	7,358	6,693	665
Capital Outlay	560	562	(2)
Total Welfare	$ 42,515	$ 40,208	$ 2,307

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Culture and Recreation:			
Downtown Operations:			
Personal Services	$ 5,394	$ 5,460	$ (66)
Contractual Services	11,650	8,997	2,653
Commodities	278	305	(27)
Other Expenditures	1,819	1,701	118
Capital Outlay	94	87	7
Total Downtown Operations	$ 19,235	$ 16,550	$ 2,685
Libraries:			
Personal Services	25,592	23,965	1,627
Contractual Services	5,516	5,279	237
Commodities	5,674	5,619	55
Other Expenditures	4,579	4,554	25
Capital Outlay	824	822	2
Total Libraries	$ 42,185	$ 40,239	$ 1,946
Parks:			
Personal Services	39,275	37,902	1,373
Contractual Services	9,992	10,025	(33)
Commodities	3,286	3,111	175
Other Expenditures	11,507	11,153	354
Capital Outlay	1,469	1,422	47
Total Parks	$ 65,529	$ 63,613	$ 1,916
Total Culture and Recreation	$ 126,949	$ 120,402	$ 6,547
Economic Development and Opportunity:			
Personal Services	3,202	3,088	114
Contractual Services	11,911	10,865	1,046
Commodities	72	61	11
Other Expenditures	235	229	6
Capital Outlay	26	24	2
Total Economic Development and Opportunity	$ 15,446	$ 14,267	$ 1,179
Urban Redevelopment and Housing			
Personal Services	11,637	11,034	603
Contractual Services	10,232	9,822	410
Commodities	310	266	44
Other Expenditures	3,107	2,993	114
Capital Outlay	318	228	90
Total Urban Redevelopment and Housing	$ 25,604	$ 24,343	$ 1,261
Debt Service:			
Principal Retirement	3,335	3,335	
Interest	39	39	
Total Debt Service	$ 3,374	$ 3,374	$ -
Total Expenditures	$ 1,214,119	$ 1,198,783	$ 15,336

(End of Schedule)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Debt Service Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Property Taxes:			
Current	$ 231,990	$ 231,978	$ (12)
Delinquent	488	145	(343)
Penalties and Interest on Delinquent Taxes	1,288	1,475	187
Miscellaneous	59	59	
Investment Earnings	392	707	315
Total Revenues	$ 234,217	$ 234,364	$ 147
Expenditures:			
General Government:			
Contractual Services	518	518	
Total General Government	$ 518	$ 518	$ -
Debt Service:			
Principal Retirement	157,805	157,805	
Interest	76,799	76,799	
Issuance Costs	8,227	8,227	
Total Debt Service	$ 242,831	$ 242,831	$ -
Total Expenditures	$ 243,349	$ 243,349	$ -
(Deficiency) of Revenues (Under) Expenditures	$ (9,132)	$ (8,985)	$ 147
Other Financing Sources (Uses):			
Refunding Debt Issued	465,190	465,190	
Payments to Refunded Bond Escrow Agent	(463,795)	(463,795)	
Premium on Long-Term Debt	1,293	1,293	
Transfers In	15,480	15,618	138
Total Other Financing Sources (Uses)	$ 18,168	$ 18,306	$ 138
Net Change in Fund Balance	9,036	9,321	$ 285
Fund Balances, October 1	32,466	32,466	
Fund Balances, September 30	$ 41,502	$ 41,787	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
General Sales and Use:			
City Sales Tax	$ 16,995	$ 18,257	$ 1,262
Investment Earnings	179	195	16
Total Revenues	$ 17,174	$ 18,452	$ 1,278
Expenditures:			
Public Works:			
Personal Services	2,522	2,495	27
Contractual Services	839	854	(15)
Commodities	79	76	3
Other Expenditures	3,102	2,980	122
Capital Outlay	254	127	127
Total Expenditures	$ 6,796	$ 6,532	$ 264
Excess of Revenues Over Expenditures	$ 10,378	$ 11,920	$ 1,542
Other Financing (Uses):			
Transfers Out	(21,952)	(17,460)	4,492
Total Other Financing (Uses)	$ (21,952)	$ (17,460)	$ 4,492
Net Change in Fund Balance	(11,574)	(5,540)	$ 6,034
Fund Balances, October 1	13,021	13,021	
Add Encumbrances		7,228	
Fund Balances, September 30	$ 1,447	$ 14,709	

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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, 2020
(In Thousands)

	2020 FINAL BUDGET	2020 ACTUAL	2020 VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	$ 40,914	$ 40,509	$ (405)
Penalties and Interest on Delinquent Taxes		153	153
Intergovernmental	499	499	
Charges for Services	15,709	17,737	2,028
Miscellaneous	1,099	4,781	3,682
Investment Earnings	72	1,612	1,540
Total Revenues	$ 58,293	$ 65,291	$ 6,998
Expenditures:			
Culture & Recreation:			
Arts & Cultural:			
Personal Services	1,434	1,401	33
Contractual Services	650	517	133
Commodities	24	16	8
Other Expenditures	325	278	47
Capital Outlay	29	80	(51)
Total Arts & Cultural	$ 2,462	$ 2,292	$ 170
Alamodome:			
Personal Services	3,935	3,736	199
Contractual Services	3,613	3,505	108
Commodities	370	408	(38)
Other Expenditures	4,077	4,024	53
Capital Outlay	617	703	(86)
Total Alamodome	$ 12,612	$ 12,376	$ 236
Nondepartmental:			
Personal Services	182	280	(98)
Contractual Services	1,012	1,688	(676)
Other Expenditures	652	301	351
Capital Outlay	14		14
Total Nondepartmental	$ 1,860	$ 2,269	$ (409)
Contributions to Other Agencies	6,098	6,328	(230)
Total Culture & Recreation	$ 23,032	$ 23,265	$ (233)
Convention and Tourism:			
Convention Center:			
Personal Services	11,849	11,408	441
Contractual Services	3,160	2,968	192
Commodities	670	717	(47)
Other Expenditures	7,112	6,321	791
Capital Outlay	153	180	(27)
Total Convention Center	$ 22,944	$ 21,594	$ 1,350
Contributions to Other Agencies (VSA)	17,471	17,471	
Total Convention and Tourism	$ 40,415	$ 39,065	$ 1,350
Total Expenditures	$ 63,447	$ 62,330	$ 1,117
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (5,154)	$ 2,961	$ 8,115
Other Financing Sources (Uses):			
Transfers In	178	178	
Transfers Out	(30,780)	(34,200)	(3,420)
Total Other Financing Sources (Uses), Net	$ (30,602)	$ (34,022)	$ (3,420)
Net Change in Fund Balance	(35,756)	(31,061)	$ 4,695
Fund Balances, October 1	106,448	106,448	
Add Encumbrances		957	
Fund Balances, September 30	$ 70,692	$ 76,344	

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 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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	$ 1,083	$ 991	$ (92)
Miscellaneous	28	28	
Investment Earnings	43	52	9
Contributions		9	9
Total Revenues	$ 1,154	$ 1,080	$ (74)
Expenditures:			
Public Safety:			
Personal Services	89	76	13
Contractual Services	539	472	67
Commodities	243	153	90
Other Expenditures	37	39	(2)
Capital Outlay	490	464	26
Total Expenditures	$ 1,398	$ 1,204	$ 194
(Deficiency) of Revenues (Under) Expenditures	$ (244)	$ (124)	$ 120
Net Change in Fund Balance	(244)	(124)	$ 120
Fund Balances, October 1	3,341	3,341	
Add Encumbrances		253	
Fund Balances, September 30	$ 3,097	$ 3,470	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	$ 11,690	$ 11,574	$ (116)
Penalties and Interest on Delinquent Taxes	46	46	
Investment Earnings		89	89
Total Revenues	$ 11,736	$ 11,709	$ (27)
Expenditures:			
Convention and Tourism:			
Contractual Services	5	7	(2)
Total Expenditures	$ 5	$ 7	$ (2)
Excess of Revenues Over Expenditures	$ 11,731	$ 11,702	$ (29)
Other Financing Sources (Uses):			
Transfer In	15,597	19,063	3,466
Transfers Out	(24,105)	(24,430)	(325)
Total Other Financing Sources (Uses), Net	$ (8,508)	$ (5,367)	$ 3,141
Net Change in Fund Balance	3,223	6,335	$ 3,112
Fund Balances, October 1	2,792	2,792	
Fund Balances, September 30	$ 6,015	$ 9,127	

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 Development and Expansion - 2015, 2010, and 2005 Venue Projects

Year-Ended September 30, 2020

(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
General Sales and Use:			
City Sales Tax	$ 36,569	$ 37,226	$ 657
Investment Earnings	568	1,238	670
Total Revenues	$ 37,137	$ 38,464	$ 1,327
Expenditures:			
Culture and Recreation:			
Contractual Services	784	759	25
Total Expenditures	$ 784	$ 759	$ 25
Excess of Revenues Over Expenditures	$ 36,353	$ 37,705	$ 1,352
Other Financing (Uses):			
Transfers Out	(96,631)	(96,631)	
Total Other Financing (Uses)	$ (96,631)	$ (96,631)	$ -
Net Change in Fund Balance	(60,278)	(58,926)	$ 1,352
Fund Balances, October 1	83,715	83,715	
Add Encumbrances		65,440	
Fund Balances, September 30	$ 23,437	$ 90,229	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 10,991	$ 10,934	$ (57)
Investment Earnings		5	5
Total Revenues	$ 10,991	$ 10,939	$ (52)
Expenditures:			
Sanitation:			
Personal Services	7,056	6,897	159
Contractual Services	2,791	2,972	(181)
Commodities	507	331	176
Other Expenditures	657	658	(1)
Capital Outlay	6	6	
Total Expenditures	$ 11,017	$ 10,864	$ 153
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (26)	$ 75	$ 101
Net Change in Fund Balance	(26)	75	$ 101
Fund Balances, October 1	913	913	
Add Encumbrances		3	
Fund Balances, September 30	$ 887	$ 991	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 4,108	$ 4,022	$ (86)
Investment Earnings	42	67	25
Total Revenues	$ 4,150	$ 4,089	$ (61)
Expenditures:			
Public Works:			
Personal Services	2,520	2,515	5
Contractual Services	292	97	195
Commodities	25	211	(186)
Other Expenditures	324	304	20
Capital Outlay	34	40	(6)
Total Expenditures	$ 3,195	$ 3,167	$ 28
Excess of Revenues Over Expenditures	$ 955	$ 922	$ (33)
Other Financing (Uses):			
Transfers Out	(2,477)	(31)	2,446
Total Other Financing (Uses)	$ (2,477)	$ (31)	$ 2,446
Net Change in Fund Balance	(1,522)	891	$ 2,413
Fund Balances, October 1	4,464	4,464	
Add Encumbrances		31	
Fund Balances, September 30	$ 2,942	$ 5,386	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations
Year-Ended September 30, 2020
(In Thousands)

	2020 FINAL BUDGET	2020 ACTUAL	2020 VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 59,904	$ 60,463	$ 559
Miscellaneous	13	185	172
Investment Earnings	468	553	85
Total Revenues	$ 60,385	$ 61,201	$ 816
Expenditures:			
Public Works:			
Administration:			
Personal Services	4,579	4,451	128
Contractual Services	6,027	6,850	(823)
Commodities	40	41	(1)
Other Expenditures	303	310	(7)
Capital Outlay	32	29	3
Total Administration	$ 10,981	$ 11,681	$ (700)
Vegetation Control:			
Personal Services	5,106	4,725	381
Contractual Services	1,176	1,199	(23)
Commodities	918	694	224
Other Expenditures	2,341	2,299	42
Capital Outlay	9	11	(2)
Total Vegetation Control	$ 9,550	$ 8,928	$ 622
River Maintenance:			
Personal Services	137	184	(47)
Contractual Services	1,785	1,540	245
Commodities	7	4	3
Other Expenditures	151	146	5
Capital Outlay	2	2	
Total River Maintenance	$ 2,082	$ 1,876	$ 206
Street Sweeping:			
Personal Services	2,461	2,263	198
Contractual Services	670	744	(74)
Commodities	306	338	(32)
Other Expenditures	1,084	1,011	73
Capital Outlay	13	7	6
Total Street Sweeping	$ 4,534	$ 4,363	$ 171
Tunnel Maintenance:			
Personal Services	4,563	4,523	40
Contractual Services	2,114	1,656	458
Commodities	726	498	228
Other Expenditures	1,614	1,591	23
Capital Outlay	17	67	(50)
Total Tunnel Maintenance	$ 9,034	$ 8,335	$ 699
Design Engineering:			
Personal Services	1,951	1,824	127
Contractual Services	74	156	(82)
Commodities	12	2	10
Other Expenditures	103	185	(82)
Capital Outlay	62	54	8
Total Design Engineering	$ 2,202	$ 2,221	$ (19)
Total Public Works	38,383	37,404	979
Total Expenditures	$ 38,383	$ 37,404	$ 979
Excess of Revenues Over Expenditures	$ 22,002	$ 23,797	$ 1,795
Other Financing (Uses):			
Transfers Out	(50,964)	(48,286)	2,678
Total Other Financing (Uses)	$ (50,964)	$ (48,286)	$ 2,678
Net Change in Fund Balance	(28,962)	(24,489)	$ 4,473
Fund Balances, October 1	34,964	34,964	
Add Encumbrances		36,319	
Fund Balances, September 30	$ 6,002	$ 46,794	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Administrative Fee [1]	$ 1,064	$ 1,053	$ (11)
Investment Earnings	14	15	1
Total Revenues	$ 1,078	$ 1,068	$ (10)
Expenditures:			
Economic Development and Opportunity:			
Personal Services	551	513	38
Contractual Services	80	72	8
Commodities	3	1	2
Other Expenditures	48	48	
Capital Outlay	10	10	
Total Expenditures	$ 692	$ 644	$ 48
Excess of Revenues Over Expenditures	$ 386	$ 424	$ 38
Other Financing (Uses):			
Transfers Out	(42)	(42)	
Total Other Financing (Uses)	$ (42)	$ (42)	$ -
Net Change in Fund Balance	344	382	$ 38
Fund Balances, October 1	1,084	1,084	
Fund Balances, September 30	$ 1,428	$ 1,466	

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 2020 Adopted Budget.

CITY OF SAN ANTONIO, TEXAS

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 211	$ 214	$ 3
Intergovernmental	1,918	1,838	(80)
Total Revenues	$ 2,129	$ 2,052	$ (77)
Expenditures:			
Public Safety:			
Personal Services	1,647	1,386	261
Contractual Services	9	8	1
Commodities	18	13	5
Other Expenditures	273	263	10
Capital Outlay	18	17	1
Total Expenditures	$ 1,965	$ 1,687	$ 278
Excess of Revenues Over Expenditures	$ 164	$ 365	$ 201
Net Change in Fund Balance	164	365	$ 201
Fund Balances, October 1	209	209	
Fund Balances, September 30	$ 373	$ 574	

CITY OF SAN ANTONIO, TEXAS

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	$ 90	$ 51	$ (39)
Investment Earnings	27	36	9
Total Revenues	$ 117	$ 87	$ (30)
Expenditures:			
General Government:			
Personal Services	381	381	
Contractual Services	2,573	2,571	2
Other Expenditures	26	17	9
Total Expenditures	$ 2,980	$ 2,969	$ 11
(Deficiency) of Revenues (Under) Expenditures	$ (2,863)	$ (2,882)	$ (19)
Other Financing Sources (Uses):			
Transfers In	1,169	1,169	
Transfers Out	(76)	(76)	
Total Other Financing Sources (Uses), Net	$ 1,093	$ 1,093	$ -
Net Change in Fund Balance	(1,770)	(1,789)	$ (19)
Fund Balances, October 1	2,061	2,061	
Add Encumbrances		1,665	
Fund Balances, September 30	$ 291	$ 1,937	

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, 2020
(In Thousands)

	2020					
	FINAL BUDGET		ACTUAL		VARIANCE WITH FINAL BUDGET	
Revenues:						
Miscellaneous[1]	$	1,125	$	1,125	$	-
Investment Earnings		2		3		1
Total Revenues	$	1,127	$	1,128	$	1
Excess of Revenues Over Expenditures	$	1,127	$	1,128	$	1
Other Financing Sources (Uses):						
Transfers Out		(1,025)		(1,025)		
Total Other Financing (Uses)	$	(1,025)	$	(1,025)	$	-
Net Change in Fund Balance		102		103	$	1
Fund Balances, October 1		(86)		(86)		
Fund Balances, September 30	$	16	$	17		

[1] For financial reporting presentation the revenue is reported as transfers in: however the above schedule reflects the fund schedule from the City's 2020 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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 236	$ 237	$ 1
Investment Earnings	1	1	
Total Revenues	$ 237	$ 238	$ 1
Expenditures:			
General Government:			
Personal Services	249	247	2
Contractual Services	116	80	36
Other Expenditures	49	49	
Capital Outlay	2	1	1
Total Expenditures	$ 416	$ 377	$ 39
(Deficiency) of Revenues (Under) Expenditures	$ (179)	$ (139)	$ 40
Other Financing Sources (Uses):			
Transfers In	181	181	
Transfers Out	(25)	(25)	
Total Other Financing Sources (Uses), Net	$ 156	$ 156	$ -
Net Change in Fund Balance	(23)	17	$ 40
Fund Balances, October 1	54	54	
Fund Balances, September 30	$ 31	$ 71	

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, 2020

(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 261	$ 261	$ -
Investment Earnings	1	1	
Total Revenues	$ 262	$ 262	$ -
Expenditures:			
General Government:			
Contractual Services	696	696	
Total Expenditures	$ 696	$ 696	$ -
(Deficiency) of Revenues (Under) Expenditures	$ (434)	$ (434)	$ -
Other Financing Sources:			
Transfers In	472	472	
Total Other Financing Sources	$ 472	$ 472	$ -
Net Change in Fund Balance	38	38	$ -
Fund Balances, October 1			
Fund Balances, September 30	$ 38	$ 38	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 495	$ 474	$ (21)
Investment Earnings	3	2	(1)
Miscellaneous	10		(10)
Total Revenues	$ 508	$ 476	$ (32)
Expenditures:			
General Government:			
Personal Services	888	885	3
Contractual Services	5	4	1
Other Expenditures	110	110	
Capital Outlay	6	4	2
Total Expenditures	$ 1,009	$ 1,003	$ 6
(Deficiency) of Revenues (Under) Expenditures	$ (501)	$ (527)	$ (26)
Other Financing Sources:			
Transfers In	244	244	
Total Other Financing Sources	$ 244	$ 244	$ -
Net Change in Fund Balance	(257)	(283)	$ (26)
Fund Balances, October 1	338	338	
Fund Balances, September 30	$ 81	$ 55	

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, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Business and Franchise Tax	$ 2,489	$ 2,617	$ 128
Investment Earnings	171	194	23
Miscellaneous	1		(1)
Total Revenues	$ 2,661	$ 2,811	$ 150
Expenditures:			
Culture and Recreation:			
Contractual Services	1,243	816	427
Commodities	290	383	(93)
Other Expenditures	2	2	
Capital Outlay	2,445	1,894	551
Total Expenditures	$ 3,980	$ 3,095	$ 885
(Deficiency) of Revenues (Under) Expenditures	$ (1,319)	$ (284)	$ 1,035
Other Financing (Uses):			
Transfers Out	(1,854)	(2,010)	(156)
Total Other Financing (Uses)	$ (1,854)	$ (2,010)	$ (156)
Net Change in Fund Balance	(3,173)	(2,294)	$ 879
Fund Balances, October 1	12,625	12,625	
Add Encumbrances		1,262	
Fund Balances, September 30	$ 9,452	$ 11,593	

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 - Tree Canopy Preservation and Mitigation Fund
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 2,004	$ 2,331	$ 327
Investment Earnings	79	97	18
Total Revenues	$ 2,083	$ 2,428	$ 345
Expenditures:			
Culture and Recreation:			
Personal Services	214	209	5
Contractual Services	3,980	4,027	(47)
Commodities	239	177	62
Other Expenditures	65	69	(4)
Capital Outlay	7		7
Total Expenditures	$ 4,505	$ 4,482	$ 23
(Deficiency) of Revenues (Under) Expenditures	$ (2,422)	$ (2,054)	$ 368
Other Financing (Uses):			
Transfers Out	(369)	(396)	(27)
Total Other Financing (Uses)	$ (369)	$ (396)	$ (27)
Net Change in Fund Balance	(2,791)	(2,450)	$ 341
Fund Balances, October 1	5,600	5,600	
Add Encumbrances		2,104	
Fund Balances, September 30	$ 2,809	$ 5,254	

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)
Permanent Fund
City Cemeteries
Year-Ended September 30, 2020
(In Thousands)

	2020		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Lease Revenue	$ 175	$ 214	$ 39
Investment Earnings	4	4	
Total Revenues	$ 179	$ 218	$ 39
Expenditures:			
Culture and Recreation:			
Personal Services	67	70	(3)
Contractual Services	121	92	29
Commodities	3		3
Other Expenditures	7	7	
Capital Outlay	4	4	
Total Expenditures	$ 202	$ 173	$ 29
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (23)	$ 45	$ 68
Net Change in Fund Balance	(23)	45	$ 68
Fund Balances, October 1	302	302	
Add Encumbrances		71	
Fund Balances, September 30	$ 279	$ 418	

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, 2020
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	$ 10,286	$ 440	$ 4,814	$ 15,540
Investments	8,838	372	4,095	13,305
Receivables, Net	212	56	2,180	2,448
Materials and Supplies, at Cost			131	131
Prepaid Expenses	401		58	459
Due From Other Governmental Agencies, Net			1	1
Total Unrestricted Assets	19,737	868	11,279	31,884
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	248		957	1,205
Investments			179	179
Receivables, Net			37	37
Construction Accounts:				
Cash and Cash Equivalents	55		1	56
Investments	56			56
Receivables, Net	8			8
Due From Other Funds	4,648			4,648
Improvement and Contingency Accounts:				
Cash and Cash Equivalents			583	583
Investments			505	505
Receivables, Net			2	2
Total Restricted Assets	5,015		2,264	7,279
Total Current Assets	24,752	868	13,543	39,163
Noncurrent Assets:				
Capital Assets:				
Land	1,196	45	8,125	9,366
Buildings		2,306	24,830	27,136
Improvements	1,033	7,868	5,375	14,276
Machinery and Equipment	21,661		1,470	23,131
Construction in Progress	5,231			5,231
Total Capital Assets	29,121	10,219	39,800	79,140
Less: Accumulated Depreciation	6,795	5,118	20,137	32,050
Net Capital Assets	22,326	5,101	19,663	47,090
Total Noncurrent Assets	22,326	5,101	19,663	47,090
Total Assets	47,078	5,969	33,206	86,253
Total Deferred Outflows of Resources	6,522	146	2,194	8,862

(Continued)

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

Combining Statement of Net Position
Nonmajor Enterprise Funds (Continued)
As of September 30, 2020
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Vouchers Payable	$ 121	$ 30	$ 74	$ 225
Accounts Payable - Other	5,293	43	168	5,504
Accrued Payroll	969	18	190	1,177
Current Portion of Accrued Leave Payable	1,086	9	233	1,328
Unearned Revenue			14	14
Total Payable from Current Unrestricted Assets	7,469	100	679	8,248
Payable from Restricted Assets:				
Vouchers Payable	1,690		1	1,691
Accrued Interest	46		5	51
Current Portion of Bonds and Certificates (net of premium/discount)	328		1,560	1,888
Other Payables	2,598			2,598
Total Payable from Restricted Assets	4,662		1,566	6,228
Total Current Liabilities	12,131	100	2,245	14,476
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & discount/premium)	6,731		4,715	11,446
Accrued Leave Payable (net of current portion)	106	17	9	132
Net OPEB and Pension Liabilities	35,405	795	9,155	45,355
Total Noncurrent Liabilities	42,242	812	13,879	56,933
Total Liabilities	54,373	912	16,124	71,409
Total Deferred Inflows of Resources	5,079	95	1,170	6,344
Net Position (Deficit):				
Net Investment in Capital Assets	15,378	5,101	13,768	34,247
Restricted:				
Debt Service	202		1,168	1,370
Capital Projects	478		1,090	1,568
Unrestricted (Deficit)	(21,910)	7	2,080	(19,823)
Total Net Position (Deficit)	$ (5,852)	$ 5,108	$ 18,106	$ 17,362

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

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
Year-Ended September 30, 2020
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Operating Revenues:				
Charges for Services	$ 37,215	$ 1,291	$ 5,831	$ 44,337
Total Operating Revenues	37,215	1,291	5,831	44,337
Operating Expenses:				
Personal Services	25,746	349	5,079	31,174
Contractual Services	2,432	743	3,644	6,819
Commodities	682	31	155	868
Other	6,175	428	1,254	7,857
Depreciation	2,220	348	932	3,500
Total Operating Expenses	37,255	1,899	11,064	50,218
Operating Income (Loss)	(40)	(608)	(5,233)	(5,881)
Nonoperating Revenues (Expenses):				
Investment Earnings	373	28	299	700
Other Nonoperating Revenue	651	296	56	1,003
Interest and Debt Expense	(138)		(1,027)	(1,165)
Total Nonoperating Revenues (Expenses), Net	886	324	(672)	538
Change in Net Position Before Transfers	846	(284)	(5,905)	(5,343)
Transfers In (Out):				
Transfers In	3,453		1,750	5,203
Transfers Out	(2,845)	(383)	(965)	(4,193)
Total Transfers In (Out), Net	608	(383)	785	1,010
Change In Net Position	1,454	(667)	(5,120)	(4,333)
Net Position (Deficit) - October 1	(7,306)	5,775	23,226	21,695
Net Position (Deficit) - September 30	$ (5,852)	$ 5,108	$ 18,106	$ 17,362

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

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year-Ended September 30, 2020
(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Cash Flows from Operating Activities:				
Cash Received from Customers	$ 37,065	$ 1,277	$ 3,760	$ 42,102
Cash Payments to Suppliers for Goods and Services	(8,921)	(1,307)	(5,065)	(15,293)
Cash Payments to Employees for Service	(23,147)	(302)	(4,487)	(27,936)
Cash Received from Other Cash Receipts	651	296	56	1,003
Net Cash Provided by (Used for) Operating Activities	5,648	(36)	(5,736)	(124)
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	3,453		1,750	5,203
Transfers Out to Other Funds	(2,845)	(383)	(965)	(4,193)
Due from Other Funds	(4,648)			(4,648)
Net Cash Provided by (Used for) Noncapital Financing Activities	(4,040)	(383)	785	(3,638)
Cash Flows from Capital and Related Financing Activities:				
Acquisitions and Construction of Capital Assets	(8,274)	(948)	134	(9,088)
Debt Issuance Costs			(36)	(36)
Interest and Fees Paid on Long-Term Debt	(138)		(1,057)	(1,195)
Principal Payments on Long-Term Debt	(339)		(624)	(963)
Net Cash (Used for) Capital and Related Financing Activities	(8,751)	(948)	(1,583)	(11,282)
Cash Flows from Investing Activities:				
Purchases of Investment Securities	(8,300)	(347)	(4,460)	(13,107)
Maturity of Investment Securities	21,803	2,048	15,027	38,878
Investment Earnings	427	28	298	753
Net Cash Provided by Investing Activities	13,930	1,729	10,865	26,524
Net Increase in Cash and Cash Equivalents	6,787	362	4,331	11,480
Cash and Cash Equivalents, October 1	3,802	78	2,024	5,904
Cash and Cash Equivalents, September 30	$ 10,589	$ 440	$ 6,355	$ 17,384
Reconciliation of Operating Income to Net Cash				
Provided by (Used for) Operating Activities				
Operating Income (Loss)	$ (40)	$ (608)	$ (5,233)	$ (5,881)
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	2,220	348	932	3,500
Other Nonoperating Revenues	651	296	56	1,003
Changes in Assets, Liabilities, Deferred Outflows of Resources				
and Deferred Inflows of Resources:				
(Increase) in Accounts Receivable		(11)	(2,049)	(2,060)
(Increase) in Due from Other Governmental Agencies			(1)	(1)
(Increase) in Prepaid Expenses	(115)		(58)	(173)
(Decrease) in Vouchers Payable	(109)	(89)	(59)	(257)
Increase (Decrease) in Accounts Payable - Other	442	(16)	108	534
Increase in Accrued Payroll	164	5	19	188
Increase (Decrease) in Accrued Leave Payable	284	(7)	34	311
(Decrease) in Net OPEB Obligation and Pension Liability	(1,900)	(3)	(134)	(2,037)
(Increase) Decrease in Deferred Outflows of Resources				
Related to OPEB and Pension	415	(7)	(80)	328
Increase in Deferred Inflows of Resources related to OPEB and Pension	3,636	59	753	4,448
(Decrease) in Unearned Revenue		(3)	(21)	(24)
(Decrease) in Due to Other Government Agencies			(3)	(3)
Net Cash Provided by (Used for) Operating Activities	$ 5,648	$ (36)	$ (5,736)	$ (124)

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

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, 2020
(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	$ 18,616	$ 11,818	$ 23,273	$ 8,220	$ 38,205	$ 1,143	$ 101,275
Investments	16,454	8,504	20,138	6,950	32,970	882	85,898
Receivables, Net	156	38	79	177	304		754
Materials and Supplies, at Cost				11	2,905		2,916
Deposits	321		36				357
Prepaid Expenses	215						215
Due From Other Funds					13		13
Due From Other Governmental Agencies, Net				1,018	61		1,079
Total Unrestricted Assets	35,762	20,360	43,526	16,376	74,458	2,025	192,507
Restricted Assets:							
Debt Service Accounts:							
Cash and Cash Equivalents					1		1
Construction Accounts:							
Cash and Cash Equivalents					1,058		1,058
Investments					916		916
Total Restricted Assets					1,975		1,975
Total Current Assets	35,762	20,360	43,526	16,376	76,433	2,025	194,482
Noncurrent Assets:							
Capital Assets:							
Buildings				21	158		179
Improvements					715		715
Machinery and Equipment	5	10	50	6,954	295,141	249	302,409
Depreciable Intangible						250	250
Total Capital Assets	5	10	50	6,975	296,014	499	303,553
Less: Accumulated Depreciation	5	6	8	6,528	159,359	372	166,278
Net Capital Assets		4	42	447	136,655	127	137,275
Total Noncurrent Assets		4	42	447	136,655	127	137,275
Total Assets	35,762	20,364	43,568	16,823	213,088	2,152	331,757
Total Deferred Outflows of Resources	594	571	519	8,830	7,911	4,766	23,191
Liabilities:							
Current Liabilities:							
Payable from Current Unrestricted Assets:							
Vouchers Payable	4,613	371	2	3,178	3,634	92	11,890
Accounts Payable - Other	3,575	2,274	31	1,863	617	263	8,623
Claims Payable	6,698	6,403	10,321				23,422
Accrued Payroll	99	79	77	1,459	1,003	672	3,389
Accrued Interest					40		40
Current Portion of Accrued Leave Payable	95	71	75	1,409	937	698	3,285
Unearned Revenue				1	11		12
Current Portion of Pollution Remediation					125		125
Current Portion of Asset Retirement Obligations					38		38
Total Payable from Current Unrestricted Assets	15,080	9,198	10,506	7,910	6,405	1,725	50,824
Payable from Restricted Assets:							
Current Portion of Bonds and Certificates (net of premium/discount)					186		186
Total Payable from Restricted Assets					186		186
Total Current Liabilities	15,080	9,198	10,506	7,910	6,591	1,725	51,010
Noncurrent Liabilities:							
Bonds and Certificates (net of current portion & discount/premium)					4,841		4,841
Claims Payable (net of current portion)		14,536	25,033				39,569
Accrued Leave Payable (net of current portion)	105	55	15	1,582	532	263	2,552
Net OPEB and Pension Liabilities	3,673	3,308	2,925	53,563	39,134	26,819	129,422
Asset Retirement Obligations					659		659
Pollution Remediation					250		250
Total Noncurrent Liabilities	3,778	17,899	27,973	55,145	45,416	27,082	177,293
Total Liabilities	18,858	27,097	38,479	63,055	52,007	28,807	228,303
Total Deferred Inflows of Resources	484	424	407	7,005	5,466	3,429	17,215
Net Position (Deficit):							
Net Investment in Capital Assets		4	42	447	131,932	127	132,552
Restricted:							
Debt Service					1,935		1,935
Unrestricted (Deficit)	17,014	(6,590)	5,159	(44,854)	29,659	(25,445)	(25,057)
Total Net Position (Deficit)	$ 17,014	$ (6,586)	$ 5,201	$ (44,407)	$ 163,526	$ (25,318)	$ 109,430

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

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year-Ended September 30, 2020
(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	$ 147,177	$ 6,141	$ 7,892	$ 65,533	$ 108,313	$ 20,535	$ 355,591
Total Operating Revenues	147,177	6,141	7,892	65,533	108,313	20,535	355,591
Operating Expenses:							
Personal Services	12,137	2,040	2,103	36,493	25,786	17,606	96,165
Contractual Services	14,234	261	1,669	24,280	6,772	910	48,126
Commodities	20	26	28	862	1,501	131	2,568
Materials					24,388		24,388
Claims	126,664	14,061	13,358				154,083
Other	3,050	2,626	1,472	6,003	14,084	3,430	30,665
Depreciation		2	8	266	33,251	38	33,565
Total Operating Expenses	156,105	19,016	18,638	67,904	105,782	22,115	389,560
Operating Income (Loss)	(8,928)	(12,875)	(10,746)	(2,371)	2,531	(1,580)	(33,969)
Nonoperating Revenues (Expenses):							
Investment Earnings	517	373	749	196	1,191		3,026
Other Nonoperating Revenue	11,467	15	510	775	300		13,067
Gain on Sale of Capital Assets					2,249		2,249
Interest and Debt Expense					(454)		(454)
Total Nonoperating Revenues	11,984	388	1,259	971	3,286		17,888
Change in Net Position Before Transfers	3,056	(12,487)	(9,487)	(1,400)	5,817	(1,580)	(16,081)
Transfers In (Out):							
Transfers In			85		1,153		1,238
Transfers Out	(10)	(85)	(295)		(2,112)		(2,502)
Total Transfers In (Out), Net	(10)	(85)	(210)		(959)		(1,264)
Change in Net Position	3,046	(12,572)	(9,697)	(1,400)	4,858	(1,580)	(17,345)
Net Position (Deficit)- October 1 (adjusted)	13,968	5,986	14,898	(43,007)	158,668	(23,738)	126,775
Net Position (Deficit) - September 30	$ 17,014	$ (6,586)	$ 5,201	$ (44,407)	$ 163,526	$ (25,318)	$ 109,430

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

Combining Statement of Cash Flows
Internal Service Funds
Year-Ended September 30, 2020
(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	$ 146,985	$ 6,141	$ 7,892	$ 66,049	$ 108,250	$ 20,562	$ 355,879
Cash Payments to Suppliers for Goods and Services	(142,421)	(10,821)	(12,324)	(31,903)	(54,738)	(4,346)	(256,553)
Cash Payments to Employees for Service	(11,863)	(1,824)	(1,911)	(32,752)	(22,981)	(15,888)	(87,219)
Cash Received from Other Cash Receipts	11,467	15	510	775	300		13,067
Net Cash Provided by (Used for) Operating Activities	4,168	(6,489)	(5,833)	2,169	30,831	328	25,174
Cash Flows from Noncapital Financing Activities:							
Transfers In from Other Funds			85		1,153		1,238
Transfers Out to Other Funds	(10)	(85)	(295)		(2,112)		(2,502)
Due To Other Funds						(625)	(625)
Due From Other Funds					(13)		(13)
Net Cash (Used for) Noncapital Financing Activities	(10)	(85)	(210)		(972)	(625)	(1,902)
Cash Flows from Capital and Related Financing Activities:							
Acquisitions and Construction of Capital Assets			(50)	(18)	(40,272)		(40,340)
Interest and Fees Paid on Long-Term Debt					(455)		(455)
Principal Payments on Long-Term Debt					(177)		(177)
Proceeds from Sale of Assets					4,365		4,365
Net Cash (Used for) Capital and Related Financing Activities			(50)	(18)	(36,539)		(36,607)
Cash Flows from Investing Activities:							
Purchases of Investment Securities	(15,357)	(7,936)	(18,794)	(6,486)	(31,626)	(823)	(81,022)
Maturity of Investment Securities	26,392	23,417	42,753	11,149	68,438	1,813	173,962
Investment Earnings	552	427	852	196	1,280		3,307
Net Cash Provided by Investing Activities	11,587	15,908	24,811	4,859	38,092	990	96,247
Net Increase in Cash and Cash Equivalents	15,745	9,334	18,718	7,010	31,412	693	82,912
Cash and Cash Equivalents, October 1	2,871	2,484	4,555	1,210	7,852	450	19,422
Cash and Cash Equivalents, September 30	$ 18,616	$ 11,818	$ 23,273	$ 8,220	$ 39,264	$ 1,143	$ 102,334
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating Income (Loss)	$ (8,928)	$ (12,875)	$ (10,746)	$ (2,371)	$ 2,531	$ (1,580)	$ (33,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:							
Depreciation		2	8	266	33,251	38	33,565
Other Nonoperating Revenues	11,467	15	510	775	300		13,067
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:							
(Increase) Decrease in Accounts Receivable	(65)			392	(108)		219
Decrease in Due from Other Governmental Agencies				123	34	27	184
(Increase) Decrease in Materials and Supplies					(253)		(253)
(Increase) Decrease in Prepaid Expenses	(215)			45			(170)
Decrease in Deposits	(128)						(128)
Increase (Decrease) in Vouchers Payable	(236)	(38)	(92)	1,362	(8,098)	50	(7,052)
(Decrease) in Claims Payable	(1,108)	4,415	4,339				7,646
Increase (Decrease) in Accounts Payable - Other	3,107	1,776	(45)	(2,165)	28	75	2,776
Increase in Accrued Payroll	17	10	6	259	203	64	559
Increase in Accrued Leave Payable	51	21	9	508	270	88	947
(Decrease) in Net OPEB Obligation and Pension Liability	(254)	(154)	(185)	(3,618)	(1,390)	(1,567)	(7,168)
Increase in Pollution Remediation Liability					375		375
(Decrease) in Asset Retirement Obligations					(45)		(45)
(Increase) Decrease in Deferred Outflows of Resources Related to OPEB and Pension	108	36	73	1,486	(26)	701	2,378
Increase in Deferred Inflows of Resources related to OPEB and Pension	352	303	290	5,106	3,748	2,432	12,231
Increase in Unearned Revenue				1	11		12
Net Cash Provided by (Used for) Operating Activities	$ 4,168	$ (6,489)	$ (5,833)	$ 2,169	$ 30,831	$ 328	$ 25,174
Noncash Investing, Capital and Financing Activities:	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

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Fiduciary Funds

PENSION AND HEALTH CARE FUNDS – to account for resources of the pension and health care funds established for the City's firefighters, police officers, and retired civilians:

SAN ANTONIO FIRE AND POLICE PENSION FUND – to account for collection and payment of funds for the pension fund established for the City's firefighters and police officers, as provided for under state law.

SAN ANTONIO FIRE AND POLICE RETIREE HEALTH CARE FUND – to account for the collection and payment of funds for health care benefits of the City's firefighters and police officers who retired after October 1, 1989, as provided for under state law and the respective collective bargaining agreements.

CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND – to account for the collection and payment of funds for health care benefits of the City's civilian and pre-October 1, 1989 uniformed retirees.

AGENCY FUNDS – to account for funds which are custodial in nature and for which the City is acting as an agent. The City has established the following agency funds based upon the above definition:

BEXAR COUNTY TAX COLLECTIONS FUND – to account for the collection and payment to Bexar County for certain hotel occupancy and bingo taxes.

CRIMINAL JUSTICE PLANNING FUND – to account for the collection and payment to the State of Texas for Law Enforcement Fees collected.

DEPOSIT FUND – to account for the collection and payment of cash deposits held by the City pending the outcome of bids on contracts.

EVIDENTIARY CASH FUND – to account for cash impounded by the San Antonio Police Department pending the outcome of legal proceedings.

MUNICIPAL COURT CASH BOND FUND – to account for the collection and payment of Court Cash Bonds held by the City pending the outcome of court cases.

STATE SALES TAX FUND – to account for the collection and payment to the State of Texas for sales tax collected.

UNCLAIMED PROPERTY FUND – to account for the collection and administration of unclaimed property in accordance with the Texas Property Code - Title 6.

Combining Statement of Fiduciary Net Position
Pension and Health Care Funds
As of September 30, 2020
(In Thousands)

	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION AND HEALTH CARE FUNDS
Assets:				
Current Assets:				
Cash and Cash Equivalents	$ 91,443	$ 6,100	$ 1,655	$ 99,198
Security Lending Collateral	73,915			73,915
Investments:				
Common Stock	1,397,599	17,878		1,415,477
U.S. Government Securities	141,563		1,501	143,064
Corporate Bonds	515,175			515,175
Foreign Bonds	184,804			184,804
Mutual Funds		109,739		109,739
Hedge Funds	308,327			308,327
Real Estate	240,697	28,963		269,660
Alternative	514,188	239,788		753,976
Receivables:				
Accounts	6,253	3,775	9	10,037
Accrued Interest	4,876	28	6	4,910
Accrued Revenue	24,285			24,285
Prepaid Expenses		15		15
Total Current Assets	3,503,125	406,286	3,171	3,912,582
Capital Assets:				
Machinery and Equipment	452	217		669
Buildings	790	1,055		1,845
Total Capital Assets	1,242	1,272		2,514
Less: Accumulated Depreciation	494	813		1,307
Net Capital Assets	748	459		1,207
Total Assets	$ 3,503,873	$ 406,745	$ 3,171	$ 3,913,789
Liabilities:				
Vouchers Payable	$ 6,755	$ -	$ 194	$ 6,949
Accounts Payable - Other	14,233	63	46	14,342
Claims Payable		4,139	195	4,334
Accrued Payroll	281	29		310
Unearned Revenue			2	2
Securities Lending Obligation	73,915			73,915
Total Liabilities	95,184	4,231	437	99,852
Net Position:				
Restricted for Pension	3,408,689			3,408,689
Restricted for Other Postemployment Benefits		402,514	2,734	405,248
Total Net Position	$ 3,408,689	$ 402,514	$ 2,734	$ 3,813,937

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

Combining Statement of Changes in Fiduciary Net Position
Pension and Health Care Funds
Year-Ended September 30, 2020
(In Thousands)

	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION AND HEALTH CARE FUNDS
Additions:				
Contributions:				
Employer	$ 81,016	$ 35,234	$ 8,386	$ 124,636
Employee	40,508	17,605	1,568	59,681
Other Contributions		1,571		1,571
Total Contributions	121,524	54,410	9,954	185,888
Investment Earnings:				
Net Increase in Fair Value of Investments	395,741	16,804		412,545
Real Estate Income, Net	12,843			12,843
Interest and Dividends	56,372	3,478	27	59,877
Securities Lending	2,348			2,348
Other Income	64	27	671	762
Total Investment Earnings	467,368	20,309	698	488,375
Less: Investment Expenses				
Investment Management Fees and Custodian Fees	(16,222)	(442)		(16,664)
Less: Securities Lending Expenses				
Borrower Rebates and Lending Fees	(2,079)			(2,079)
Net Investment Earnings	449,067	19,867	698	469,632
Total Additions	570,591	74,277	10,652	655,520
Deductions:				
Benefits	172,322	33,146	5,763	211,231
Refunds of Contributions	1,172			1,172
Administrative Expenses	3,565	3,056	2,413	9,034
Total Deductions	177,059	36,202	8,176	221,437
Change in Net Position	393,532	38,075	2,476	434,083
Net Position - Beginning of Fiscal Year	3,015,157	364,439	258	3,379,854
Net Position - End of Fiscal Year	$ 3,408,689	$ 402,514	$ 2,734	$ 3,813,937

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

Combining Balance Sheet
Agency Funds
As of September 30, 2020
(In Thousands)

	ASSETS				
	CASH AND CASH EQUIVALENTS	INVESTMENTS	ACCOUNTS RECEIVABLE	ACCRUED INTEREST	TOTAL ASSETS
Funds:					
Bexar County Tax Collections Fund	$ 893	$ 771	$ 245	$ 2	$ 1,911
Criminal Justice Planning Fund	1,200				1,200
Deposit Fund	482				482
Evidentiary Cash Fund	1,318	1,141		5	2,464
Municipal Court Cash Bond Fund	41				41
State Sales Tax Fund	95				95
Unclaimed Property Fund	186	160			346
Total	$ 4,215	$ 2,072	$ 245	$ 7	$ 6,539

	LIABILITIES		
	VOUCHERS PAYABLE	ACCOUNTS PAYABLE - OTHER	TOTAL LIABILITIES
Funds:			
Bexar County Tax Collections Fund	$ 656	$ 1,255	$ 1,911
Criminal Justice Planning Fund		1,200	1,200
Deposit Fund		482	482
Evidentiary Cash Fund		2,464	2,464
Municipal Court Cash Bond Fund		41	41
State Sales Tax Fund		95	95
Unclaimed Property Fund		346	346
Total	$ 656	$ 5,883	$ 6,539

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

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year-Ended September 30, 2020
(In Thousands)

	BALANCE 10-01-2019	ADDITIONS	DEDUCTIONS	BALANCE 09-30-2020
Bexar County Tax Collections Fund				
Assets:				
Cash and Cash Equivalents	$ 210	$ 18,360	$ 17,677	$ 893
Investments	1,991	774	1,994	771
Receivables:				
Accounts	94	13,443	13,292	245
Accrued Interest	4	2	4	2
Total Assets	$ 2,299	$ 32,579	$ 32,967	$ 1,911
Liabilities:				
Vouchers Payable	$ -	$ 13,962	$ 13,306	$ 656
Accounts Payable - Other	1,670	15,452	15,867	1,255
Due To Other Funds	629		629	
Total Liabilities	$ 2,299	$ 29,414	$ 29,802	$ 1,911
Criminal Justice Planning Fund				
Assets:				
Cash and Cash Equivalents	$ 2,213	$ 5,861	$ 6,874	$ 1,200
Total Assets	$ 2,213	$ 5,861	$ 6,874	$ 1,200
Liabilities:				
Vouchers Payable	$ 10	$ -	$ 10	$ -
Accounts Payable - Other	2,203	5,873	6,876	1,200
Total Liabilities	$ 2,213	$ 5,873	$ 6,886	$ 1,200
Deposit Fund				
Assets:				
Cash and Cash Equivalents	$ 515	$ 108	$ 141	$ 482
Receivables:				
Accounts		3	3	
Total Assets	$ 515	$ 111	$ 144	$ 482
Liabilities:				
Vouchers Payable	$ -	$ 80	$ 80	$ -
Accounts Payable - Other	515	120,549	120,582	482
Total Liabilities	$ 515	$ 120,629	$ 120,662	$ 482
Evidentiary Cash Fund				
Assets:				
Cash and Cash Equivalents	$ 230	$ 4,006	$ 2,918	$ 1,318
Investments	2,217	1,144	2,220	1,141
Receivables:				
Accrued Interest	8	6	9	5
Total Assets	$ 2,455	$ 5,156	$ 5,147	$ 2,464
Liabilities:				
Accounts Payable - Other	$ 2,455	$ 440	$ 431	$ 2,464
Total Liabilities	$ 2,455	$ 440	$ 431	$ 2,464

(Continued)

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

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year-Ended September 30, 2020
(In Thousands)

	BALANCE 10-01-2019	ADDITIONS	DEDUCTIONS	BALANCE 09-30-2020
Municipal Court Cash Bond Fund				
Assets:				
Cash and Cash Equivalents	$ 43	$ 5	$ 7	$ 41
Total Assets	$ 43	$ 5	$ 7	$ 41
Liabilities:				
Accounts Payable - Other	$ 43	$ 7	$ 9	$ 41
Total Liabilities	$ 43	$ 7	$ 9	$ 41
State Sales Tax Fund				
Assets:				
Cash and Cash Equivalents	$ 200	$ 13,353	$ 13,458	$ 95
Total Assets	$ 200	$ 13,353	$ 13,458	$ 95
Liabilities:				
Accounts Payable - Other	$ 200	$ 13,354	$ 13,459	$ 95
Total Liabilities	$ 200	$ 13,354	$ 13,459	$ 95
Unclaimed Property Fund				
Assets:				
Cash and Cash Equivalents	$ 37	$ 643	$ 494	$ 186
Investments	355	161	356	160
Receivables:				
Accrued Interest	1	1	2	
Total Assets	$ 393	$ 805	$ 852	$ 346
Liabilities:				
Accounts Payable - Other	$ 393	$ 141	$ 188	$ 346
Total Liabilities	$ 393	$ 141	$ 188	$ 346
Total All Agency Funds				
Assets:				
Cash and Cash Equivalents	$ 3,448	$ 42,336	$ 41,569	$ 4,215
Investments	4,563	2,079	4,570	2,072
Receivables:				
Accounts	94	13,446	13,295	245
Accrued Interest	13	9	15	7
Total Assets	$ 8,118	$ 57,870	$ 59,449	$ 6,539
Liabilities:				
Vouchers Payable	$ 10	$ 14,042	$ 13,396	$ 656
Accounts Payable - Other	7,479	155,816	157,412	5,883
Due To Other Funds	629		629	
Total Liabilities	$ 8,118	$ 169,858	$ 171,437	$ 6,539

(End of Statement)

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

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.

SAN ANTONIO HOUSING TRUST FINANCE CORPORATION (HTFC) – was established in accordance with state laws for the purpose of acting on behalf of the City, to carry out the purposes of the Texas Housing Finance Corporations Act.

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
As of September 30, 2020
(In Thousands)

	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	SAN ANTONIO HOUSING TRUST FINANCE CORPORATION	TOTAL NONMAJOR COMPONENT UNITS
Assets:					
Current Assets:					
Unrestricted Assets:					
Cash and Cash Equivalents	$ -	$ 12,524	$ 1,677	$ 1,117	$ 15,318
Investments		13,769			13,769
Receivables, Net		4,373	4,729	38	9,140
Due from Other Governmental Agencies		1,744			1,744
Prepaid Expenses			28,482		28,482
Other Assets		952		500	1,452
Total Unrestricted Assets		33,362	34,888	1,655	69,905
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents			14,007		14,007
Investments			6,822		6,822
Receivables, Net			76		76
Other Restricted Accounts:					
Cash and Cash Equivalents	262	62,237			62,499
Receivables, Net	108				108
Deferred Charges			54,918		54,918
Total Restricted Assets	370	62,237	75,823		138,430
Total Current Assets	370	95,599	110,711	1,655	208,335
Noncurrent Assets:					
Capital Assets:					
Land	3,980	35,583			39,563
Infrastructure	16,505	56,772			73,277
Buildings		258,210			258,210
Machinery and Equipment		9,161			9,161
Construction in Progress		71,833			71,833
Total Capital Assets	20,485	431,559			452,044
Less: Accumulated Depreciation	5,013	152,049			157,062
Net Capital Assets	15,472	279,510			294,982
Other Noncurrent Assets:					
Prepaid Expenses		2,618	132,406		135,024
Total Other Noncurrent Assets		2,618	132,406		135,024
Total Noncurrent Assets	15,472	282,128	132,406		430,006
Total Assets	15,842	377,727	243,117	1,655	638,341
Deferred Outflows of Resources		1,033			1,033
Liabilities:					
Current Liabilities:					
Payable from Current Unrestricted Assets:					
Accounts Payable and Other Current Liabilities		15,982		95	16,077
Unearned Revenues		2,235			2,235
Current Portion of Long-Term Lease/Notes Payable		2,390			2,390
Total Payable from Current Unrestricted Assets		20,607		95	20,702
Payable from Restricted Assets:					
Accrued Interest on Bonds and Certificates		62	6,396		6,458
Current Portion of Bonds and Certificates		1,755	30,855		32,610
Total Payable from Current Restricted Assets		1,817	37,251		39,068
Total Current Liabilities		22,424	37,251	95	59,770
Noncurrent Liabilities:					
Bonds and Certificates (net of current portion & premium/discount)		27,998	205,866		233,864
Long-Term Lease/Notes Payable (net of current portion)		158,454			158,454
Other Payables (net of current portion)		1,143			1,143
Total Noncurrent Liabilities		187,595	205,866		393,461
Total Liabilities		210,019	243,117	95	453,231
Net Position:					
Net Investment in Capital Assets	15,472	141,449			156,921
Restricted for:					
Capital Projects	370				370
Unrestricted		27,292		1,560	28,852
Total Net Position	$ 15,842	$ 168,741	$ -	$ 1,560	$ 186,143

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

Combining Statement of Activities

Nonmajor Discretely Presented Component Units

Year-Ended September 30, 2020

(In Thousands)

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				
FUNCTION/PROGRAM ACTIVITIES	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	SAN ANTONIO HOUSING TRUST FINANCE CORPORATION	TOTAL NONMAJOR COMPONENT UNITS
SABC Soccer Public Facility Corporation									
Culture and Recreation	$ 1,149	$ 127	$ -	$ -	$ (1,022)	$ -	$ -	$ -	$ (1,022)
Port Authority of San Antonio									
Economic Development and Opportunity	42,285	43,800		236		1,751			1,751
SA Energy Acquisition Public Facility Corporation									
General Government	47,076	44,525					(2,551)		(2,551)
San Antonio Housing Trust Finance Corporation									
Urban Redevelopment and Housing	1,746	989						(757)	(757)
Total	$ 92,256	$ 89,441	$ -	$ 236	(1,022)	1,751	(2,551)	(757)	(2,579)
General Revenues:									
Investment Earnings						510	1,040		1,550
Miscellaneous						23	1,511		1,534
Total General Revenues						533	2,551		3,084
Change in Net Position					(1,022)	2,284		(757)	505
Net Position - Beginning of Fiscal Year (adjusted)					16,864	166,457		2,317	185,638
Net Position - End of Fiscal Year					$ 15,842	$ 168,741	$ -	$ 1,560	$ 186,143

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

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Capital Assets Used in the Operation of Governmental Funds

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Source[1]

As of September 30, 2020

(In Thousands)

		2020
Governmental Funds Capital Assets:		
Land	$	1,426,346
Non-Depreciable Intangible Assets		220,790
Depreciable Intangible Assets		4,058
Buildings		1,419,778
Improvements		1,078,944
Infrastructure		3,687,735
Machinery and Equipment		403,453
Construction in Progress		376,761
Total Governmental Funds Capital Assets	$	8,617,865
Investment in Governmental Funds Capital Assets by Source:		
Current Revenue	$	3,135,931
General Obligation Bonds, Certificates of Obligation, Tax and Revenue Notes, and Revenue Bonds		4,809,336
Federal and State Grants		618,162
Special Assessments		1,008
Municipal Golf Association - SA		23,716
Visit San Antonio, Inc.		475
Private Citizens' Contribution		24,695
San Antonio Fair, Inc.		4,542
Total Investment in Governmental Funds Capital Assets by Source	$	8,617,865

[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, 2020
(In Thousands)

	Land	Non-Depreciable Intangible Assets	Depreciable Intangible Assets	Buildings	Improvements	Infrastructure	Machinery and Equipment	Total
General Government:								
Legislative	$ 56	$ -	$ -	$ 2,592	$ 91	$ -	$ 345	$ 3,084
Judicial	196		1,004	19,091	248		636	21,175
Executive							27	27
Administration	3,104	12,641	2,176	165,443	48,899	30,715	203,802	466,780
Total General Government	3,356	12,641	3,180	187,126	49,238	30,715	204,810	491,066
Public Safety:								
Police	11,969			38,168	10,410		79,405	139,952
Fire	40,942			82,960	11,672	235	52,041	187,850
Building Inspection and Regulations	7,299			14,210			190	21,699
Total Public Safety	60,210			135,338	22,082	235	131,636	349,501
Public Works	1,231,230	22,137	250	423,912	620,523	3,612,409	25,740	5,936,201
Health Services	2,824		469	2,866	2,278		4,771	13,208
Convention and Tourism	5,422			455,869	95,695		8,189	565,175
Sanitation				164	15		523	702
Welfare	345			27,672	7,595		2,237	37,849
Culture and Recreation:								
Libraries	8,700			99,464	25,679	22,997	1,900	158,740
Parks	113,347	185,763	159	42,184	245,467	19,513	9,965	616,398
Culture & Arts				16,431	6,092		12,138	34,661
Total Culture and Recreation	122,047	185,763	159	158,079	277,238	42,510	24,003	809,799
Urban Redevelopment and Housing					699	1,866	684	3,249
Education	912			27,752			458	29,122
Economic Development and Opportunity				1,000	3,581		402	4,983
Environment		249						249
Total Capital Assets Allocated to Functions	$ 1,426,346	$ 220,790	$ 4,058	$ 1,419,778	$ 1,078,944	$ 3,687,735	$ 403,453	$ 8,241,104
Construction in Progress								376,761
Total Governmental Funds Capital Assets								$ 8,617,865

[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, 2020
(In Thousands)

	Beginning Balance (Restated)	Additions[2]	Deductions[3]	Ending Balance
Function and Activity:				
General Government:				
Legislative	$ 3,084	$ -	$ -	$ 3,084
Judicial	21,175			21,175
Executive	27			27
Administration	456,072	11,159	451	466,780
Total General Government	480,358	11,159	451	491,066
Public Safety:				
Police	136,579	3,473	100	139,952
Fire	181,306	7,166	622	187,850
Building Inspection and Regulations	21,699			21,699
Total Public Safety	339,584	10,639	722	349,501
Public Works	5,764,695	171,682	176	5,936,201
Health Services	12,944	264		13,208
Convention and Tourism	564,446	742	13	565,175
Sanitation	702			702
Welfare	37,329	520		37,849
Culture and Recreation:				
Libraries	158,740	48	48	158,740
Parks	574,090	42,376	68	616,398
Culture & Arts	19,597	15,088	24	34,661
Total Culture and Recreation	752,427	57,512	140	809,799
Urban Redevelopment and Housing	3,272		23	3,249
Education	29,122			29,122
Economic Development and Opportunity	4,958	25		4,983
Environment	352		103	249
Construction in Progress	271,543	337,487	232,269	376,761
Total Governmental Funds Capital Assets	$ 8,261,732	$ 590,030	$ 233,897	$ 8,617,865

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

[2] Additions include $210,413 transferred from construction in progress.

[3] Deductions from construction in progress include the $210,413 in assets transferred.

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STATISTICAL SECTION

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Statistical Section (Unaudited)

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 54 in fiscal year 2011; schedules presenting fund balance information as required by GASB Statement No. 54 began in that year.

FINANCIAL TRENDS – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY – These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales and use taxes.

DEBT CAPACITY – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION – These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Statistical Data
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015 (Restated)	2016 (Restated)	2017 (Restated)	2018 (Restated)	2019 (Restated)	2020
Governmental Activities:										
Net Investment in Capital Assets	$ 2,364,212	$ 2,325,170	$ 2,304,579	$ 2,554,305	$ 2,615,833	$ 2,675,249	$ 2,815,626	$ 2,852,015	$ 2,957,496	$ 3,017,372
Restricted	126,142	104,158	72,643	100,264	61,946	62,622	56,706	52,819	45,376	68,775
Unrestricted	63,069	78,783	72,932	(516,002)	(471,052)	(566,044)	(1,125,842)	(1,007,985)	(1,048,034)	(1,118,991)
Total Governmental Activities, net position	$ 2,553,423	$ 2,508,111	$ 2,450,154	$ 2,138,567	$ 2,206,727	$ 2,171,827	$ 1,746,490	$ 1,896,849	$ 1,954,838	$ 1,967,156
Business-Type Activities:										
Net Investment in Capital Assets	$ 273,108	$ 270,500	$ 292,278	$ 300,791	$ 316,995	$ 348,896	$ 365,001	$ 338,367	$ 331,455	$ 317,220
Restricted	90,532	104,990	91,418	102,390	113,968	85,629	97,709	136,568	169,981	151,649
Unrestricted	15,320	9,851	18,024	(47,431)	(55,809)	(67,721)	(101,635)	(118,932)	(125,547)	(116,237)
Total Business-Type Activities, net position	$ 378,960	$ 385,341	$ 401,720	$ 355,750	$ 375,154	$ 366,804	$ 361,075	$ 356,003	$ 375,889	$ 352,632
Primary Government:										
Net Investment in Capital Assets	$ 2,637,320	$ 2,595,670	$ 2,596,857	$ 2,855,096	$ 2,932,828	$ 3,024,145	$ 3,180,627	$ 3,190,382	$ 3,288,951	$ 3,334,592
Restricted	216,674	209,148	164,061	202,654	175,914	148,251	154,415	189,387	215,357	220,424
Unrestricted	78,389	88,634	90,956	(563,433)	(526,861)	(633,765)	(1,227,477)	(1,126,917)	(1,173,581)	(1,235,228)
Total Primary Government, net position	$ 2,932,383	$ 2,893,452	$ 2,851,874	$ 2,494,317	$ 2,581,881	$ 2,538,631	$ 2,107,565	$ 2,252,852	$ 2,330,727	$ 2,319,788

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

Statistical Data
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015 (Restated)	2016 (Restated)	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
General Government	$ 103,617	$ 140,761	$ 127,697	$ 112,845	$ 99,788	$ 131,273	$ 101,673	$ 134,370	$ 137,479	$ 142,073
Public Safety	607,532	613,975	684,547	721,930	717,447	888,100	828,839	721,695	846,878	932,262
Public Works	239,195	252,804	257,395	324,257	247,087	240,763	244,437	349,150	327,811	319,114
Sanitation	20,015	14,382	13,250	7,142	7,535	7,090	9,574	5,748	7,507	11,521
Health Services	101,995	101,293	38,250	55,014	55,020	54,953	67,038	80,505	75,978	82,349
Culture and Recreation	147,591	153,642	161,280	167,463	169,505	171,704	161,408	214,302	208,092	182,630
Convention and Tourism	28,735	31,892	29,674	31,579	57,277	73,932	66,634	60,426	82,251	63,981
Urban Redevelopment and Housing	13,570	13,252	9,111	25,949	27,839	27,025	30,867	38,521	56,855	99,542
Welfare	185,600	157,678	162,015	115,094	121,932	126,440	143,370	157,828	164,042	188,256
Education			6,381	8,530	64,917	62,579	81,563	74,314	83,331	74,133
Economic Development and Opportunity	90,258	115,253	117,362	25,909	34,634	22,974	27,994	27,463	34,137	73,298
Environmental								209	930	302
Bond Issuance Costs				1,862	2,544	2,192	1,951	1,832	3,008	10,148
Interest on Long-Term Debt	87,792	85,073	115,016	93,313	88,813	86,862	89,469	91,718	91,909	80,130
Total Governmental Activities Expenses	1,625,900	1,680,005	1,721,978	1,690,887	1,694,338	1,895,887	1,854,817	1,958,081	2,120,208	2,259,739
Business-Type Activities:										
Airport System	105,708	118,560	102,041	106,033	112,439	127,122	127,419	134,352	147,216	137,308
Development Services	20,195	23,327	24,437	22,273	26,042	27,033	29,643	30,490	38,184	37,982
Market Square	2,215	2,297	2,135	2,558	2,846	2,708	2,643	2,488	2,535	1,914
Parking System	8,703	8,117	8,214	12,165	10,038	14,157	9,671	12,321	10,051	12,446
Solid Waste Management	82,128	89,405	93,056	98,555	92,492	110,361	114,308	113,513	123,390	131,175
Total Business-Type Activities Expenses	218,949	241,706	229,883	241,584	243,857	281,381	283,684	293,164	321,376	320,825
Total Primary Government Expenses	$ 1,844,849	$ 1,921,711	$ 1,951,861	$ 1,932,471	$ 1,938,195	$ 2,177,268	$ 2,138,501	$ 2,251,245	$ 2,441,584	$ 2,580,564
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	$ 27,853	$ 22,245	$ 27,951	$ 27,710	$ 33,662	$ 23,084	$ 24,489	$ 29,185	$ 22,787	$ 13,951
Public Safety	9,882	12,190	12,278	49,363	60,147	52,110	54,055	49,748	50,399	156,745
Public Works	43,267	43,164	44,706	47,342	49,111	51,862	58,198	61,532	64,578	65,469
Sanitation	407	509	365	7,491	7,366	6,846	6,961	7,078	7,176	10,934
Health Services	33,815	30,940	30,356	18,844	16,660	19,336	21,106	19,756	16,121	13,822
Culture and Recreation	33,037	34,483	46,707	53,698	50,047	56,416	63,892	70,083	71,081	46,670
Urban Redevelopment and Housing	400	634	584		148	487	976	688	1,096	929
Welfare	52	15	2			151	785			
Education				267	412	726	778	697	747	677
Economic Development and Opportunity	2,631	5,025	90	135	220	383	588			
Environmental								105	577	205
Operating Grants and Contributions	267,524	211,290	202,932	168,170	175,921	188,371	225,040	186,005	184,117	258,251
Capital Grants and Contributions	137,892	149,713	145,199	84,744	32,642	68,366	39,254	49,653	61,254	52,855
Total Governmental Activities Program Revenues	556,760	510,208	511,170	457,764	426,336	468,138	496,122	474,530	479,933	620,508
Business-Type Activities:										
Charges for Services:										
Airport System	82,901	84,395	80,635	84,410	83,193	84,792	85,773	100,976	104,298	74,791
Development Services	21,629	23,392	24,813	27,646	27,878	28,874	30,230	31,345	35,092	37,215
Market Square	2,211	2,316	2,477	2,598	2,654	2,891	2,925	3,019	2,891	1,291
Parking System	8,588	8,630	8,654	8,487	9,272	9,671	9,406	9,269	9,754	5,831
Solid Waste Management	90,067	93,333	92,871	96,321	100,334	101,954	107,633	117,310	133,212	128,594
Operating Grants and Contributions										10,480
Capital Grants and Contributions	40,237	34,765	39,580	44,206	45,886	45,837	53,872	54,198	47,296	27,473
Total Business-Type Activities Program Revenues	245,633	246,831	249,030	263,668	269,217	274,019	289,839	316,117	332,543	285,675
Total Primary Government Program Revenues	$ 802,393	$ 757,039	$ 760,200	$ 721,432	$ 695,553	$ 742,157	$ 785,961	$ 790,647	$ 812,476	$ 906,183

(Continued)

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

Statistical Data
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2011	2012	2013	2014	2015 (Restated)	2016 (Restated)	2017	2018	2019	2020
Net (Expense) Revenue:										
Governmental Activities	$ (1,069,140)	$ (1,169,797)	$ (1,210,808)	$ (1,233,123)	$ (1,268,002)	$ (1,437,254)	$ (1,358,695)	$ (1,483,551)	$ (1,640,275)	$ (1,639,231)
Business-Type Activities	26,684	5,125	19,147	22,084	25,360	(7,362)	6,155	22,953	11,167	(35,150)
Total Primary Government Net (Expense)	$ (1,042,456)	$ (1,164,672)	$ (1,191,661)	$ (1,211,039)	$ (1,242,642)	$ (1,444,616)	$ (1,352,540)	$ (1,460,598)	$ (1,629,108)	$ (1,674,381)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	$ 396,847	$ 395,944	$ 402,619	$ 423,781	$ 446,705	$ 495,638	$ 550,204	$ 577,870	$ 617,045	$ 653,263
General Sales and Use	236,819	259,927	287,944	324,612	339,012	347,874	358,076	378,367	397,869	390,513
Selective Sales and Use	5,879	5,200	5,799	7,554	7,957	8,516	8,875	9,554	9,928	6,876
Gross Receipts Business	34,341	33,625	33,745	34,784	36,202	35,992	33,380	32,086	32,109	25,455
Occupancy	62,968	67,937	72,770	77,064	79,163	81,280	85,814	91,563	100,648	58,177
Penalties and Interest on Delinquent Taxes	3,797	3,554	3,302	3,557	3,303	3,480	3,647	3,923	4,023	4,092
Revenues from Utilities	308,838	299,693	307,687	355,515	348,997	345,666	363,612	389,319	377,652	373,426
Investment Earnings	6,184	5,005	5,192	3,997	3,164	4,811	8,109	19,031	39,682	26,116
Miscellaneous	40,217	53,990	35,500	50,868	62,021	84,841	82,132	96,643	116,883	113,606
Transfers, net	1,404	1,156	(2,871)	1,570	7,720	3,733	6,006	35,554	2,956	706
Total Governmental Activities	1,097,294	1,126,031	1,151,687	1,283,302	1,334,244	1,411,831	1,499,855	1,633,910	1,698,795	1,652,230
Business-Type Activities:										
Investment Earnings	772	827	1,026	764	562	1,152	1,969	3,808	6,605	3,923
Miscellaneous	450	1,585	621	4,861	13,440	1,684	5,396	4,568	5,663	7,860
Transfers, net	(1,404)	(1,156)	(4,351)	(4,552)	(7,364)	(3,824)	(4,619)	(36,401)	(3,501)	110
Total Business-Type Activities	(182)	1,256	(2,704)	1,073	6,638	(988)	2,746	(28,025)	8,767	11,893
Total Primary Government	$ 1,097,112	$ 1,127,287	$ 1,148,983	$ 1,284,375	$ 1,340,882	$ 1,410,843	$ 1,502,601	$ 1,605,885	$ 1,707,562	$ 1,664,123
Change in Net Position:										
Governmental Activities	$ 28,154	$ (43,766)	$ (59,121)	$ 50,179	$ 66,242	$ (25,423)	$ 141,160	$ 150,359	$ 58,520	$ 12,999
Business-Type Activities	26,502	6,381	16,443	23,157	31,998	(8,350)	8,901	(5,072)	19,934	(23,257)
Total Primary Government	$ 54,656	$ (37,385)	$ (42,678)	$ 73,336	$ 98,240	$ (33,773)	$ 150,061	$ 145,287	$ 78,454	$ (10,258)

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

Statistical Data
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	Fiscal Year 2011	2012	2013	2014	2015 (Restated)	2016	2017	2018	2019 (Restated)	2020
General Fund:										
Nonspendable	$ 4,939	$ 5,800	$ 6,238	$ 5,504	$ 7,026	$ 6,681	$ 6,087	$ 6,887	$ 7,084	$ 7,814
Restricted	1,107	1,003	718	1,032	537	470	528	2,283	2,392	
Committed	48,540	47,035	39,603	46,882	52,686	49,333	64,594	97,134	108,420	49,821
Assigned	7,413	4,143	3,230	523	521	6,554	10	8	21	6
Unassigned	170,693	158,532	135,375	164,654	182,698	192,072	212,930	243,828	247,125	284,708
Total General Fund	$ 232,692	$ 216,513	$ 185,164	$ 218,595	$ 243,468	$ 255,110	$ 284,149	$ 350,140	$ 365,042	$ 342,349
All Other Governmental Funds:										
Nonspendable	$ 4,416	$ 5,235	$ 4,943	$ 4,716	$ 11,274	$ 11,635	$ 6,220	$ 8,357	$ 11,730	$ 13,405
Restricted	686,530	665,530	946,189	853,657	744,698	644,983	629,077	840,375	976,322	1,019,689
Committed	67,281	77,204	85,060	101,183	101,040	72,312	87,316	98,975	135,757	246,157
Assigned	13,237	12,330	19,866	24,495	19,384	32,407	10,665	3,367	4,225	7,338
Unassigned	(74,796)	(38,916)	(30,699)	(3,427)	(14,860)	(10,478)	(7,617)	(7,346)	(6,463)	(164,302)
Total All Other Governmental Funds	$ 696,668	$ 721,383	$ 1,025,359	$ 980,624	$ 861,536	$ 750,859	$ 725,661	$ 943,728	$ 1,121,571	$ 1,122,287

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

Statistical Data
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2011	2012	2013 [1]	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	$ 740,039	$ 766,903	$ 808,185	$ 872,987	$ 912,934	$ 973,357	$ 1,032,903	$ 1,091,138	$ 1,161,167	$ 1,133,948
Licenses and Permits	8,680	8,469	8,343	7,396	8,107	8,961	9,264	9,160	7,351	9,130
Intergovernmental	306,813	245,030	230,356	240,847	198,307	235,542	233,963	216,367	224,753	334,617
Revenues from Utilities	308,451	299,306	307,300	348,480	348,997	345,666	363,612	389,319	377,652	373,426
Charges for Services	117,607	122,229	131,220	153,995	169,492	169,896	187,071	195,946	198,253	174,734
Fines and Forfeits	14,124	14,807	13,925	13,597	12,589	11,215	12,317	12,253	10,247	6,470
Miscellaneous	40,626	43,989	35,308	50,955	57,546	69,440	70,978	78,534	90,929	66,979
Investment Earnings	5,515	4,354	4,232	3,505	2,761	4,158	7,006	16,261	34,280	23,090
Contributions	104,709	123,020	128,012	30,579	31,596	44,141	48,587	47,579	45,368	45,582
Total Revenues	1,646,564	1,628,107	1,666,881	1,722,341	1,742,329	1,862,376	1,965,701	2,056,557	2,150,000	2,167,976
Expenditures:										
General Government	93,797	105,291	94,973	74,902	79,295	85,007	88,856	89,784	95,349	94,251
Public Safety	553,324	571,221	659,949	688,987	711,201	731,816	751,133	774,563	793,409	841,487
Public Works	93,975	88,697	92,498	164,768	112,470	118,290	131,310	127,177	130,575	121,029
Health Services	102,723	100,061	36,625	52,499	56,133	58,533	63,729	61,664	65,001	77,701
Sanitation	20,020	14,590	13,190	7,050	6,963	7,174	9,891	6,957	7,804	11,251
Welfare	184,942	156,105	159,528	113,074	123,064	128,236	139,916	144,121	155,572	184,900
Culture and Recreation	132,801	132,596	146,270	142,537	155,098	161,757	158,688	172,407	167,426	158,871
Convention and Tourism	20,043	20,158	18,939	20,969	23,406	45,246	51,373	51,829	61,192	46,981
Urban Redevelopment and Housing	13,298	15,902	9,214	25,251	30,496	28,424	29,945	33,083	49,350	97,401
Education			3,500	34,750	57,172	63,032	76,157	74,064	74,224	69,777
Economic Development and Opportunity	23,951	114,927	116,838	25,524	34,762	23,282	28,458	27,383	32,892	72,676
Environmental								1,247	214	226
Capital Outlay	411,270	301,381	291,038	379,309	475,466	455,746	410,626	298,671	355,349	417,118
Debt Service:										
Principal Retirement	140,975	117,265	117,595	130,412	140,963	149,489	162,594	172,790	180,464	183,577
Interest	83,981	87,327	102,965	105,417	105,939	110,902	111,584	113,702	118,037	108,754
Issuance Costs	1,626	1,732	6,465	1,862	2,544	2,192	1,951	1,832	3,008	10,148
Total Expenditures	1,876,726	1,827,253	1,869,587	1,967,311	2,114,972	2,169,126	2,216,211	2,151,274	2,289,866	2,496,148
(Deficiency) of Revenues (Under) Expenditures	(230,162)	(199,146)	(202,706)	(244,970)	(372,643)	(306,750)	(250,510)	(94,717)	(139,866)	(328,172)
Other Financing Sources (Uses):										
Issuance of Long-Term Debt	176,635	218,985	793,671	223,555	237,765	180,114	221,934	310,557	279,985	262,665
Refunding Debt Issued				67,050	144,880	147,130			193,395	465,190
Payments to Refunded Bond Escrow Agent		(37,892)	(356,969)	(76,531)	(159,593)	(176,308)			(221,348)	(463,795)
Issuance of Notes and Loans	14,716					835				1,558
Premium on Long-Term Debt	15,182	30,617	43,246	31,455	41,762	51,282	24,002	32,069	73,907	44,747
Transfers In	336,070	368,586	694,459	528,253	585,857	550,511	550,995	453,830	505,548	658,464
Transfers Out	(340,516)	(369,827)	(698,979)	(532,384)	(574,161)	(545,849)	(542,608)	(417,681)	(498,876)	(656,494)
Total Other Financing Sources (Uses)	202,087	210,469	475,428	241,398	276,510	207,715	254,323	378,775	332,611	312,335
Net Change in Fund Balances	$ (28,075)	$ 11,323	$ 272,722	$ (3,572)	$ (96,133)	$ (99,035)	$ 3,813	$ 284,058	$ 192,745	$ (15,837)
Debt Service as a Percentage of Noncapital Expenditures	14.2%	13.1%	13.8%	14.9%	14.6%	14.8%	15.3%	15.5%	15.3%	14.3%

[1] EMS was reclassed from Health Services to Public Safety

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

Statistical Data
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

Fiscal Year	Property [1]	Sales and Use [2]	Alcoholic Beverage Tax [3]	Business Tax	Hotel/Motel Occupancy	Penalties and Interest and Judgments	Total
2011	$ 396,235	$ 236,819	$ 5,879	$ 34,341	$ 62,968	$ 3,797	$ 740,039
2012	396,660	259,927	5,200	33,625	67,937	3,554	766,903
2013	404,625	287,944	5,799	33,745	72,770	3,302	808,185
2014	425,416	324,612	7,554	34,784	77,064	3,557	872,987
2015	447,297	339,012	7,957	36,202	79,163	3,303	912,934
2016	496,215	347,874	8,516	35,992	81,280	3,480	973,357
2017	543,111	358,076	8,875	33,380	85,814	3,647	1,032,903
2018	575,645	378,367	9,554	32,086	91,563	3,923	1,091,138
2019	616,590	397,869	9,928	32,109	100,648	4,023	1,161,167
2020	648,835	390,513	6,876	25,455	58,177	4,092	1,133,948
Change:							
2011-2020	63.8%	64.9%	17.0%	-25.9%	-7.6%	7.8%	53.2%

[1] The City had maintained the property tax rate at a current tax rate from 2010 to 2015, and was able to reduce the property tax rate in 2016 because of growth in property tax values (see Assessed Value and Actual Value of Taxable Property).

[2] Sales and Use tax revenues increased in the past ten years due to a combination of rate increases (see Direct and Overlapping Sales and Use Tax Rates), growth in taxable retail sales (see Taxable Sales by Category), and several legislative measures to broaden the sales and use tax base.

[3] Alcohol Beverage Tax increased in 2014 due to the restoration of administrative fee to the City, plus additional State legislative measures to broaden the Alcohol Beverage Tax base.

Statistical Data
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars In Thousands)

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property [1]	Estimated Actual Value	Total Direct Tax Rate
2011	$ 41,545,063	$ 30,853,443	$ 2,363,174	$ 7,974,502	$ 11,728,635	$ 71,007,547	0.57
2012	41,126,475	31,052,797	2,362,451	8,114,854	11,975,378	70,681,199 [2]	0.57
2013	40,716,193	32,283,498	2,455,552	8,039,080	12,095,367	71,398,956	0.57
2014	41,251,546	34,899,935	2,494,938	8,336,790	12,371,142	74,612,067	0.57
2015	43,908,306	37,346,495	2,438,664	8,778,393	13,241,605	79,230,253	0.57
2016	49,166,613	42,931,187	2,820,244	9,403,514	14,980,047	89,341,511	0.56
2017	53,399,742	47,829,963	3,110,813	10,105,288	16,255,650	98,190,156	0.56
2018	57,302,203	51,196,368	3,385,569	10,956,518	17,170,373	105,670,285	0.56
2019	61,409,375	54,766,795	3,770,062	11,595,996	18,424,378	113,117,850	0.56
2020	65,741,727	58,265,400	3,620,328	11,830,066	20,129,805	119,327,716	0.56

Source: Bexar Appraisal District

[1] Tax-exempt property deductions include deductions of residential homestead exemptions and exemptions granted to persons 65 years of age and older and disabled veterans. In addition, other exemptions include historic properties, tax phase-ins, freeport, absolute, prorated, low income housing, pollution control, community housing development organization, disabled person residence homestead, armed services surviving spouse, first responder surviving spouse, and personal property vehicle. Additionally, a local homestead exemption was effective January 1, 2020.

[2] Net Taxable Assessed Value decreased in 2012 due to a reduction in base values.

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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
2011	2010	$ 0.354190	$ 0.211500	$ 0.565690	$ 0.141623	$ 0.326866	$ 0.276235	$ 0.016652	$ 1.168000	$ 1.319500
2012	2011	0.354190	0.211500	0.565690	0.141623	0.326866	0.276235	0.017370	1.198000	1.296000
2013	2012	0.354190	0.211500	0.565690	0.149150	0.326866	0.276235	0.017370	1.218000	1.296000
2014	2013	0.354190	0.211500	0.565690	0.149150	0.326866	0.276235	0.017798	1.218000	1.275000
2015	2014	0.354190	0.211500	0.565690	0.149150	0.314500	0.276235	0.017500	1.205000	1.275000
2016	2015	0.346770	0.211500	0.558270	0.149150	0.314500	0.276235	0.017290	1.195000	1.265000
2017	2016	0.346770	0.211500	0.558270	0.149150	0.308950	0.276235	0.017290	1.195000	1.285000
2018	2017	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.017290	1.200000	1.335000
2019	2018	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.255000	1.325000
2020	2019	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.195000	1.210000

		Overlapping Rates									
Fiscal Year	Tax Roll	Edgewood ISD	Harlandale ISD	Judson ISD	Northeast ISD	Northside ISD	San Antonio ISD	Somerset ISD	South San Antonio ISD	Southside ISD	Southwest ISD
2011	2010	$ 1.420000	$ 1.604800	$ 1.463000	$ 1.402900	$ 1.365500	$ 1.279700	$ 1.289000	$ 1.454900	$ 1.368900	$ 1.256100
2012	2011	1.407400	1.544400	1.430000	1.402900	1.375500	1.307600	1.278000	1.454900	1.368900	1.222600
2013	2012	1.398000	1.538500	1.425000	1.425000	1.375500	1.357600	1.278000	1.454900	1.368900	1.273000
2014	2013	1.382600	1.528800	1.425000	1.440600	1.375500	1.357600	1.278000	1.451500	1.368900	1.401622
2015	2014	1.362700	1.528800	1.425000	1.440600	1.375500	1.382600	1.278000	1.451500	1.368900	1.465282
2016	2015	1.355900	1.528800	1.420000	1.415000	1.375500	1.382600	1.278000	1.451500	1.368900	1.414900
2017	2016	1.355900	1.528800	1.470000	1.385000	1.375500	1.512600	1.278000	1.451500	1.368900	1.473000
2018	2017	1.385178	1.528800	1.425000	1.365000	1.375500	1.532600	1.450700	1.451500	1.607100	1.473000
2019	2018	1.377242	1.558800	1.440000	1.360000	1.375500	1.562600	1.442173	1.451500	1.575900	1.473000
2020	2019	1.298270	1.498900	1.358400	1.290000	1.305500	1.530950	1.312176	1.450000	1.404544	1.472976

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)

	2020			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value[1]	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value[1]
H.E.Butt Grocery Company	$ 1,308,815	1	1.08%	$ 781,328	1	1.10%
Microsoft Corporation	923,880	2	0.76%			
United Services Automobile Association	815,562	3	0.67%	316,721	6	0.45%
Methodist Healthcare System	704,035	4	0.58%	372,476	4	0.52%
Wal-Mart Stores, Inc.	602,420	5	0.50%	339,986	5	0.48%
VHS San Antonio Partners LP	594,508	6	0.49%	384,884	3	0.54%
General Growth Properties, Inc. [2]	553,538	7	0.46%	221,034	9	0.31%
Toyota Motor Manufacturing Texas, Inc	502,204	8	0.41%	461,185	2	0.65%
Frankel Family Trust	406,312	9	0.34%			
AT&T	287,119	10	0.24%	243,709	8	0.34%
Hyatt Regency Hotels				298,252	7	0.42%
Marriott International, Inc.				253,652	10	0.36%
Total	$ 6,698,393		5.53%	$ 3,673,227		5.17%

1 Based on Bexar Appraisal District values as of Certification.
2 Formerly named La Cantera Retail LTD Partnership.

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
2011	$ 396,621	$ 389,419	98.18%	$ 4,736	$ 394,155	99.38%
2012	395,466	389,217	98.42%	4,761	393,978	99.62%
2013	400,055	394,756	98.68%	3,343	398,099	99.51%
2014	417,936	413,452	98.93%	1,707	415,159	99.34%
2015	442,164	437,746	99.00%	1,589	439,335	99.36%
2016	489,748	484,769	98.98%	2,342	487,111	99.46%
2017	535,505	529,916	98.96%	2,082	531,998	99.35%
2018	573,757	567,369	98.89%	(205)	567,164	98.85%
2019	612,018	604,639	98.79%	142	604,781	98.82%
2020	645,357	636,806	98.67%		636,806	98.67%

[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]									
	2010	2011	2012	2013 [4]	2014	2015	2016	2017	2018	2019
Motor Vehicle and Parts Dealers	$ 443,562	$ 490,986	$ 541,129	$ 571,398	$ 608,744	$ 614,692	$ 615,592	$ 615,479	$ 638,281	$ 661,134
Furniture and Home Furnishings Stores	401,945	416,000	458,965	480,569	563,611	637,118	563,966	556,688	587,722	621,933
Electronics and Appliance Stores	526,011	643,608	618,470	660,797	545,778	522,708	516,082	524,175	626,402	678,726
Building Material and Garden Equipment and Supplies Dealers	931,836	1,018,861	1,171,782	1,270,827	1,430,979	1,528,088	1,547,838	1,612,541	1,673,106	1,738,215
Food and Beverage Stores [2]	993,209	1,028,454	1,090,222	1,214,149	1,242,065	1,267,148	1,301,232	1,307,578	1,378,002	1,474,209
Health and Personal Care Stores	223,256	256,765	271,402	284,652	292,477	287,982	296,910	286,245	273,322	269,121
Gasoline Stations	388,912	389,164	444,008	392,004	405,563	434,216	462,318	490,228	501,924	535,192
Clothing and Clothing Accessories Stores [3]	973,059	1,033,708	1,137,776	1,214,530	1,222,788	1,228,480	1,206,815	1,152,396	1,227,961	1,195,253
Sporting Goods, Hobby, Book and Music Stores	476,985	503,160	534,610	567,623	574,906	569,892	556,242	504,898	472,035	461,854
General Merchandise Stores	2,186,077	2,223,217	2,303,225	2,358,250	2,473,208	2,575,692	2,589,998	2,593,070	2,415,265	2,460,491
Miscellaneous Store Retailers	499,347	495,304	524,087	558,642	558,764	543,416	541,602	532,605	744,249	759,887
Nonstore Retailers	39,387	57,455	55,622	57,204	62,149	106,696	95,331	78,624	85,046	85,674
Food Services and Drinking Places	2,481,983	2,652,204	2,887,476	3,040,666	3,245,232	3,447,511	3,625,730	3,730,076	3,955,173	4,146,366
Total	$ 10,565,569	$ 11,208,886	$ 12,038,774	$ 12,671,311	$ 13,226,264	$ 13,763,639	$ 13,919,656	$ 13,984,603	$ 14,578,488	$ 15,088,055
City Direct Sales Tax Rate	1.125%	1.125%	1.125%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%

Source: Texas Comptroller of Public Accounts

[1] Calendar Year 2020 information will not be available until May 2021.

[2] General grocery items are not taxable; the sales and use tax applies only to prepared food items and nonfood items.

[3] Clothing under $100 is exempt during the sales and use tax holiday in August.

[4] In November 2012, the citizens of the City elected to enact a 1/8 cent sales tax to fund the San Antonio Early Childhood Municipal Development Corporation (Pre-K 4 SA).

Statistical Data
Direct and Overlapping Sales and Use Tax Rates
Last Ten Fiscal Years

Fiscal Year	San Antonio Tax	Pre-K 4 SA Tax [1]	San Antonio ATD [2]	San Antonio MTA [3]	State of Texas	Total [4]
2011	1.125%		0.250%	0.500%	6.250%	8.125%
2012	1.125%		0.250%	0.500%	6.250%	8.125%
2013	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2014	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2015	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2016	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2017	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2018	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2019	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2020	1.125%	0.125%	0.250%	0.500%	6.250%	8.250%

[1] In November 2012, the citizens of the City elected to enact a 1/8 cent sales tax to fund the San Antonio Early Childhood Municipal Development Corporation (Pre-K 4 SA).

[2] San Antonio Advanced Transportation District (ATD) is tax added for improvements to public transportation, streets, highways, and other related transportation infrastructure.

[3] San Antonio Metropolitan Transit Authority (MTA) is tax added by the Transit Authority to provide public transportation services within designated boundaries.

[4] The City is currently at its Sales and Use Tax Rate maximum limit of 8.250%.

Statistical Data
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

	Governmental Activities						
Fiscal Year	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
2011	$ 768,769	$ 191,550	$ 372,509	$ -	$ 28,439	$ 575,047	$ 48,816
2012	873,499	191,550	347,355		32,651	594,084	46,631
2013	934,975	191,550	340,515		19,844	905,902	43,671
2014	1,022,004	191,550	292,475		19,325	895,909	41,320
2015	1,147,841	191,550	262,478	43,825	16,908	885,660	38,810
2016	1,175,231	191,550	257,939	66,864	36,272	874,310	36,190
2017	1,151,889	191,550	309,005	65,149	44,003	859,819	28,617
2018	1,202,655	191,550	395,595	71,328	54,305	844,898	25,692
2019	1,540,720	4,135	409,368	68,563	59,176	829,475	
2020	1,268,004	437,420	355,598	80,293	71,544	813,475	

	Governmental Activities Direct Borrowing & Direct Placement: [3]					
Fiscal Year	Taxable Certificates of Obligation [1]	Tax Notes [1]	Contractual Obligations	Revenue Notes	Capital Leases	Notes Payable
2011	$ -	$ -	$ -	$ -	$ 17,045	$ -
2012					14,193	
2013				18,460	15,285	
2014		19,140	17,500	28,055	8,916	
2015		10,105	8,835	15,725	13,498	6,100
2016		1,030		12,765	14,822	6,594
2017	47,000	835		9,715	11,540	6,463
2018	47,000	635		6,575	22,889	6,361
2019	47,000	430		3,335	18,771	6,323
2020	47,000	220	11,300	5,790	5,751	7,341

	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]	Tax Notes [1]	Capital Leases	Total Primary Government	Percentage of Personal Income [4]	Per Capita [4]
2011	$ 1,401	$ 16,163	$ 2,125	$ 413,814	$ -	$ 21,140	$ 2,456,818	8.69%	$ 1,862
2012	1,337	14,969	2,007	395,483		21,312	2,535,071	8.92%	1,911
2013	1,286	13,658	1,894	374,045		16,105	2,877,190	9.91%	2,116
2014	1,329	12,093	1,670	350,636		16,471	2,918,393	9.49%	2,110
2015	2,542	11,098	331	498,477		15,580	3,169,363	10.04%	2,249
2016	2,579	10,102	7,604	479,959		33,598	3,207,409	9.78%	2,232
2017	2,472	9,080	13,074	460,587		23,425	3,234,223	9.27%	2,200
2018	2,265	8,004	38,336	440,472	36,000	16,939	3,411,499	9.40%	2,248
2019	2,054	6,862	44,069	423,862	36,000	8,127	3,508,270	9.28%	2,290
2020	1,831	6,275	42,085	408,900	36,000	1,342	3,600,169	8.67%	2,327

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

[1] Amounts are net of premiums/discounts.
[2] Restated premiums/discounts in fiscal year 2014.
[3] In fiscal year 2019, the City adopted GASB Statement No. 88, resulting in the reclassification of direct borrowing and direct placements reported in prior years.
[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.

Statistical Data
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

	Governmental and Business-Type Activities [1]								Percentage of Actual Taxable Value of Property	Per Capita [5]
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		
2011	$ 977,883	$ 374,634	$ 28,439	$ -	$ 1,380,956	$ (63,068)	$ (60,814)	$ 1,257,074	1.77%	$ 952.70
2012	1,081,355	349,362	32,651		1,463,368	(81,348)	(54,151)	1,327,869	1.88%	1,001.00
2013	1,141,469	342,409	19,844		1,503,722	(57,730)	(45,426)	1,400,566	1.96%	1,030.03
2014	1,226,976	294,145	38,465	17,500	1,577,086	(69,915)	(38,233)	1,468,938	1.97%	1,061.99
2015	1,353,031	306,634	27,013	8,835	1,695,513	(104,680)	(34,430)	1,556,403	1.96%	1,104.60
2016	1,379,462	332,407	37,302		1,749,171	(132,940)	(33,478)	1,582,753	1.77%	1,101.66
2017	1,354,991	434,228	44,838		1,834,057	(184,962)	(32,497)	1,616,598	1.65%	1,099.86
2018	1,404,474	552,259	90,940		2,047,673	(254,237)	(28,981)	1,764,455	1.67%	1,162.46
2019	1,553,771	569,000	95,606		2,218,377	(249,423)	(26,158)	1,942,796	1.72%	1,267.97
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

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 2011 to fiscal year 2020; 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, 2020
(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	$ 424,955	71.04%	$ 301,904
Bexar County Bonds	1,861,169	71.12%	1,323,667
San Antonio River Authority Bonds	27,209	69.48%	18,905
University Health System	931,744	71.02%	661,760
Alamo Heights Independent School District Bonds	183,295	51.59%	94,563
East Central Independent School District Bonds	116,117	49.82%	57,846
Edgewood Independent School District Bonds	62,478	100.00%	62,478
Harlandale Independent School District Bonds	199,355	100.00%	199,355
Judson Independent School District Bonds	592,230	36.68%	217,227
Northeast Independent School District Bonds	1,339,998	84.65%	1,134,362
Northside Independent School District Bonds	2,013,880	74.25%	1,495,306
San Antonio Independent School District Bonds	897,326	99.26%	890,707
Somerset Independent School District Bonds	47,656	4.61%	2,197
South San Antonio Independent School District Bonds	141,294	100.00%	141,294
Southside Independent School District Bonds	135,654	42.49%	57,638
Southwest Independent School District Bonds	285,171	62.76%	178,987
Total Overlapping Debt			$ 6,838,196
City Direct Debt [2]			$ 2,921,388
Total Direct and Overlapping Debt			$ 9,759,584

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, and Capital Leases.

Statistical Data
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars In Thousands)

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	$ 140,886,739
Debt Limit (10.0% of Assessed Value)	14,088,674
Debt Applicable to Limit:	
Total Bonded Debt	2,185,230
Less: Self-Supporting Debt:	(206,858)
Debt Supplemented by Other Sources	
Assets Available for Payment of	
Principal In:	
Debt Service Fund	(37,932)
Total Net Debt Applicable to Limit	1,940,440
Legal Debt Margin	$ 12,148,234

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	$ 8,273,618	$ 8,265,658	$ 8,349,432	$ 8,698,321	$ 9,247,186	$ 10,432,156	$ 11,444,581	$ 12,433,599	$ 13,264,791	$ 14,088,674
Total Net Debt Applicable to Limit	1,177,644	1,246,134	1,297,787	1,381,400	1,448,815	1,450,349	1,487,662	1,626,425	1,763,694	1,940,440
Legal Debt Margin	$ 7,095,974	$ 7,019,524	$ 7,051,645	$ 7,316,921	$ 7,798,371	$ 8,981,807	$ 9,956,919	$ 10,807,174	$ 11,501,097	$ 12,148,234
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.2%	15.1%	15.5%	15.9%	15.7%	13.9%	13.0%	13.1%	13.3%	13.8%

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)

	Hotel Occupancy Tax Revenue Bonds[1]				Convention Center Hotel Finance Corporation[2]			
		Debt Service				Debt Service		
Fiscal Year	Hotel Occupancy Tax	Principal	Interest	Coverage	Net Revenues of Hotel	Principal	Interest	Coverage
2011	$ 48,975	$ 7,660	$ 3,952	4.2	$ -	$ 2,320	$ 10,345	-
2012	52,840	8,385	3,819	4.3		2,500	10,238	
2013						2,690	10,122	
2014						2,895	9,993	
2015						3,120	9,850	
2016						3,350	9,699	
2017						3,600	9,528	
2018						3,860	9,344	
2019						4,140	9,148	
2020						4,435	8,937	

	Municipal Drainage Utility System				Starbright Industrial Development Corporation			
		Debt Service				Debt Service		
Fiscal Year	Municipal Drainage Utility System Revenue	Principal	Interest	Coverage	Pledged Revenue	Principal	Interest	Coverage
2011	$ 37,576	$ 2,915	$ 4,390	5.1	$ 297,630	$ 585	$ 1,078	179.0
2012	38,187	3,055	4,253	5.2	288,096	605	1,057	173.3
2013	38,847	3,200	2,851	6.4	293,310		605	484.8
2014	39,279	3,245	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

(Continued)

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Operating expenses do not include interest, depreciation, or amortization expenses.

[1] In fiscal year 2013 the City's Public Facilities Corporation issued Lease Revenue Bonds to refund all Hotel Occupancy Tax Revenue Bonds and finance the Convention Center expansion project. The debt issued by the Public Facilities Corporation is paid by annually appropriated lease payments made by the City to the Public Facilities Corporation.

[2] The bonds are secured by a lien on and are payable from the following sources of revenue (in the order of priority given): first, the Pledged Hotel Operating Revenues which are the net revenues derived from the Hotel that remain after making necessary monthly escrow payments for property taxes; insurance premiums; and furniture, fixtures, and equipment replacements; second, the Hotel specific General Hotel Occupancy Tax (7.0% HOT); and third, the Expansion Hotel Occupancy Tax revenues collected Citywide (2.0% HOT).

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
2011	$ 83,289	$ 13,325	$ 11,661	3.3
2012	90,164	12,845	10,200	3.9
2013	89,324	13,190	10,750	3.7
2014	91,035	13,440	9,874	3.9
2015	91,618	11,250	9,316	4.5
2016	96,847	11,695	10,670	4.3
2017	94,687	12,220	10,296	4.2
2018	106,953	12,795	9,731	4.7
2019	116,004	8,385	9,170	6.6
2020	93,896	7,530	5,978	7.0

PFC Operations

Fiscal Year	PFC Beginning Fund Balance	PFC Revenues	Less: PFC Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2011	$ 32,498	$ 16,197	$ 7,926	$ 40,769	$ 4,845	$ 7,783	3.2
2012	25,200	16,364	3,725	37,839	4,795	7,605	3.1
2013	21,542	16,064	715	36,891	4,925	7,904	2.9
2014	21,165	15,318	10	36,473	5,225	7,609	2.8
2015	20,230	16,582	340	36,472	5,460	7,380	2.8
2016	19,868	16,035	113	35,790	5,705	7,138	2.8
2017	19,228	17,994		37,222	5,975	6,869	2.9
2018	20,727	19,032		39,759	6,265	6,583	3.1
2019	23,482	20,130		43,612	6,580	6,274	3.4
2020	27,688	10,508		38,196	4,660	3,198	4.9

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

(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	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2010	1,319,492	$ 28,260,879	$ 21,418	32.1	387,343	7.0%
2011	1,326,539	28,421,098	21,425	32.8	392,897	7.1%
2012	1,359,730	29,038,394	21,356	32.7	396,718	6.4%
2013	1,383,194	30,752,552	22,233	33.2	397,500	5.8%
2014	1,409,019	31,581,326	22,414	33.0	407,047	4.8%
2015	1,436,697	32,790,329	22,823	33.2	401,771	3.7%
2016	1,469,824	34,905,380	23,748	33.1	403,558	3.7%
2017	1,517,866	36,308,882	23,921	33.5	401,867	3.5%
2018	1,532,212	37,821,121	24,684	33.7	411,539	3.1%
2019	1,547,250	41,506,529	26,826	34.4	411,357	2.8%

Sources: Population, personal income, per capita income, median age, and school enrollment information provided by the Planning & Community Development Department, City of San Antonio, Texas. Unemployment rate provided by the Texas Workforce Commission.

Statistical Data
Principal Employers
Current Year and Nine Years Ago

Employer	2020 Employees	2020 Rank	2020 Percentage of Total City Employment [1]	2011 Employees	2011 Rank	2011 Percentage of Total City Employment [2]
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph[3]	73,707	1	6.96%	100,578	1, 2, 3	12.10%
H.E.B. Food Stores	22,000	2	2.08%	14,588	5	1.75%
United Services Automobile Association	19,400	3	1.83%	15,000	4	1.80%
Northside Independent School District	13,498	4	1.28%	12,244	6	1.47%
City of San Antonio	11,183	5	1.06%	12,211	7	1.47%
Methodist Healthcare System	9,620	6	0.91%	7,747	8	0.93%
North East Independent School District	8,386	7	0.79%			
San Antonio Independent School District	7,338	8	0.69%			
Baptist Health Systems	6,383	9	0.60%	6,310	9	0.76%
Wells Fargo	5,152	10	0.49%			
University of Texas Health Science				6,153	10	0.74%
Total	176,667		16.69%	174,831		21.02%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2020, and Department of Defense personnel statistics.

[1] Percent based on an Employment Estimate of 1,124,400 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2020. Figure provided by the Texas Workforce Commission.

[2] Percent based on an Employment Estimate of 831,900 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2011. Figure provided by the Texas Workforce Commission.

[3] In fiscal year 2012, Lackland, Fort Sam and Randolph military operations were consolidated into Joint Base San Antonio. In fiscal year 2011, the employee counts were 52,561, 32,000, and 16,017, respectively.

Statistical Data
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program:										
Mayor and Council	15	18	19	18	15	15	18	18	13	17
City Manager	17	15	18	18	15	20	18	18	15	15
Animal Care Services	103	117	116	109	112	116	121	123	133	131
Arts and Culture [14]	12	12	19	20	24	18	17	16	16	12
Aviation Civilian Employees	409	425	338	322	349	353	368	408	427	411
Aviation Uniformed - Fire and Rescue	31	33	52	49	31	28	30	30	32	29
Building & Equipment Services [11]	157	256	250	155	156	157	169	166	173	183
Capital Management Services (CMS) [10]	200	200	198							
Center City Development [2, 9, 14, 20]	6	7	7	121	114	132	136	132	139	146
City Attorney	99	95	94	84	84	83	79	79	81	75
City Auditor	20	21	21	21	22	24	21	21	22	21
City Clerk	21	22	27	30	28	29	29	32	31	31
Code Enforcement Services				137	133	141	142	146	149	142
Communications and Public Affairs [8, 13]	13	16	16	56	50					
Convention and Visitors Bureau [17]	84	132	127	80	81	76				
Convention, Sports and Entertainment Facilities [22]	290	311	292	297	283	285	312	322	330	159
Customer Services/311 System [8]	59	52	42							
Development Services [1, 6]	225	199	195	221	231	233	255	261	273	283
Downtown Operations [9]	140	143	123							
Eastpoint [20]				15	15	3	4	2		
Early Education Development			146	300	344	356	358	373	373	372
Economic Development [2, 12]	24	27	21	24	23	29	35	34	33	28
Finance [3, 15]	89	134	186	145	147	143	134	131	131	128
Firefighters and EMS	1,606	1,612	1,641	1,655	1,601	1,616	1,714	1,719	1,734	1,738
Fire Department Civilian Employees [23]	144	124	107	112	153	158	264	163	146	119
Government and Public Affairs [13, 18]						59	69	34	35	35
Grants Monitoring and Administration [5]	22	16								
Health	345	314	295	292	306	312	354	364	372	390
Housing and Neighborhood Services [7]	131	133	134							
Human Resources [22]	69	84	80	105	102	105	112	74	77	101
Human Services	251	286	285	255	297	296	312	310	305	298
Information Technology Services	199	194	317	309	309	314	317	322	320	315
Intergovernmental Relations [12]	5	5	5	7	7					
International Affairs [4]	4	4								
Library	321	497	468	297	297	308	310	321	322	317
Municipal Court	182	188	171	175	168	160	114	124	122	117
Municipal Court Detention Center							41	38	35	36
Neighborhood and Housing Services [19]								51	70	67
Non Departmental [4]	36	30	53	35	36	28	40	29	35	37
Office of 311/Customer Service [18]								37	36	34
Office of Historic Preservation [6]				12	16	15	18	16	19	19
Office of Innovation [16]							8	5	9	8
Office of Management and Budget [16]	23	22	21	26	24	24	18	16	19	18
Parks and Recreation	602	630	587	566	594	606	474	464	469	461
Parks Police							160	174	185	181
Planning [1, 5, 19]		48	57	52	56	55	62	18	22	22
Police Officers	2,261	2,276	2,311	2,333	2,191	2,199	2,201	2,240	2,311	2,410
Police Department Civilian Employees [23]	585	565	547	506	541	551	815	773	838	730
Public Works [10, 21]	591	600	547							777
Purchasing and Contract Services [3]	131	2								
Risk Management [15]							19	17	24	23
Solid Waste Management [11, 22]	447	521	512	578	606	609	649	684	694	737
Transportation [10, 21]				698	741	740	758	794	809	10
Total	**9,969**	**10,386**	**10,445**	**10,235**	**10,302**	**10,396**	**11,075**	**11,099**	**11,379**	**11,183**

Statistical Data
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Source: City of San Antonio, Texas. Figures account for actual employment positions filled.

[1] In fiscal year 2009, Planning and Community Development was combined with Development Services and then split back up in fiscal year 2012.
[2] In fiscal year 2011, Center City Development was separated from Economic and Employment Development.
[3] In fiscal year 2012, Purchasing and Contract Services was combined with Finance.
[4] In fiscal year 2013, International Affairs was combined with Non Departmental.
[5] In fiscal year 2013, Grants Monitoring and Administration was combined with Planning and Community Development.
[6] In fiscal year 2014, Office of Historic Preservation split from Development Services.
[7] In fiscal year 2014, Housing and Neighborhood services combined with Planning and Community Development.
[8] In fiscal year 2014, Customer Services/311 Systems combined with Communications and Public Affairs.
[9] In fiscal year 2014, Downtown Operations was combined with Center City Development.
[10] In fiscal year 2014, Public Works and CMS combined to form Transportation and Capital Improvements.
[11] In fiscal year 2015, some Fleet employees were reclassed from Building Equipment Services into Solid Waste Management.
[12] In fiscal year 2016, the International Relations Office was combined with the Economic Development Department.
[13] In fiscal year 2016, the Communications and Public Affairs Department was combined into the Government and Public Affairs Department.
[14] In fiscal year 2016, some employees were reclassed from Arts & Culture into Center City Development.
[15] In fiscal year 2017, Risk Management split from the Finance Department.
[16] In fiscal year 2017, Office of Innovation split from Office of Management and Budget (OMB).
[17] In fiscal year 2017, the Convention and Visitors Bureau transitioned to the independent, non-profit corporation, Visit San Antonio (VSA).
[18] In fiscal year 2018, Customer Services/311 Systems split from Government and Public Affairs Department.
[19] In fiscal year 2018, some employees were reclassed from Planning into Neighborhood and Planning Department.
[20] In fiscal year 2019, Eastpoint was combined with Center City Development.
[21] In fiscal year 2020, Public Works split from Transportation (Formerly "Transportation and Capital Improvements").
[22] 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.
[23] Fire Department Civilian Employees and Police Department Civilian Employees include cadets before completing Academy training.

Statistical Data
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program:										
Police:										
Physical Arrests [1]	161,604	165,319	164,310	180,667	188,212	116,382	103,443	103,318	54,173	43,339 [2]
Parking Violations	62,170	78,612	77,570	76,128	74,716	77,694	92,678	73,561	61,202	53,190 [2]
Traffic Violations	165,908	266,157	226,084	215,164	182,237	183,140	166,659	178,759	144,358	106,259 [2]
Fire:										
Fire Incidents	114,087	108,507	105,404	99,191	114,483	142,358	160,520	167,977	174,701	175,185
Fires Extinguished	3,121	2,218	2,420	2,371	2,046	2,512	3,155	2,881	2,756	3,057
Inspections	21,180	25,057	23,891	24,517	24,668	24,300	29,693	32,222	31,659	35,563
Solid Waste:										
Refuse Collected (tons per day)	1,137	1,123	1,138	1,084	1,219	1,225	1,305	1,247	1,230	1,333
Recyclables Collected (tons per day)	446	501	593	504	581	627	628	592	678	716
Other Public Works:										
Street Resurfacing (miles)	275.00	348.00	252.00	241.00	270.00	271.00	241.00	275.00	300.00	404.00
Potholes Repaired	15,137	11,431	10,465	12,955	29,401	57,679	75,127	85,443	100,520	91,910
Parks and Recreation:										
Athletic Field Permits Issued	3,939	4,273	4,746	5,043	4,116	3,919	3,634	4,166	4,026	2,184 [3]
Community Center Reservations	1,735	2,015	2,198	2,097	2,173	2,114	2,550	3,172	3,124	1,166 [3]
Library:										
Volumes in Collection	2,333,032	2,216,722	2,155,139	2,139,234	2,179,598	2,214,770	2,066,789	2,083,989	2,016,804	1,986,648 [4]
Volumes in Circulation	6,733,534	7,354,466	7,396,057	7,177,889	7,362,800	7,330,691	7,282,570	7,384,064	8,001,230	5,398,180 [4]
Water:										
Customers	356,546	360,281	365,099	367,408	373,920	378,365	488,705	496,543	505,627	515,981
Water Main Breaks	1,475	3,397	2,128	1,863	2,018	2,151	1,194	1,843	2,329	2,357
Average Daily Consumption (millions of gallons)	188.0	204.5	192.2	189.1	191.3	194.2	240.5	245.6	233.1	232.1
Maximum Daily Consumption (millions of gallons)	266.0	265.6	264.0	270.2	261.0	292.9	359.9	302.8	301.1	328.6
Wastewater:										
Amount Treated Peak Day (millions of gallons)	258.0	160.0	199.0	221.0	196.0	286.0	311.0	245.0	235.0	187.0

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 from Mar 14 - June 15 and reopened with contact-free pickup service at 29 locations and had public computers at 9 locations.

Statistical Data
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	716	716	716	719	769	768	768	772
Fire:										
Fire Stations	50	51	51	51	51	51	53	53	54	54
Solid Waste:										
Garbage Trucks	65									
Collection Vehicles [1]	160	323	333	349	360	377	377	377	383	387
Other Public Works:										
Streets (miles)	4,066	4,066	4,066	4,066	4,066	4,081	4,081	4,152	4,155	4,161
Highways (miles)	1,036	1,036	1,140	1,180	1,180	1,180	1,180	1,180	1,219	1,219
Streetlights	79,468	70,714	71,531	71,877	71,834	74,010	77,521	79,290	79,936	80,448
Traffic Signals	1,299	1,317	1,332	1,366	1,385	1,397	1,402	1,419	1,422	1,438
Parks and Recreation:										
Acreage	14,288	14,519	14,822	14,866	15,469	15,572	15,933	15,942	15,994	16,251
Playgrounds	154	166	177	178	196	197	200	221	223	223
Baseball/Softball Diamonds	129	129	129	130	129	129	129	129	129	129
Soccer/Football Fields	93	94	94	94	94	100	100	100	114	114
Golf Courses	7	7	7	7	8	8	8	8	8	8
Swimming Pools	26	26	26	26	26	26	25	25	26	26
Community Centers	30	30	30	30	30	30	30	30	30	30
Water:										
Water Mains (miles)	4,936	4,988	5,022	5,072	5,259	5,315	6,961	7,060	7,144	7,260
Fire Hydrants	27,115	27,566	27,914	28,323	28,753	29,530	39,998	40,872	41,553	42,513
Storage Capacity (millions of gallons)	180.8	184.1	183.7	197.4	220.6	221.0	269.2	277.2	287.6	287.6
Wastewater:										
Sewer Mains (miles)	5,118	5,163	5,200	5,238	5,247	5,322	5,375	5,482	5,535	5,629
Storm Sewers (miles)	581.0	581.0	581.0	700.0	700.0	700.0	574.0	646.0	623.0	648.0
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.

FEDERAL SECTION

Summary Schedule of Federal Awards by Type

Last Two Fiscal Years

Grant Type	Fiscal Year 2020	Fiscal Year 2019	Variance Increase (Decrease)
Federal Categorical Grants:			
Air Transportation	$ 59,495,535	$ 12,560,397	$ 46,935,138
Criminal Justice	10,724,852	3,862,718	6,862,134
Emergency Management	8,921,289	3,797,450	5,123,839
Environmental Quality	257,696	257,642	54
Public Health	293,515,385	14,928,958	278,586,427
Public Works	880,000	15,356,000	(14,476,000)
Recreation and Culture	1,413,346	1,405,230	8,116
Social Services	148,905,973	94,834,655	54,071,318
Total Federal Categorical Grants	$ 524,114,076	$ 147,003,050	$ 377,111,026
Federal Block Grants:			
Community Development Block Grant	$ 20,587,370	$ 12,741,544	$ 7,845,826
HOME Program Block Grant	5,100,964	5,491,627	(390,663)
Total Federal Block Grants	$ 25,688,334	$ 18,233,171	$ 7,455,163
Total Federal Grants	$ 549,802,410	$ 165,236,221	$ 384,566,189

Air Transportation increase of $46.9 million is primarily due to $39.7 million in COVID-19 Response & Relief funding that may be used for any purpose for which airport revenues may be lawfully used; and an increase of $7.1 million in fiscal year 2020 for airport projects.

Criminal Justice increase of $6.9 million is due to the multi-year $3.1 million Community Oriented Policing Services grant and $2.2 million in Coronavirus Emergency Supplemental Funding (CESF) for Personal Protective Equipment (PPE), salaries, and supplies.

Emergency Management increase of $5.1 million is due to $3.2 million in CESF for PPE, contactless turnstiles, touchless appliances, and other necessary equipment; and $1.4 million increase in Urban Area Security Initiative (UASI) funding.

Public Health increase of $278.6 million is due to the City-wide COVID-19 Response & Relief Fund award of $270 million that could be used to offset public health salaries, PPE, supplies, emergency response and secondary impacts to the community due to COVID-19. The Health Department received an additional $7.4 million in Coronavirus funding for Laboratory Response Network, immunizations and health crisis response.

Public Works decrease of $14.5 million is due to six Texas Department of Transportation Advanced Funding Agreement's executed in fiscal year 2019, while only one was executed in fiscal year 2020.

Social Services increase of $54.1 million is due to $36.7 million to prevent, prepare for and respond to the Coronavirus as additional funds to their existing Emergency Solutions Grants and Child Care Services programs; and a $10.6 million increase in Child Care Services Federal funding, $4.6 million in Lead Hazard Reduction grants, $2.2 million increase in Head Start grants.

Summary Schedule of Federal Awards by Type (Continued)

Last Two Fiscal Years (Continued)

Community Development Block Grants increased $7.8 million due to the Neighborhood and Housing Department receiving $7.7 million in Community Development Block Grant Coronavirus funding.

The City receives multi-year grants that are awarded during the fiscal year, as well as grants whose award dates do not correlate with the City's fiscal year. As such, expenditures for these grants will be reported on the Schedule of 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, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL CFDA NUMBER	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 2018-2019	10.557	2017-049832-001	22-01636048	$ -	$ 170,358
WIC 2019-2020	10.557	2017-049832-001	22-01636069		5,432,583
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				$ -	$ 5,602,941
Child Nutrition Cluster:					
Pass Through - Texas Department of Agriculture:					
Summer Food Service Program for Children:					
Summer Food Program 2020	10.559	CE 01566	22-02026006	$ -	$ 259,346
Total Child Nutrition Cluster				$ -	$ 259,346
Total U.S. Department of Agriculture				$ -	$ 5,862,287
U.S. Department of Housing and Urban Development:					
Direct Programs:					
Housing Counseling Assistance Program:					
Housing Counseling Program 2018	14.169	HC180821030	22-05457002	$ -	$ 15,190
Housing Counseling Program 2019	14.169	HC190821019	22-05457003		10,453
Total Housing Counseling Assistance Program				$ -	$ 25,643
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants:					
Community Development Program - 29th Year	14.218	B03MC480508	28-029000	$ -	$ 584,729
Community Development Program - 31st Year	14.218	B05MC480508	28-031000		1,826
Community Development Program - 34th Year	14.218	B08MC480508	28-034000		4,912
Community Development Program - 40th Year	14.218	B14MC480508	28-040000	23,847	(68,156)
Community Development Program - 41st Year	14.218	B15MC480508	28-041000		145,139
Community Development Program - 42nd Year	14.218	B16MC480508	28-242000		856,530
Community Development Program - 43rd Year	14.218	B17MC480508	28-243000		1,273,919
Community Development Program - 44th Year	14.218	B18MC480508	28-244000	18,376	3,928,589
Community Development Program - 45th Year	14.218	B19MC480508	28-245000	385,121	9,446,633
Community Development Program - 46th Year	14.218	B20MC480508	28-246000		1
CDBG Investment Partnerships Program Outstanding Loans	14.218	Various	Various		2,378,600
Neighborhood Stabilization Grant Program Outstanding Loans	14.218	Various	Various		2,564,515
Subtotal Community Development Block Grants/Entitlement Grants				$ 427,344	$ 21,117,237
COVID-19 Community Development Block Grants/Entitlement Grants:					
Community Development Program - 45th COVID-19	14.218	B19MC480508	21-28000001	$ -	$ 7,667,792
Total CDBG - Entitlement Grants Cluster				$ 427,344	$ 28,785,029
Emergency Solutions Grant Program:					
ESG 2017-2019	14.231	E17MC480508	22-05438009	$ -	$ 276
ESG 2018-2020	14.231	E18MC480508	22-05438014	46,345	83,444
ESG 2019-2021	14.231	E19MC480508	22-05438017	624,525	827,605
Subtotal Emergency Solutions Grant Program				$ 670,870	$ 911,325
COVID-19 Emergency Solutions Grant Program:					
ESG 2020 COVID-19	14.231	E20MW480508	21-03800001	$ -	$ 234,750
Total Emergency Solutions Grant Program				$ 670,870	$ 1,146,075
HOME Investment Partnerships Program: *					
HOME Program Grant - 12th Year	14.239	M03MC480508	25-012000	$ -	$ 33,500
HOME Program Grant - 13th Year	14.239	M04MC480508	25-013000		114,517
HOME Program Grant - 22nd Year	14.239	M13MC480508	25-022000		340
HOME Program Grant - 23rd Year	14.239	M14MC480508	25-023000		747
HOME Program Grant - 24th Year	14.239	M15MC480508	25-024000		208,919
HOME Program Grant - 25th Year	14.239	M16MC480508	25-225000		162,317
HOME Program Grant - 26th Year	14.239	M17MC480508	25-226000		769,199
HOME Program Grant - 27th Year	14.239	M18MC480508	25-227000		1,782,291
HOME Program Grant - 28th Year	14.239	M19MC480508	25-228000		947,868
HOME Investment Partnerships Program Outstanding Loans	14.239	Various	Various		30,308,412
Total HOME Investment Partnerships Program				$ -	$ 34,328,110
Housing Opportunities for Persons with AIDS:					
HOPWA 2017-2020	14.241	TXH17F005	22-05438006	$ -	$ 33
HOPWA 2018-2021	14.241	TXH18F005	22-05438013	141,338	147,044
HOPWA 2019-2022	14.241	TXH19F005	22-05438016	1,346,191	1,414,850
Subtotal Housing Opportunities for Persons with AIDS				$ 1,487,529	$ 1,561,927
COVID-19 Housing Opportunities for Persons with AIDS:					
HOPWA HUD COVID-19	14.241	THX20-FHW005	21-03800002	$ -	$ 16,722
Total Housing Opportunities for Persons with AIDS				$ 1,487,529	$ 1,578,649
Lead Hazard Reduction Demonstration Grant Program:					
Lead Hazard Reduction Demonstration 2016-2019	14.905	TXLHD0297-16	22-05450001	$ -	$ 422,071
Lead Hazard Reduction Demonstration 2020-2023	14.905	TXLHD0321-19	22-05457004		20,331
Total Lead Hazard Reduction Demonstration Grant Program				$ -	$ 442,402
Pass Through - Michigan Technological University:					
Healthy Homes Technical Studies Grants:					
Healthy Homes Tech Grant	14.906	MILTS0007-17	22-05457003	$ -	$ 266
Total U.S. Department of Housing and Urban Development				$ 2,585,743	$ 66,306,174

* Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL CFDA NUMBER	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Justice:					
Pass Through - Texas Office of the Governor - Criminal Justice Division:					
COVID-19 Emergency Supplemental Funding Program:					
COVID-19 Emergency Supplemental Funding	16.034	2020-VD-BX-0002	21-020000001	$ -	$ 2,658,093
Direct Programs:					
San Antonio PD COVID-19 Emergency Supplemental Funding	16.034	2020-VD-BX-1203	21-017000001		95
Total Coronavirus Emergency Supplemental Funding Program				$ -	$ 2,658,188
Community-Based Violence Prevention Program:					
Supporting Victims of Gang Violence-19	16.123	2019-MU-MU-0008	22-02817012	$ -	$ 6,039
Services for Trafficking Victims:					
Enhanced Collaborative Model to Combat Human Trafficking	16.320	2016-VT-BX-K011	22-02817002	$ -	$ 226,219
Project Safe Neighborhoods:					
Safe Neighborhoods	16.609	2018-GP-BX-0062	26-05336003	$ -	$ 42,329
Public Safety Partnership and Community Policing Grants:					
Cops CHRP Grant 2018-2020	16.710	2017ULWX0018	22-02817007	$ -	$ 644,014
Edward Byrne Memorial Justice Assistance Grant Program:					
SAPD NIBIN Implementation Program	16.738	2017-DG-BX-K009	22-02817005	$ -	$ 1,215
Pass-Through - Bexar County:					
Edward Byrne Memorial Justice Assistance Grant Program:					
JAG 2017-2021	16.738	2017-DJ-BX-0847	22-02817008	$ -	$ (181)
JAG 2018-2022	16.738	2018-DJ-BX-0415	22-02817011		164,324
JAG 2019-2023	16.738	2018-DJ-BX-0570	22-02817014		140,915
				$ -	$ 305,058
Total Edward Byrne Memorial Justice Assistance Grant Program				$ -	$ 306,273
Direct Programs:					
Economic, High-Tech, and Cyber Crime Prevention:					
Intellectual Property Crimes 2018	16.752	2018-IP-BX-0019	22-02817009	$ -	$ 123,744
Equitable Sharing Program:					
Airport Federal Account	16.922	N/A	29-037000	$ -	$ 18,644
Federal Account	16.922	N/A	29-039000		128,833
HIDTA - Federal Account	16.922	N/A	29-046000		(57,682)
Total Equitable Sharing Program				$ -	$ 89,795
Total U.S. Department of Justice				$ -	$ 4,096,601
U.S. Department of Transportation:					
Direct Program:					
Airport Improvement Program:					
Construct TWY Pkg 6	20.106	3-48-0192-092-2019	22-05833014	$ -	$ 698,017
Master Plan Update, PH II	20.106	3-48-0192-093-2019	22-05833016		746,851
Master Plan Update, SAT	20.106	3-48-0192-091-2018	22-05833011		136,059
Perimeter Road Pk2 88-17	20.106	3-48-0192-088-2017	22-05833007		24,372
Rehabilitate Taxiway R Pkg 6	20.106	3-48-0192-095-2019	22-05833017		522,967
Rehabilitate Taxiway R Phase II	20.106	3-48-0192-097-2020	22-05833019		2,008,966
Residential Acoustical Program 85-2016	20.106	3-48-0192-085-2016	22-05833004		1,087,111
Residential Acoustical Program 90-2017	20.106	3-48-0192-090-2017	22-05833009		1,288,470
Runway Incursion Light	20.106	3-48-0192-094-2019	22-05833018		621,687
VALE Infrastructure	20.106	3-48-0192-096-2019	22-05833015		810,515
Runway 12R Lighting 86-2016	20.106	3-48-0192-086-2016	22-05833000		189,361
Taxiway G Rehabilitate 83-2016	20.106	3-48-0192-083-2016	22-05833001		15,098
Taxiway J Rehabilitate 84-2016	20.106	3-48-0192-084-2016	22-05833002		1,974
Subtotal Airport Improvement Program				$ -	$ 8,151,448
COVID-19 Airport Improvement Program:					
COVID-19 Act Airport Grant	20.106	3-48-0192-099-2020	21-03300000	$ -	$ 9,069,886
Total Airport Improvement Program				$ -	$ 17,221,334
Pass Through - Texas Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction Program:	*				
Harry Wurzbach at Austin Highway	20.205	CSJ 0915-12-550	26-05923009	$ -	$ 1,737,442
Judson Rd Sidewalks	20.205	CSJ 0915-12-603	22-05923012		465,089
Medical Center-Floyd Curl	20.205	CSJ 0915-12-558	26-05923012		330,029
Public Safety Campaign	20.205	CSJ 0915-12-488	26-05955001		8,846
Signal Controllers	20.205	CSJ 0915-12-601	22-05923010		526,700
TXDOT - Contributions	20.205	Various	26-05940001		4,926,620
Total Highway Planning and Construction Program				$ -	$ 7,994,726
Total Highway Planning and Construction Cluster				$ -	$ 7,994,726
Highway Safety Cluster:					
State and Community Highway Safety:					
Traffic Safety Grant 2019	20.600	2019-SanAntPD-S-1YG-00009	22-05917002	$ -	$ (28,211)
STEP Comprehensive	20.600	2020-SanAntPD-S-1YG-00007	22-05917004		898,457
Total State and Community Highway Safety				$ -	$ 870,246
Total Highway Safety Cluster				$ -	$ 870,246
Total U.S. Department of Transportation				$ -	$ 26,086,306

* Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM		FEDERAL CFDA NUMBER	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
Department of Treasury:						
Direct Programs:						
Equitable Sharing Program:						
HIDTA - Federal Treasury		21.016	N/A	29-046001	$ -	$ 125,593
Coronavirus Relief Fund:	*					
COVID-19 Aid, Relief, and Economic Securities Act		21.019	N/A	21-00700001	$ 27,020,806	$ 197,761,361
Total Department of Treasury					$ 27,020,806	$ 197,886,954
Institute of Museum and Library Services:						
Pass Through - Texas State Library and Archives Commission:						
Grants to States:						
Interlibrary Loan Grant 2019		45.310	LS-00-18-0044-18	22-01804005	$ -	$ 102,060
COVID-19 Grants to States:						
COVID-19 Grant Cycle 1		45.310	LS-246561-OLS-20	21-00400001	$ -	$ 6,936
Total Institute of Museum and Library Services					$ -	$ 108,996
Environmental Protection Agency:						
Direct Program:						
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreement:						
EPA Grant - Hazardous		66.818	BF-01F07701	26-01219003	$ -	$ 10,788
EPA Grant - Petroleum		66.818	BF-01F07201	26-01219004		17,611
Total Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreement					$ -	$ 28,399
Total Environmental Protection Agency					$ -	$ 28,399
U.S. Department of Health and Human Services:						
Pass Through - Alamo Area Council of Governments:						
Aging Cluster:						
Special Programs for the Aging, Title III, Part C, Nutrition Services:						
SNP 2019-2020		93.045	539-11-004-00001	22-01138003	$ -	$ 1,631,285
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services:						
COVID-19 Families First Corona Response Act		93.045	539-16-00210001	21-03800006	$ -	$ 423,437
Pass Through - Alamo Area Council of Governments:						
Nutrition Services Incentive Program:						
SNP 2019-2020		93.053	539-11-004-00001	22-01138003	$ -	$ 450,240
Total Aging Cluster					$ -	$ 2,504,962
Pass Through - Texas Health and Human Services Commission:						
Environmental Public Health and Emergency Response:						
Public Health Emergency Preparedness:						
Bio-Terrorism Preparation 2018-2020		93.069	537-18-0179-00001	22-01636056	$ -	$ 745,135
Bio-Terrorism Preparation 2019-2021		93.069	537-18-0179-00001	22-01636078		234,798
Cities Readiness Initiative 2019		93.069	537-18-0191-00001	22-01636038		(967)
Cities Readiness Initiative 2020		93.069	537-18-0191-00001	22-01636057		169,125
Cities Readiness Initiative 2021		93.069	537-18-0191-00001	22-01636079		51,409
Laboratory Response Network 2020		93.069	537-18-0148-00001	22-01636055		133,763
Laboratory Response Network 2021		93.069	537-18-0148-00001	22-01636077		36,601
Total Public Health Emergency Preparedness					$ -	$ 1,369,864
Environmental Public Health and Emergency Response:						
ASTHMA 2020-2021		93.070	HHS000701300001	22-01636075	$ -	$ 4,584
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:						
Special T.B. Team Project 2019		93.116	HHS000036000008	22-01636051	$ -	$ 82,645
Special T.B. Team Project 2020		93.116	HHS000686100023	22-01636072		177,792
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs					$ -	$ 260,437
Acquired Immunodeficiency Syndrome (AIDS) Activity:						
STD Staff Support Program 2019		93.118	HHS000288900006	22-01636052	$ -	$ 7,500
STD Staff Support Program 2020		93.118	HHS000288900006	22-01636073		72,364
Total Acquired Immunodeficiency Syndrome (AIDS) Activity					$ -	$ 79,864
Direct Program						
Immunization Cooperative Agreements:						
Immunization Program 317 - 2018		93.268	6 NH23IP000718-05-03	22-02236005	$ -	$ (126)
Immunization Program 317 - 2019		93.268	6 NH23IP922584-01-01	22-02236007		1,672,514
Immunization Program 317 - 2020		93.268	5 NH23IP922584-02-00	22-02236009		814,274
Subtotal Immunization Cooperative Agreements					$ -	$ 2,486,662
COVID-19 Immunization Cooperative Agreements:						
COVID-19 Immunization NCIRD Cooperative Agreements		93.268	6 NH23IP922584-01-02	21-03600003	$ -	$ 26,421
Total Immunization Cooperative Agreements					$ -	$ 2,513,083
Pass Through - Texas Health and Human Services Commission:						
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):						
ZIKA Grant 2018		93.323	537-18-0356-00001	22-01636016	$ -	$ (84)
Subtotal U.S. Department of Health and Human Services					$ -	$ 6,732,710

* Major Program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL CFDA NUMBER	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Direct Programs:					
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
Hurricane Crisis Response FY19	93.354	HHS000371500007	22-01636054	$ -	$ 40,434
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
Health COVID - 19 Grant	93.354	HHS000764800001	21-03600001	$ -	$ 49,665
Health COVID - 19 Cooperative Agreement	93.354	HHS000767600001	21-03600002		567,204
Total COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				$ -	$ 616,869
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				$ -	$ 657,303
Pass Through - Workforce Solutions Alamo:					
Temporary Assistance for Needy Families:					
CCDS - 2018-2019	93.558	2017CCS-02	22-03938007	$ -	$ 514
CCDS - 2019-2020	93.558	2017CCS-03	22-03938008		1,087
Total Temporary Assistance for Needy Families				$ -	$ 1,601
Pass Through - Texas Department of Housing & Community Affairs:					
Community Services Block Grant:					
CSBG - 2019	93.569	61190003036	22-06038004	$ -	$ 741,069
CSBG - 2020	93.569	61200003036	22-06038005		1,365,900
Subtotal Community Services Block Grant				$ -	$ 2,106,969
COVID-19 Community Services Block Grant:					
CSBG - 2020 COVID-19	93.569	61200003329	21-03800008	$ -	$ 682,075
CSBG - 2021 COVID-19	93.569	61200003265	21-03800007		105,026
Total COVID-19 Community Services Block Grant				$ -	$ 787,101
Total Community Services Block Grant				$ -	$ 2,894,070
Pass Through - Workforce Solutions Alamo:					
CCDF Cluster:					
Child Care and Development Block Grant:					
CCDS - 2018-2019	93.575	2017CCS-02	22-03938007	$ -	$ 1,684,446
CCDS - 2019-2020	93.575	2017CCS-03	22-03938008		56,113,102
Subtotal Child Care and Development Block Grant				$ -	$ 57,797,548
COVID-19 Child Care and Development Block Grant:					
CCS 2020 COVID 19	93.575	2017CCS-03 Renewal 2-3	21-03800009	$ -	$ 10,318,670
Total Child Care and Development Block Grant				$ -	$ 68,116,218
Child Care Mandatory and Matching Funds of the Child Care and Development Fund:					
CCDS - 2018-2019	93.596	2017CCS-02	22-03938007	$ -	$ 7,064,306
CCDS - 2019-2020	93.596	2017CCS-03	22-03938008		4,822,867
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund				$ -	$ 11,887,173
Total CCDF Cluster				$ -	$ 80,003,391
Direct Programs:					
Head Start:					
Early Head Start 2018-2019	93.600	06HP0019/04	22-02238005	$ -	$ 24,401
Early Head Start 2019-2020	93.600	06HP000255/01	22-02238007		2,370,549
Early Head Start 2020-2021	93.600	06CH011533/01	22-02238009		43,002
Early Head Start CCP 2020-2021	93.600	06HP000255-02	22-02238010		424,858
Head Start Program 2018-2019	93.600	06CH7074/06	22-02238004		(24)
Head Start Program 2019-2020	93.600	06CH010821-01	22-02238006	6,487,966	8,830,722
Head Start Program 2020-2021	93.600	06CH010821-02	22-02238008	9,066,401	13,868,662
Subtotal Head Start				$ 15,554,367	$ 25,562,170
COVID-19 Head Start:					
Head Start Program 2020-2021 COVID-19	93.600	06CH010821-01	21-03800004	$ -	$ 148,233
Total Head Start				$ 15,554,367	$ 25,710,403
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds:					
Reach Healthy Neighborhoods FY19	93.738	6 NU58DP006589-19-01	22-01636050	$ -	$ (901)
Reach Healthy Neighborhoods FY20	93.738	6 NU58DP006589-20-01	22-01636058		1,017,496
Total PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds				$ -	$ 1,016,595
Medicaid Cluster:					
Medical Assistance Program:					
TB Medicaid Waiver 2018-2019	93.778	HHS000068600001	22-01636049	$ -	$ 13,043
TB Medicaid Waiver 2019-2020	93.778	HHS000068600001	22-01636070	55,668	825,126
Total Medical Assistance Program				$ 55,668	$ 838,169
Total Medicaid Cluster				$ 55,668	$ 838,169
Subtotal U.S. Department of Health and Human Services				$ 15,610,035	$ 111,121,532

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL CFDA NUMBER	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Direct Program:					
Healthy Start Initiative:					
Healthy Start Initiative 2019-2020	93.926	6 H49MC00101-19-01	22-02236006	$ -	$ 633,865
Healthy Start Initiative 2020-2021	93.926	6 H49MC00101-20-01	22-02236008		390,251
Total Healthy Start Initiative				$ -	$ 1,024,116
Pass Through - Texas Health and Human Services Commission:					
HIV Prevention Activities Health Department Based:					
STD-Staff Support Program 2019	93.940	HHS000288900006	22-01636052	$ -	$ 67,145
STD Staff Support Program 2020	93.940	HHS000288900006	22-01636073		292,115
Total HIV Prevention Activities Health Department Based				-	$ 359,260
Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD-Staff Support Program 2018	93.977	2016-001341	22-01636031	$ -	$ (148)
STD-Staff Support Program 2019	93.977	HHS000288900006	22-01636052		326,189
STD Staff Support Program 2020	93.977	HHS000288900006	22-01636073		248,639
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants				$ -	$ 574,680
Preventive Health and Health Services Block Grant:					
Federal Triple OOO FY 2020	93.991	HHS000485600003	22-01636061		$ 118,020
Federal Triple OOO FY 2021	93.991	HHS000485600003	22-01636094	$ -	6,224
Total Preventive Health and Health Services Block Grant				$ -	$ 124,244
Maternal and Child Health Services Block Grant to the States:					
DSHS Healthy Texas Babies 2020	93.994	HHS000066400001	22-01636064	$ -	$ 70,960
DSHS Healthy Texas Babies 2021	93.994	HHS000066400001	22-01636082		5,145
Title V CHS - Dental Services 2019	93.994	2016-003944	22-01636044		4,538
Title V CHS - Dental Services 2020	93.994	HHS000136500028	22-01636062		180,540
Title V CHS - Dental Services 2021	93.994	HHS000136500028	22-01636085		2,412
Total Maternal and Child Health Services Block Grant to the States				$ -	$ 263,595
Total U.S. Department of Health and Human Services				$ 15,610,035	$ 120,200,137
Executive Office of the President:					
Direct Program:					
High Intensity Drug Trafficking Areas Program:					
Office of National Drug Control Policy:					
HIDTA Initiative San Antonio 2017	95.001	G17SS0009A	22-02817003	$ -	$ 8,337
HIDTA Initiative San Antonio 2018	95.001	G18SS0009A	22-02817006		89,314
HIDTA Initiative San Antonio 2019	95.001	G19SS0009A	22-02817010		1,156,557
HIDTA Initiative San Antonio 2020	95.001	G20SS0009A	22-02817013		792,260
Total High Intensity Drug Trafficking Areas Program				$ -	$ 2,046,468
Total Executive Office of the President				$ -	$ 2,046,468
U.S. Department of Homeland Security:					
Pass Through - United Way National Board:					
Emergency Food and Shelter National Board Program:					
Emergency Food and Shelter Program	97.024	SF7886-00-039C1	22-05438018	$ -	$ 624,253
Pass Through - Texas Department of Emergency Management:					
Emergency Management Performance Grants:					
EMPG 2020	97.042	20TX-EMPG-0632	22-05620022	$ -	$ 123,768
Pass Through - Texas Office of the Governor - Homeland Security Grants Division:					
Homeland Security Grant Program:					
HSGP 2017	97.067	EMW-2017-SS-00005	22-06520004	$ -	$ (2,248)
SHSP 2016	97.067	EMW-2016-SS-00056	22-06520002		(21,905)
SHSP 2018	97.067	EMW-2018-SS-00022-S01	22-06520007		228,271
SHSP 2019	97.067	EMW-2019-SS-00034-S01	22-05620023		200,472
UASI 2017	97.067	EMW-2017-SS-00005	22-06520005		235,692
UASI 2018	97.067	EMW-2018-SS-00022-S01	22-06520006		449,271
UASI 2019	97.067	EMW-2019-SS-00034-S01	22-05620021		1,834,106
Total Homeland Security Grant Program				$ -	$ 2,923,659
Direct Program:					
Homeland Security Biowatch Program:					
Biowatch Fed Air Monitoring 2019	97.091	150HBIO00027-02-00	22-06536004	$ -	$ (63)
Biowatch Fed Air Monitoring 2020	97.091	150HBIO00027-05-00	22-01636063		203,776
Biowatch Fed Air Monitoring 2021	97.091	150HBIO00027-06-01	22-01636080		65,212
Total Homeland Security Biowatch Program				$ -	$ 268,925
Total U.S. Department of Homeland Security				$ -	$ 3,940,605
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 45,216,584	$ 426,562,927

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

Year-Ended September 30, 2020

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, 2020, the City recorded net HOME Program Notes Receivable of $35,500,213, which includes the estimated allowances for the doubtful accounts of $26,634,725. These are loans that are made for renovation or construction of apartment complexes that provide rental to low income people. Some loans are forgivable provided the program and loan criteria are met. Included in the gross notes receivable balance are multi-family loans in the amount of $30,308,412 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.

3. As of September 30, 2020, the City recorded net CDBG Program Notes Receivable of $9,092,951, which includes the estimated allowances for the doubtful accounts of $10,400,307. 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 $2,378,600 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.

4. As of September 30, 2020, the City recorded net NSP Program Notes Receivable of $1,071,583, which includes estimated allowances for doubtful accounts of $3,148,401. These are rental rehabilitation loans. Some loans are forgivable provided the program and loan criteria are met. Included in the gross notes receivable balance are multi-family loans in the amount of $2,564,515 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

BKD
CPAs & Advisors

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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

The 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, 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, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of San Antonio, Texas' basic financial statements, and have issued our report thereon dated March 8, 2021. Our report includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, 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 San Antonio Fire and Police Retiree Health Care Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance 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 CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance Corporation, component units included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, San Antonio Housing Trust Finance 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 these component units or that are reported on separately by those auditors who audited the financial statements of San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, and San Antonio Water System.

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

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BKD, LLP

Houston, Texas
March 8, 2021

Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance – Independent Auditor's Report

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for the Major Federal Program

We have audited the City of San Antonio, Texas' (the City's) compliance with the types of compliance requirements described 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, 2020. 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 $15,265,645 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2020. Our audit, described below, did not include the operations of SAWS and Pre-K 4 SA because SAWS and Pre-K 4 SA engaged other auditors to perform an audit in accordance with the Uniform Guidance and Port SA engaged BKD to perform a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of

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

compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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.

BKD, LLP

Houston, Texas
March 8, 2021

Schedule of Findings and Questioned Costs Federal

Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2020

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

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:

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:

CFDA Number(s)	Name of Federal Program or Cluster
14.239	HOME Investment Partnerships Program
20.205	Highway Planning and Construction Cluster
21.019	Coronavirus Relief Fund

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, 2020

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

There are no findings to be reported.

Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2020

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There are no findings to be reported.

Corrective Action Plan
Federal

CITY OF SAN ANTONIO
EST. 1718

Corrective Action Plan
Federal Grants
Year-Ended September 30, 2020

None

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Summary Status of Prior Year Findings Federal

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Summary Status of Prior Year Findings
Federal Grants
Year-Ended September 30, 2020

None

STATE SECTION

Summary Schedule of State Awards by Type

Last Two Fiscal Years

Grant Type	Fiscal Year 2020	Fiscal Year 2019	Variance Increase (Decrease)
State Categorical Grants:			
Air Transportation	$ 50,000	$ 50,000	$ -
Criminal Justice	1,818,879	1,555,357	263,522
Emergency Management	4,548,011	30,914	4,517,097
Public Health	2,298,410	1,578,452	719,958
Public Works	82,449	1,150,813	(1,068,364)
Recreation and Culture	1,024,000		1,024,000
Social Services	8,986,912	12,180,850	(3,193,938)
Total State Categorical Grants	$ 18,808,661	$ 16,546,386	$ 2,262,275

Criminal Justice increase of $264 thousand is due to the receipt of the DNA Testing Kits grant for $275 thousand in fiscal year 2020, not previously awarded.

Emergency Management increase of $4.5 million is due to awards for the City’s response for July and August Tropical Weather Events.

Public Health increase of $720 thousand is due to $370 thousand of lactation grants previously awarded as federal, $268 thousand increase in funding in Tuberculosis Prevention Grants, and $225 thousand of Diabetes Prevention grants not awarded in fiscal year 2019; mitigated by a $125 thousand decrease of HIV Prevention Grants.

Public Works decrease of $1.1 million is due to six Texas Department of Transportation Advanced Funding Agreement's executed in fiscal year 2019, while only one was executed in fiscal year 2020.

Recreation and Culture increase of $1 million is due to the receipt of the Urban Outdoor Recreation Grant in fiscal year 2020.

Social Services decrease of $3.2 million is primarily due to a $3.5 million reduction in fiscal year 2020 State funding for the Child Care Services Program mitigated by a $269 thousand increase of Homeless Housing and Services Program funds. The City’s decrease in the State portion of the Child Care Services Program is due to outside agencies being awarded contracts directly from the State to manage this program, thus reducing the City’s allocation of State grant funding.

The City receives multi-year grants that are awarded during the fiscal year, as well as grants whose award dates do not correlate with the City’s fiscal year. As such, expenditures for these grants will be reported on the Schedule of State Expenditures when expended, and expenditures will not always be reported in the same year the award was received.

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Schedule of Expenditures of State Awards by Grantor, State Program and Grant Number

Schedule of Expenditures of State Awards
Year-Ended September 30, 2020

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	$ 138,779
New State Account	N/A	29-038000	589,581
Vice State Account	N/A	29-040000	(351,313)
Vice State Chapter 18	N/A	29-040001	349,829
Total State Confiscated Property			$ 726,876
Total Texas Attorney General's Office			$ 726,876
Texas Commission on Environmental Quality:			
Direct Program			
Solid Waste Grant Projects:			
Community Outreach Program 2020	20-18-06	22-00855005	$ 58,685
Total Texas Commission on Environmental Quality			$ 58,685
Texas Department of Housing Affairs:			
Direct Program			
Texas Homeless Housing and Services Program	18205000001	22-06038006	$ 93,633
Total Texas Department of Housing Affairs			$ 93,633
Texas Department of State Health Services:			
Direct Programs			
Diabetes Prevention & Control Program			
Diabetes Prevention and Control 2020	HHS000727800001	22-01636076	$ 46,384
Diabetes Prevention and Control 2021	HHS000727800001	22-01636087	14,288
Total Diabetes Prevention & Control Program			$ 60,672
Emerging and Acute Infectious Disease Branch:			
IDCU/FLU - Lab 2020	HHS000455500001	22-01636068	$ 3,626
IDCU/Surveillance Epidemiology Ebola 2019	537-18-0328-00001	22-01636041	(367)
IDCU/Surveillance Epidemiology Ebola 2020	HHS000436300023	22-01636066	124,554
IDCU/Surveillance Epidemiology Ebola 2021	HHS000436300023	22-01636089	11,399
Total Emerging and Acute Infectious Disease Branch			$ 139,212
HIV Surveillance & Prevention Programs:			
HIV Prevention Program 2019	2016-001339-009	22-01636053	$ 68,360
HIV Surveillance Program 2020	537-18-0007-00001	22-01636059	162,065
HIV Surveillance Program 2021	537-18-0007-00001	22-01636092	12,545
Total HIV Surveillance & Prevention Programs			$ 242,970
Immunization Grants:			
Inner-City School Immunization 2019	HHS000119700021	22-01636040	$ (38)
Inner-City School Immunization 2020	HHS000119700021	22-01636065	489,494
Inner-City School Immunization 2021	HHS000119700021	22-01636088	41,079
Total Immunization Grants			$ 530,535
Lactation Support Program:			
Lactation Support 2020	HHS000455500001	22-01636071	$ 184,527
Lactation Support 2021	HHS000455500001	22-01636081	13,491
Total Lactation Support Program			$ 198,018
Milk Sample Lab Tests:			
Milk Group - 2020	537-18-0162-00001	22-01636067	$ 44,625
Milk Group - 2021	537-18-0162-00001	22-01636090	5,321
Total Milk Sample Lab Tests			$ 49,946
Preventive Health and Health Services Block Grant:			
Fed Triple OOO 2020	HHS000485600003	22-01636061	$ 78,680
Fed Triple OOO 2021	HHS000485600003	22-01636094	6,987
Total Preventive Health and Health Services Block Grant			$ 85,667
Pass Through - Alamo Area Council of Governments			
Special Programs for the Aging, Nutrition Services:			
SNP 2019-2020	539-11-004-00001	22-01138003	$ 6,472
Direct Programs			
Sexually Transmitted Diseases (STD) Prevention and Control Grants: *			
STD Staff Support Program 2019	HHS000288900006	22-01636052	$ 293,814
STD Staff Support Program 2020	HHS000288900006	22-01636073	695,279
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			$ 989,093
TB Prevention and Control:			
TB Prevention and Control 2018-2019	537-18-0042-00001	22-01636046	$ (39)
TB Prevention and Control 2019-2020	HHS000484100001	22-01636060	700,889
TB Prevention and Control 2020-2021	HHS000484100001	22-01636093	45,840
Total TB Prevention and Control			$ 746,690
Total Texas Department of State Health Services			$ 3,049,275

* Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards

Schedule of Expenditures of State Awards
Year-Ended September 30, 2020

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM		GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES
Texas Department of Transportation:				
Pass Through - The Texas Burglary & Theft				
Prevention Authority				
Regional Auto Crimes Team:				
Regional Auto Crimes Team 2015-2016		SAT041006314	26-03117007	$ (125)
Regional Auto Crimes Team 2018-2019		608-19-SPD0000	22-03117002	2
Regional Auto Crimes Team 2019-2020		608-20-SPD0000	22-03117003	687,184
Regional Auto Crimes Team 2020-2021		608-21-SPD0000	22-03117004	89,782
Total Texas Automobile Burglary & Theft Prevention Authority				$ 776,843
Direct Programs				
Airport Improvement Program:				
Stinson Ramp - 2020		M2015STSO	22-05833020	$ 50,000
Highway Planning and Construction:	*			
Callaghan Road		CSJ 0915-12-516	26-05923019	$ 98
Harry Wurzbach/Austin Highway		CSJ 0915-12-550	26-05923016	186,775
Medical Center Green St-Floyd Curl		CSJ 0915-12-558	26-05923017	35,478
Quintana Road		CSJ 0915-12-520	Various	529,830
Total Highway Planning and Construction				$ 752,181
Total Texas Department of Transportation				$ 1,579,024
Texas Division of Emergency Management:				
Direct Program				
Hurricane Hanna		00-124676 (TX)	22-05680006	$ 8,774
Hurricane Laura	*	00-140438 (TX)	22-05680007	4,526,313
Total Texas Division of Emergency Management				$ 4,535,087
Office of the Texas Governor:				
Direct Program				
Criminal Justice Division:				
Truancy Intervention & Prevention Program 2019		3291103	22-05303003	$ 513,798
Truancy Intervention & Prevention Program 2020		3291104	22-05303004	39,285
DNA Testing 2020		3970501	22-03117005	183,911
Total Criminal Justice Division				$ 736,994
Total Office of the Texas Governor				$ 736,994
Texas Parks and Wildlife Commission:				
Direct Program				
Local Park Grant Program:	*			
Hardberger Park		55-000037	22-05226002	$ 893,151
Rosedale Park Improvement		55-000031	22-05226001	(1,394)
Monterrey Park		56-000009	22-05226004	44,920
Total Local Park Grant Program				$ 936,677
Total Texas Parks and Wildlife Commission				$ 936,677
Texas Workforce Commission:				
Pass Through - Alamo Workforce Development, Inc.:	*			
CCS - 2018-2019		2017CCS-02	22-03938007	$ (7,937)
CCS - 2019-2020		2017CCS-03	22-03938008	7,312,139
Total Texas Workforce Commission				$ 7,304,202
TOTAL EXPENDITURES OF STATE AWARDS				**$ 19,020,453**

* Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards

Notes to the Schedule of Expenditures of State Awards

Year-Ended September 30, 2020

1. The accompanying schedule of expenditures of state awards includes the state grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *State of Texas Single Audit Circular* ("Audit Circular"). The Audit Circular was issued under the authority of the Texas Government Code, Chapter 783, entitled Uniform Grant and Contract Management. This circular sets standards for obtaining consistency and uniformity among state agencies for the coordinated audit of local governments expending any state awards. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.

2. As of September 30, 2020, the City did not provide any state awards to subrecipients.

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required Based on Audit Financial Statements Performed in Accordance with *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

The 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, 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, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of San Antonio, Texas' basic financial statements, and have issued our report thereon dated March 8, 2021. Our report includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, 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 San Antonio Fire and Police Retiree Health Care Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance 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 CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance Corporation, component units included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, San Antonio Housing Trust Finance 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 these component units or that are reported on separately by those auditors who audited the financial statements of San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, and San Antonio Water System.

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

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BKD, LLP

Houston, Texas
March 8, 2021

Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the *State of Texas Uniform Grant Management Standards* – Independent Auditor's Report

BKD
CPAs & Advisors

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Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited City of San Antonio, Texas' (the City's) compliance with the types of compliance requirements described in the *Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards*, which includes the State of Texas Single Audit Circular (UGMS) that could have a direct and material effect on each of the City's major state programs for the year ended September 30, 2020. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, contracts and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of the UGMS. Those standards and the UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.

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Empowering Business Globally

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

Opinion on Each Major State Program

In our opinion, the City has complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the UGMS. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Houston, Texas
March 8, 2021

Schedule of Findings and Questioned Costs State

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2020

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

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?	_____	Yes	X	None Reported

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in Accordance with the *State of Texas Single Audit Circular?*	_____	Yes	X	No

Identification of major State programs:

Grant Numbers	Name of State Program or Cluster
HHS000288900006	Sexually Transmitted Diseases (STD) Prevention and Control Grants
CSJ 0915-12-516, CSJ 0915-12-550, CSJ 0915-12-558, CSJ 0915-12-520	Highway Planning and Construction
00-140438 (TX)	Hurricane Laura
55-00037, 55-000031, 56-000009	Local Park Grant Program
2017CCS-02, 2017CCS-03	Child Care Service

Dollar threshold used to distinguish between Type A and Type B programs: $570,614

Auditee qualified as low-risk auditee?	X	Yes	_____	No

Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2020

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

There are no findings to be reported.

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Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2020

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS

There are no findings to be reported.

Corrective Action Plan
State

CITY OF SAN ANTONIO EST. 1718

Corrective Action Plan
State Grants
Year-Ended September 30, 2020

None

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Summary Status of Prior Year Findings State

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CITY OF SAN ANTONIO EST. 1718

Summary Status of Prior Year Findings
State Grants
Year-Ended September 30, 2020

Finding: 2019-001
Special Tests and Provisions – Confiscated Property – Control deficiency and Non-compliance

Recommendation:
We recommend that the Department follow the specific requirements as outlined in the Interlocal Agreement between the City and Bexar County for all cash seizures or consider modifying the agreement to allow for specific exceptions.

Status:
In Process

The amended Interlocal Agreement was signed by the City and Bexar County in February 2021. The agreement modifies the requirement that dollars be deposited within 30 days of receipt from the County (extended from 15 days).

Responsible Person
Rick Riley, Assistant Police Director
San Antonio Police Department

PASSENGER FACILITY CHARGE REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit Financial Statements Performed in Accordance by *Government Auditing Standards*

BKD
CPAs & Advisors

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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

The 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, 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, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of San Antonio, Texas' basic financial statements, and have issued our report thereon dated March 8, 2021. Our report includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, 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 San Antonio Fire and Police Retiree Health Care Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance 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 CPS Energy, SA Energy Acquisition Public Facility Corporation, San Antonio Bexar County Soccer Public Facility Corporation, and San Antonio Housing Trust Finance Corporation, component units included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, San Antonio Housing Trust Finance 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 these component units or that are reported on separately by those auditors who audited the financial statements of San Antonio Early Childhood Education Municipal Development Corporation dba Pre-K 4 SA, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, San Antonio Fire and Police Pension Fund, San Antonio Fire and Police Retiree Health Care Fund, and San Antonio Water System.

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

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BKD, LLP

Houston, Texas
March 8, 2021

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* – Independent Auditor's Report

BKD
CPAs & Advisors

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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

Independent Auditor's Report

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

Report on Compliance for the Passenger Facility Charge Program

We have audited the City of San Antonio, Texas' (the City's) 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, 2020.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions applicable to the City's PFC program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's PFC Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the PFC program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the PFC program. However, our audit does not provide a legal determination of the City's compliance.

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

Opinion on the PFC Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the PFC program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the PFC program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the PFC program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Houston, Texas
March 8, 2021

Schedule of Revenues and Expenditures of Passenger Facility Charges

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CITY OF SAN ANTONIO, TEXAS
SCHEDULE OF REVENUES AND EXPENDITURES OF PASSENGER FACILITY CHARGES
Year-Ended September 30, 2019 and Each Quarter During the Year-Ended September 30, 2020 with Cumulative Totals as of September 30, 2019 and 2020

	SEPTEMBER 30, 2019 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, 2020 TOTAL	SEPTEMBER 30, 2020 PROGRAM TOTAL
Revenue:							
Collections	$ 254,321,869	$ 3,959,648	$ 5,674,441	$ 758,936	$ 705,306	$ 11,098,331	$ 265,420,200
Interest	8,286,596	153,088	160,503	107,076	109,820	530,487	8,817,083
Total Revenue	$ 262,608,465	$ 4,112,736	$ 5,834,944	$ 866,012	$ 815,126	$ 11,628,818	$ 274,237,283
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	19,267,382		180,930		980,188	1,161,118	20,428,500
Project ID 1.11-Reconstruct Per. Rd.	464,840						464,840
Application 03-02-U-00-SAT							
Project ID 1.10 Concourse B	112,232,778		105,575		4,442,385	4,547,960	116,780,738
Application 04-03-U-00-SAT							
Project ID 1.1 Residential Noise Attenuation	15,203,435		5,000		706,408	711,408	15,914,843
Application 05-04-C-00-SAT							
Project ID 4.1 Terminal Elevated Roadway	28,212,722		95,957		1,297,844	1,393,801	29,606,523
Project ID 4.2 Central Plant Upgrade	6,877,297		3		294,572	294,575	7,171,872
Project ID 4.3 Apron Replacement	2,626,224		8,495		76,169	84,664	2,710,888
Project ID 4.4 New Utilities -Terminal Expansion	8,573,972		7		322,801	322,808	8,896,780
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	27,468,205		2,335		1,040,226	1,042,561	28,510,766
Project ID 5.2 Runway Safety Action Team (RSAT)	824,376						824,376
Project ID 5.3 Runway 21 Extension	5,737,978						5,737,978
Project ID 5.4 Taxiway R Extension	631,259						631,259
Total Disbursements	$ 232,922,875	$ -	$ 398,302	$ -	$ 9,160,593	$ 9,558,895	$ 242,481,770
Net PFC Revenue	$ 29,685,590	$ 4,112,736	$ 5,436,642	$ 866,012	$ (8,345,467)	$ 2,069,923	$ 31,755,513
PFC Account Balance	$ 29,685,590	$ 33,798,326	$ 39,234,968	$ 40,100,980	$ 31,755,513	$ 31,755,513	$ 31,755,513

Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges

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Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges

Year-Ended September 30, 2020

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, 2020

Schedule of Revenues and Expenditures of Passenger Facility Charges

The accompanying schedule of revenues and expenditures of passenger facility charges presents the revenues received from Passenger Facility Charges and expenditures incurred on approved projects on the cash basis of accounting.

Revenues received and expenditures spent on approved projects in the accompanying schedule agree to the Passenger Facility Charge Quarterly Status Reports submitted by SAT to the FAA.

Schedule of Findings and Questioned Costs Passenger Facility Charges

Schedule of Findings and Questioned Costs
Passenger Facility Charge Program
Year-Ended September 30, 2020

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.	___ Yes	___ No	_X_ N/A

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO PASSENGER FACILITY CHARGE PROGRAM

There are no findings to be reported.

Summary Status of Prior Year Findings Passenger Facility Charges

Summary Status of Prior Year Findings
Passenger Facility Charge Program
Year-Ended September 30, 2020

None

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CITY OF SAN ANTONIO, TEXAS